

DEVELOPING RESPONSIBLE LEADERS

SHARING INFORMATION ON PROGRESS REPORT 2014

SCHOOL OF BUSINESS - REYKJAVIK UNIVERSITY

PRME Principles for Responsible
Management Education



HÁSKÓLINN Í REYKJAVÍK
REYKJAVIK UNIVERSITY

CONTACT INFORMATION



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A WORD FROM THE DEAN

The well-being of business is tightly linked to the well-being of society. By making responsible decisions and attending to the future needs of people, society and the environment, businesses can make a difference. The role of business schools in developing leaders and managers that make responsibility and sustainability a priority is vital.

At Reykjavik University (RU) we believe we can make a difference. At the heart of our ethos is the “we care” element. We sincerely care about the well-being of our students, about our role in promoting responsibility and sustainability, and about having a positive impact on our society and the environment.

At RU’s School of Business responsible management is a priority. We are committed to continue to improve, to lead by example and to have a lasting impact on our students. Our goal is to develop leaders and managers that can be trusted with the future prosperity of businesses, society and the environment.

Renewal of commitment

As an institution of higher education committed to the development of current and future managers, Reykjavik University School of Business remains committed to the continued implementation of PRME’s Six Principles throughout our institution. We will report on progress to all our stakeholders and exchange effective practices related to these principles with other academic institutions.

Dr. Þórunn Jónsdóttir,
Dean of the School of Business at Reykjavik University

PRME



MISSION & BELIEFS

REYKJAVIK UNIVERSITY

Role: The role of Reykjavik University is to create and disseminate knowledge to enhance the competitiveness and quality of life for individuals and society, guided by good ethics, sustainability and responsibility.

Mission: The mission of Reykjavik University is to be a strong teaching and research university with emphasis on technology, business and law.

Core activities: The core activities of Reykjavik University are teaching and research with strong ties to industry and society, emphasising interdisciplinary work, international context, innovation and service excellence. The RU culture is crafted by personal relations and respect for society and the environment.

ABOUT

About: Reykjavik University (RU), Iceland's largest private university, is a dynamic international university with over 3500 students, offering a first-rate education in one of the most unique countries in the world. The University is committed to academic excellence and is known for its outstanding teaching and excellent relations with Icelandic industries and public institutions.

The University comprises four Schools: the School of Business, School of Computer Science, School of Law, and School of Science and Engineering. We presently offer 20 Master's programmes and several PhD programmes taught entirely in English. A number of undergraduate modules are furthermore taught in English. The University is renowned for its programmes in the field of sustainable energy (Iceland School of Energy), which are offered in collaboration with industry experts in Iceland.

SCHOOL OF BUSINESS

Mission: RUSB's mission is to create, disseminate and apply knowledge to enhance the competitiveness and quality of life for individuals, organisations and society.

Focus: Combining outstanding teaching, research excellence, industry relations, great people and ambition, RUSB is an internationally accredited school of management with a "we care" attitude.

We care: RUSB develops responsible business administrators, managers and leaders that care. As an institution, we foster that sense of responsibility by leading by example; talking about the importance of taking responsibility, awareness and integrity; and by walking the talk.

ABOUT

About: Reykjavik University's School of Business enjoys a strong position among business schools in Iceland: its students praise the learning experience offered by the School and do well in the labour market, the School conducts cutting-edge research and publishes in international peer-reviewed forums. Last, but not least, the School's faculty and staff have been ambitious and agile in responding to changes and challenges, which has helped the School adapt to a difficult economic environment in recent years.

RU business programmes emphasise an applied approach with a firm academic foundation. At present, the School offers programmes of study in EPAS accredited Business Administration (BSc), Psychology (BSc), Clinical Psychology (MSc), eight different Master's level degrees on subtopics of business administration, an AMBA accredited MBA programme and a PhD in business administration. The student body consists of approximately 600 undergraduates and 300 graduate students.

Close collaboration with businesses and industry, practical projects and internships give our students a competitive advantage in the labour market. Among lecturers are many professionals from affiliated industries as well as visiting faculty from well-known international universities.

The School of Business emphasises quality of teaching, innovation, international scope and good relations to students. We aim to strengthen students' initiative as well as building a strong/solid theoretical foundation and specialised skills and knowledge.

THE IMPORTANCE OF THE PRME COMMITMENT

PRME is the leading global platform for open dialogue and collaborative learning on responsible management and leadership education. Participating institutions of higher education commit to working towards PRME's Six Principles, which can be seen on the opposite page.

Launched at the 2007 UN Global Compact Leaders' Summit in Geneva, the Principles for Responsible Management Education (PRME) initiative is the first organised relationship between the United Nations and business schools, with the PRME Secretariat housed in the UN Global Compact Office, as can be read on PRME's official webpage unprme.org.

The mission of PRME is to inspire and champion responsible management education, research and thought leadership globally.

The Six Principles of PRME are inspired by internationally accepted values, such as the United Nations Global Compact's Ten Principles, and provide an engagement structure for academic institutions to advance social responsibility through incorporating universal values into curricula and research. They seek to establish a process of continuous improvement among institutions of management education in order to develop a new generation of business leaders capable of managing the complex challenges faced by business and society in the 21st century.

Our commitment to PRME supports RU's broader mission as a university to create and disseminate knowledge to enhance the competitiveness and quality of life for individuals and society, guided by good ethics, sustainability and responsibility. The PRME framework provides an internationally supported structure for developing responsible leaders who will have a positive influence on business and society. The global network of PRME signatories provides valuable benchmarking for our implementation efforts at RU, as well as access to a myriad of shared ideas for creating the next generation of responsible leaders.

We live in a fast-changing world that is economically and environmentally fragile, in which the well-being of many individuals is at stake. As an institute of higher education, we are committed to doing all that is in our power to educate future leaders that care.



PRME'S SIX PRINCIPLES

1 Purpose

We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

2 Values

We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

3 Method

We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

4 Research

We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

5 Partnership

We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

6 Dialogue

We will facilitate and support dialogue and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global responsibility and sustainability.

PRINCIPLE 1 METHOD

We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

In the context of a globalised world, recent financial crises and environmental constraints, there is a need for leaders who believe in and think about a sustainable future and the well-being of current and future generations. Reykjavik University School of Business (RUSB) educates future leaders and knows what responsibility that entails. Prior to PRME affiliation, faculty and staff at RU had refocused the School's mission to incorporate responsible management into the fabric of our institution and into the education we provide. While there is more to do, some significant steps have been taken.

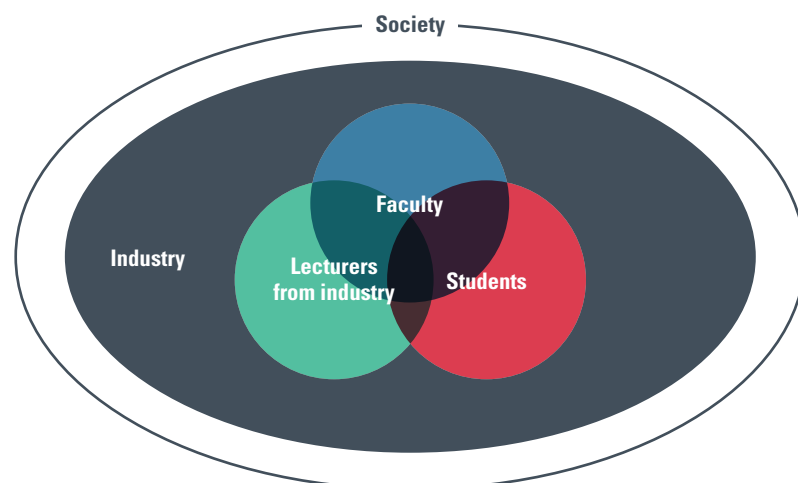
In late 2011, a new mission statement was developed in wide collaboration with faculty and staff. It defines the role and mission of Reykjavik University:

“The role of Reykjavik University is to create and disseminate knowledge to enhance the competitiveness and quality of life for individuals and society, guided by good ethics, sustainability and responsibility.”

RUSB is dedicated to fulfilling its role and aims to develop responsible professionals and managers who care about the well-being of their colleagues, companies and society at large.

In October 2011, Reykjavik University signed a cooperation agreement with Festa, the Icelandic Centre for Corporate Social Responsibility, to build and maintain knowledge about CSR in the Icelandic business community. Both organisations agreed to explore continued opportunities to increase academic knowledge about CSR and sustainability and how that knowledge can be communicated.

In June 2013, faculty participated in an effort to define the key pillars of the School of Business's mission. One of the pillars articulated was a “we care” attitude. Faculty and staff are committed to continuing to practice the “we care” attitude that has been part of the Reykjavik University ethos since its founding. This attitude entails caring about students and their professional growth.



The School of Business is determined to make responsibility, integrity and collective well-being an integral part of its ethos, all curriculum development and intended student learning outcomes.

- Dean's message 2013

Working with PRME

As an extension of this mission, RUSB management started working with the PRME principles in the fall of 2012. They found that the faculty already shared their enthusiasm for the principles of PRME. Many had increased their focus on CSR and business ethics in their research, teaching, and work with industry, across their different fields. It was thus no surprise that “increased focus on critical thinking skills, responsible management education, business ethics and CSR” was one of three top priorities set for the School of Business by the faculty in a brainstorming strategic exercise in the spring of 2014. The interest in providing responsible management education comes not only from RUSB leadership, but also from the bottom up, requiring less emphasis on creating buy-in and more focus on what the School can do to best promote this principle in practice.

RUSB can influence industry and society at large in various ways. RUSB promises to do so in the most responsible way possible and with integrity.

The faculty discussion also revealed a shared view that a single course on CSR and business ethics would not be enough to achieve this mission. Instead, the practice of responsible management education should be woven into all the curricula and elements of critical thinking practiced in all courses. In the process of acquiring EPAS accreditation for the undergraduate programme and the AMBA accreditation for the MBA programme, we increased our focus on making responsibility and critical thinking part of the learning outcomes of the programmes and of individual courses.

After joining PRME, RUSB created a more formal channel for its responsible management education priorities so we could track what we are doing, encourage increased focus on CSR and business ethics, and develop effective goals on where we want to be heading. A project coordinator was hired, supported by a task force that is composed of faculty, representatives from Festa, and school leadership. The task force helps set the goals and focus, while recognising that true transformation of management education best happens gradually and incrementally.

RUSB was a signatory of the PRME Nordic Chapter in December 2013. The PRME Nordic Chapter has the aim to build a network based on further promoting the “cooperative advantage” of the Nordic business context. It aims to help translate and implement PRME in the local context and to leverage the strength of the existing UN Global Compact Nordic Network. Furthermore it will build a communication forum where the members of the network can share information on their projects.

Reykjavik University and the School of Business are dedicated to leading by example on working towards an inclusive and sustainable economy. We have developed and we follow a strong code of ethics, an environmental strategy, and a human resource strategy that highlight our commitment.

The School of Business leadership and faculty believe in the purpose of PRME and that by working towards the Six Principles RUSB can make a difference by reaching students through teaching, research and in direct collaboration with industry and society. Our work towards the remaining PRME principles is illustrated in the subsequent chapters, covering both our progress to date and the objectives and goals we have set for the future.



THE MBA OATH

AS A BUSINESS LEADER I RECOGNIZE MY ROLE IN SOCIETY.

- My purpose is to lead people and manage resources to create value that no single individual can create alone.
- My decisions affect the well-being of individuals inside and outside my enterprise, today and tomorrow.

Therefore, I promise that:

- I will manage my enterprise with loyalty and care, and will not advance my personal interests at the expense of my enterprise or society.
- I will understand and uphold, in letter and spirit, the laws and contracts governing my conduct and that of my enterprise.
- I will refrain from corruption, unfair competition, or business practices harmful to society.
- I will protect the human rights and dignity of all people affected by my enterprise, and I will oppose discrimination and exploitation.
- I will protect the right of future generations to advance their standard of living and enjoy a healthy planet.
- I will report the performance and risks of my enterprise accurately and honestly.
- I will invest in developing myself and others, helping the management profession continue to advance and create sustainable and inclusive prosperity.

In exercising my professional duties according to these principles, I recognize that my behavior must set an example of integrity, eliciting trust and esteem from those I serve. I will remain accountable to my peers and to society for my actions and for upholding these standards.

This oath I make freely, and upon my honor.

Testimony:

The MBA oath was created by the students for themselves and signing this oath has become an integral part of graduating from the MBA programme.



“Our goal is to develop responsible leaders who will have a positive influence on business and society”.

- Kristján Vigfússon, Director of MBA programme

PRINCIPLE 2 VALUES

We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the UN Global Compact.

“We seek knowledge with openness and objectivity and emphasise professional work methods, critical thinking and factual reasoning.” - From RU code of ethics.

The Dean’s message has been clear: we want to graduate responsible leaders and managers that care. Many positive initiatives are underway, and the School of Business is making systematic changes, beginning with the School itself. We want to be authentic leaders and act as role models for our students and to industry. Some of the steps taken by RU to live by and fulfill the UN Global Compact principles are highlighted on the opposite page.

The Dean has set forward the following message with regard to social responsibility and the aim of developing responsible professionals and managers:

- **Lead by example**
- **Develop a dialogue with students about awareness and integrity**
- **Measure progress**
 - **Make responsibility and sustainability an integral part of a programme’s learning outcomes**
 - **Social responsibility/sustainability awareness of students and faculty**

Undergraduate students, Ásdís Sturlaugsdóttir and Kristjana Bjarnþórsdóttir wrote a thesis in the spring of 2014 on how teachers at business schools in Iceland view business ethics education and their role within it.



- Their key findings include:
- Teachers agree that universities bear responsibility for increasing students’ ethical awareness, a view particularly strong among the teachers at RUSB.
 - Teachers in many schools have not increased the prevalence of business ethics in their course after the financial crises.
 - Teachers cite lack of time as the main reason why they have not increased the emphasis on business ethics, followed by lack of training and skills to teach business ethics effectively.
 - Teachers believe that business ethics should be both a core course and a focus interwoven into other subjects throughout the programme.

RU ON UN GLOBAL COMPACT

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of **human rights, labour, environment and anti-corruption**. By doing so, business, as a primary driver of globalisation, can help ensure markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere. (www.unglobalcompact.org/ 9.10.2014). Below are some highlights of the steps taken by RU.

From the human resource strategy:	Supported by:
Diversity and inclusion	
<p>We emphasise:</p> <p># creating an international workplace that celebrates diversity and is characterised by respect for individuals and their different activities.</p> <p># recruiting a diverse group of employees.</p>	<p>RU language strategy</p> <p>Icelandic and English are the official languages of Reykjavik University. The aim of this strategy is to give each language equal prominence. Furthermore, the aim of the strategy is for an effort to be made to fulfill the needs of those employees who have difficulty in understanding or expressing themselves in Icelandic and those who have difficulty understanding or expressing themselves in English.</p> <p>Student with disabilities</p> <p>Reykjavik University aims to create conditions for student with disabilities to actively participate in all activities.</p>
Equality	
<p>We emphasise:</p> <p># creating equal opportunities for career progression and salaries, and that people are not discriminated against on the basis of gender, age, religion, ethnicity, race, disability, sexual orientation, political opinion or other subjective factors in accordance with RU’s code of ethics and equality programme.</p> <p># providing fair and competitive salaries and benefits.</p>	<p>Equality programme</p> <p># Reykjavik University is a positive and tolerant community that is open to different individuals and embraces the diversity which they have to offer. Reykjavik University shall be a place of equality and mutual respect among employees and students who shall be treated fairly and enjoy equal opportunities.</p> <p># The aim of this equality programme is to ensure equal conditions and opportunities for employees and students at Reykjavik University irrespective of gender, age, religion, nationality, race, disability, sexual orientation, or political view and prevent discrimination or harassment on the basis of these or other irrelevant factors.</p>
Well-being	
<p>We emphasise:</p> <p># not tolerating bullying or sexual harassment”</p> <p># general wellbeing at work</p> <p># that employees feel they can balance work and family responsibilities</p> <p># support for a healthy lifestyle”</p>	<p>Strategy for responding to notifications and complaints concerning bullying and sexual harassment</p> <p>According to the strategy, individuals can free of charge consult an outside professional to guide them through the process within RU.</p> <p>“# Last academic year a special emphasis was put on well-being. Lunch lectures were given on issues ranging from health, happiness to personal finances. An occupational health and safety expert offered personal health measurement interviews for employees, measured weight, BMI, blood pressure, cholesterol, blood suger, physical activity and emotional health.</p> <p># Staff get financial support for fitness training.”</p>



“The objective of the well-being programme for employees at Reykjavik University was to implement the health policy, which included, among others, increasing knowledge and understanding of the benefits of a healthy lifestyle; encouraging behaviour change, for example, in relation to healthy eating and physical activity; and reminding employees to be aware of their mental health”.

Póra Björk Eysteinsdóttir, HR advisor

STUDENT ORGANISATION MOBILISES STUDENTS AND STAFF DURING THE EUROPEAN MOBILITY WEEK

For one week in September, Reykjavik University participated in the European Mobility Week. The aim was to reduce the use of private cars and facilitate transportation to and from school. Everyone that came to school this week on a bike, on foot, by bus or by carpool was given lottery tickets. Each day at lunch time, a lottery winner was announced. In contrast, those who drove to campus alone were forced to park farthest away, with the closest spaces reserved for carpoolers.

That week, students also lobbied for better public commuting options to and from the University.

European Mobility Week 2014 aims to re-evaluate the way we think about urban space and to explore the relationship between land use and quality of life. This year’s slogan, “Our streets, our choice”, encourages people to create the city they want to live in. The initiative is a great opportunity for students, staff and other stakeholders to think about how they want the area around the University to develop as the school grows and student population increases.

“This is a great opportunity for students to show social responsibility in action. Other goals of the project are to combat climate change and road congestion and, not to be forgotten, the positive effects of a healthy lifestyle and savings”, says Andri Sigurðsson, president of the student organisation.



Evidence of the values of social and corporate social responsibility can be found in many places throughout the curricula of the undergraduate, graduate and MBA programmes as well as in other academic activities, for example:

- Business ethics is part of the knowledge objectives of the learning outcomes for the BSc and Master’s programmes, and critical thinking is a crucial part of skills objectives.
- Students are introduced to the PRME principles as early as orientation, when incoming new students are asked to discuss a mini case on social responsibility and business ethics. The case was used to help students recognise that the diverse fields of study within business education are deeply interconnected in practice, and that critical thinking and business ethics can never be separated from the management decisions they will be asked to make.
- RU is uncompromising in its commitment to high-quality scholarly work and integrity in all conduct for both staff and students. One important aspect of high-quality scholarly work includes respect for copyright and the full participation of all members in work groups. The University has created a code of conduct regarding student assignments, as well as processes to deal with any violation, including plagiarism.
- The student organisation (SFHR) selects a social issue to focus on each year. Last academic year a group organised fundraising and awareness events for a local charity, with the goal to repeat similar events annually. This academic year, students participated in the European Mobility Week, encouraging sustainable transportation to and from the University.
- Research in the business ethics and CSR field is blooming – see the discussion in the section “Principle 4: Research”.
- The course Entrepreneurship and Starting New Ventures awarded students a prize for the best business plan and another for the business plan that was the most socially responsible, resulting in more social enterprise business plans and more attention focused on social responsibility in other business plans.
- The MBA programme set a goal of gender equality and has worked hard to reach an equal number of high-quality students and teachers of both genders. The AMBA accreditation committee highlighted that the percentage of RUSB MBA female graduates (46%) was exceptional.
- Undergraduate students are showing an increased interest in writing theses on corporate social responsibility, business ethics, and related topics. In this lies a great opportunity to match student projects and companies together, supporting businesses in achieving their social responsibility objectives and helping students see how firms overcome the challenges along the way.

While RUSB teachers, students, and leaders share a commitment to the principles of responsible management education, our next steps are to communicate better the support from leadership and to provide assistance to those teachers who are interested in including more business ethics in their otherwise responsible course. Partial monitoring of the prevalence of ethics, responsibility and sustainability throughout our curriculum of different study lines in the undergraduate and graduate programmes has been started. Other initiatives are discussed in the section “Principle 3: Method”.

After completing an MBA students will be able to...

...Incorporate into their business decisions an awareness of social responsibility, legal and ethical requirements, and effective corporate governance.

- MBA learning outcomes

PRINCIPLE 3 METHOD

We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

RUSB has taken important steps to create educational frameworks, materials, processes, and environments for responsible management education such as meeting with teachers to discuss how they can improve their courses to include more focus on responsible management and a growing number of internships in which students get to practice their skills. The management team continues to encourage teachers to work with industry and provide real-life cases and projects for students to solve. RUSB will work toward institutionalising those processes and increase awareness of PRME among students and teachers.

To oversee and guide our PRME-related activities, a PRME project coordinator was recently hired and a task force was formed. The task force is composed of the Dean, a representative from Festa (Icelandic Centre for Corporate Social Responsibility), two faculty members and the project coordinator. It meets twice each semester, with an additional meeting with the programme directors once or twice a year. The task force sets the strategy, aims and goals for the School of Business and acts as a support to the project coordinator.

One of the main goals set forth by the task force is that ethical business practices, social responsibility and critical thinking be integrated into the education at bachelor’s and Master’s level and in the Executive and Continuous Education programme.

RU teachers are overwhelmingly of the opinion that ethics should be an integral part of a business school education. And nearly all agree that business school students should acquire the skills to deal with ethical dilemmas in business in their studies*.

A course on business ethics and corporate social responsibility is now mandatory in both the BSc programme and the MBA programme. In the Master’s programmes, the subjects are covered extensively in the strategic management course, as well as in a couple of other courses.

“Managers suggest that business schools should increase students’ fundamental understanding of business ethics, strengthen their values, and allow for much stronger personal development. Business schools should provide students with ethics education and training across disciplines.”

- From Manager’s Views on Ethics Education in Business Schools: An Empirical Study

In the BSc programme two elective courses are offered: Business Strategies for Sustainable Development (BSSD) and Nordic Baltic Perspective on Marketing (NBPM). Both are joint courses in the NordBiz network of seven universities from the following countries: Iceland, Denmark, Sweden, Finland, Norway, Estonia and Lithuania. BSSD is funded by NordPlus and deals with paradoxes and unintended consequences for companies in dealing with sustainability issues. NBPM is funded by the European Union and deals with various marketing issues and their differences or similarities in the participating countries and introduces the Nordic perspective on marketing. In both cases the overall aim is to give students the opportunity to work in a multicultural environment and create their own Nordic business network.

To date, not all teachers have incorporated business ethics as fully into their curriculum as they believe is warranted by the importance of the topic. Changing a curriculum takes time. Teachers suggest additional relevant cases would be very beneficial. They, along with hiring managers, believe that real-life cases are the best tools to teach RME, as they require critical thinking and train students in expressing their views.

Various resources are available for teachers to incorporate this important content into their courses. In addition to adding a responsible management angle to existing cases, many textbooks include chapters that can be used. In recent months, our teachers have begun to innovate and create new modules that may prove to be replicable.

In an organisational behaviour course in the Master’s level programme and in a personal development course in the MBA programme, Assistant Professor Auður Arna Arnardóttir asked the business ethics teacher to co-teach modules based on the Giving Voice to Values curriculum, in which students explore their own values in deciding how they would act in certain dilemmas. Given the success, we hope to replicate this teaching method in more courses and programmes.

At Faculty Meetings and meetings with part-time lecturers, the Dean has emphasised the importance of responsible management

education in her welcoming speech, and encourages teachers to start by leading by example.

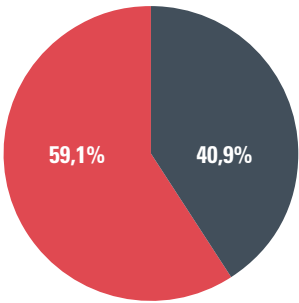
The PRME project coordinator has begun to work with the programme heads to put increased attention on this work. Together, the coordinator and programme heads analysed which courses are most suited to include responsible management education. The coordinator and programme head then will meet with relevant teachers of those courses and discuss how business ethics, corporate social responsibility, sustainability and training in critical thinking can be added to the syllabi and course material, and to include those elements in their learning objectives. With this increased attention, it is our hope that teachers will feel the support and the importance that RUSB leadership puts on ethics, social responsibility and sustainability.

In the research article „Managers’ Views on Ethics Education in Business Schools: An Empirical Study” published in the Journal of Business Ethics in 2014 by Throstur Olaf Sigurjonsson, Audur Arna Arnardottir, Vlad Vaiman and Pall Rikhardsson, managers were asked to suggest what could be done to provide students with the necessary support to acquire skills to solve ethical dilemmas. Results showed that managers emphasised “... internships, stand-alone assignments and empirical research”. Managers further call for closer collaboration between industry and business schools, showing their readiness “to assume a more active role in strengthening students’ training in working with business ethics”. This information encourages RUSB to reach out to industry to help provide the opportunities for students to study and learn from.

In addition to tracking the creation of responsible management education, we are interested in creating responsible managers. Some faculty members are very interested in measuring the effect that RUSB’s PRME focus has on students over time and looking for the methods that are most effective. The first step was a comprehensive survey for all first-year students of Reykjavik University (the other schools acting as a comparison group). The study will be repeated for the next couple of years.

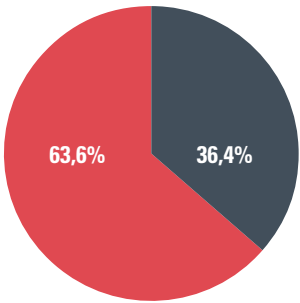
It is a responsibility of business schools to help their students become more socially responsible and ethically sensitive

● Agree
● Strongly agree

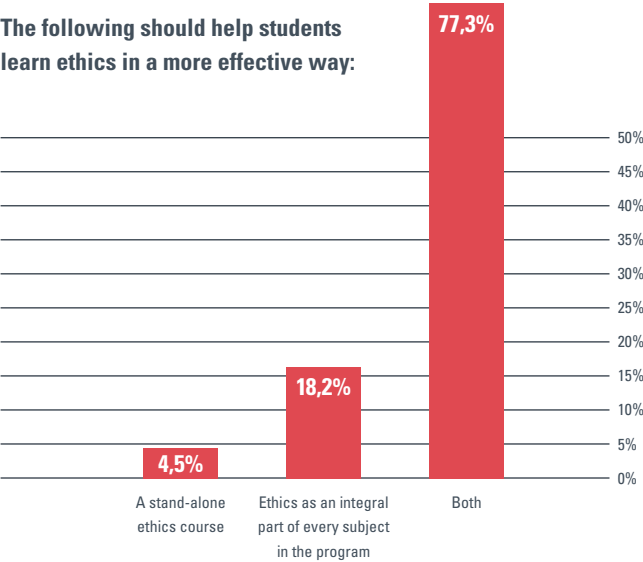


Students should be trained to solve ethical business dilemmas during their education.

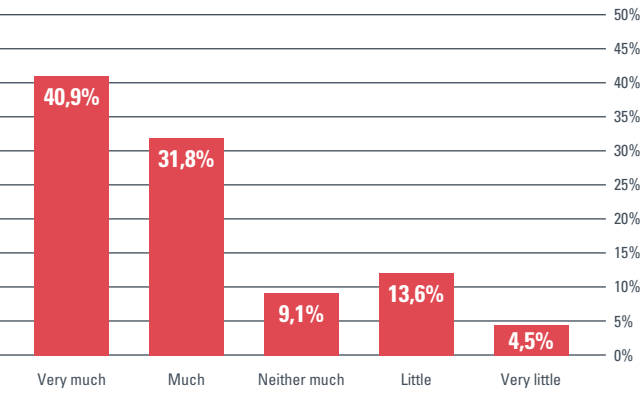
● Agree
● Strongly agree



The following should help students learn ethics in a more effective way:



How much/little interest do you have in teaching ethics in your course?



*The data presented are part of the data Ásdís Sturlaugsdóttir and Kristjana Bjarnþórsdóttir collected for their BSc thesis in the School of Business in the spring of 2014.

“Students are encouraged to seek out ideas which they can turn into a sound business plans. Their business plans should reflect corporate and socially responsible values. Overall this is important in terms of ensuring progress in the business society in terms of sustainability, ethics and overall constructive values and practices”.

Hrefna Sigríður Briem, Director of BSc. Program



ENTREPRENEURSHIP AND STARTING NEW VENTURES

Each spring, first-year students from the School of Business, School of Science and Engineering and School of Law at Reykjavik University take a mandatory three-week course called Entrepreneurship and Starting New Ventures. Each team, composed of students from each School, comes up with a business idea and develops a business plan.

In 2014, an award was given for the first time for the business plan idea with the biggest focus on social responsibility. Here are highlights of the winning team and a few of the other ideas that emphasised being responsible ventures.



Skottið - The Tail

Received the award for social responsibility

Team members: Edda Sif Oddsdóttir, Ebba Margrét Skúladóttir, Agnes Ósk Marzellíusardóttir, Friðrik Hover, Vladimir Omelianov and Sigurbjartur Sigurjónsson.

About the project: The business idea is to create a daycare for dogs in the greater capital area that is also a venue for disadvantaged or troubled youth to work with animals. Dog owners often have to keep their dogs at home alone for long stretches of time. Dog daycare would allow more people to own dogs and would improve the quality of life for the dogs. At the same time, many groups could benefit from being allowed to spend time with animals. Numerous studies show that dogs can increase well-being and relieve anxiety among children and youth, including children with learning disabilities. Working with these groups can be woven into the activities of the daycare, and may even provide paid work for disadvantaged youth.



APP for food intolerance

Team members: Hafsteinn Esekíel Hafsteinsson, Anton Ívar Róbertsson, Katrín Sara Hinriksdóttir, Brynhildur Ýr Ottósdóttir, Arna Harðardóttir, Póra B. Sigmarsdóttir and Pórdís Ólöf Viðarsdóttir.

About the project: All Alert is a smartphone application for people with food allergies or food intolerance. Customers scan in the bar code of the product they are thinking of purchasing with the camera in their smartphone, and an alert will pop up if the ingredients contain any of the allergens the customer has chosen to be alerted about.



NaviTech

Team members: Halldór Guðni Traustason, Haukur Sigurgeirsson, Hákon Garðar Þorvaldsson, Röskva Vigfúsdóttir, Svanhildur Kamilla Sigurðardóttir and Mikael Ingason.

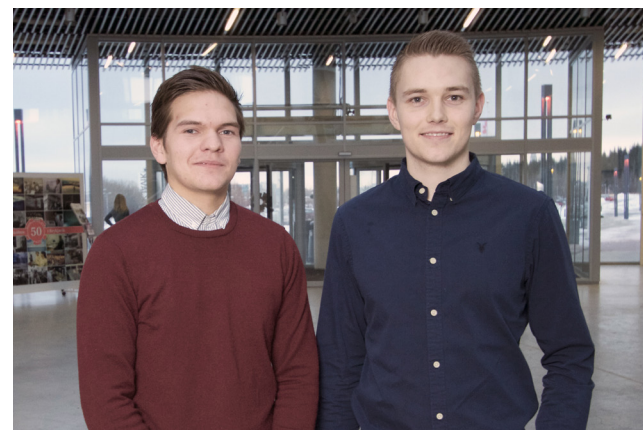
About the project: NaviTech develops a safety wristband with a GPS location device for sailors. If a sailor falls overboard, the wristband sends a distress signal to the captain and to rescue responders on land. An appropriate rescue plan is immediately activated, and the GPS allows the sailor's location to be detected more easily.



Bleikfisk

Team members: Halldóra Ársælsdóttir, Guðbjörg Erla Ársælsdóttir, Hrannar Guðmundsson, Bergur Ástráðsson, Snorri Nielsson and Birkir Helgason.

About the project: Bleikfisk specialises in fully utilising farmed fish. There is an opportunity in bad utilisation of Arctic charr, where half of the total weight of the fish is thrown away. This unutilised portion can be used in production of quality products from Iceland. The team is cooperating with fish farming companies, processing plants, chefs, quality control, packaging and distributors. The first product will be trout paté for restaurants, hotels and stores. The team intends to take worthless material and create value.



Clean My Recycle

Team members: Jón Haukur Jónsson, Jóhann Halldór Sigurðsson, Bjarni Guðmundsson, Jóhanna Andrea Hjartardóttir and Páll Halldór Schou Georgsson.

About the project: The idea behind Clean My Recycle is to increase public awareness of recycling and encourage more participation for the benefit of the environment. Containers that are not clean cannot be recycled, causing environmental damage and increased disposal fees for companies and organisations. Clean My Recycle produces and sells equipment that allows people to easily clean their containers before disposing of them into the recycling bins. This leads to better recycling of plastic and value creation for the recycling centres as clean plastic has higher resell value.



FIRST-YEAR STUDENT, EBBA MARGRÉT SKÚLADÓTTIR, AWARDED FOR RESEARCH PARTICIPATION

Auður Arna Arnardóttir, Assistant Professor and Pröstur Olaf Sigurjónsson, Associate Professor, got first-year students to answer a comprehensive survey as a first step in a research on how to influence moral courage, moral approbation and self-efficacy of business school students and what type of change in business school students' education has the most effect.

To encourage participation, students that took the survey entered a lottery and one lucky winner received flight tickets for two, sponsored by Icelandair.

PRINCIPLE 4 RESEARCH

We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

The number of faculty working on CSR, business ethics and business ethics education research has grown rapidly in the last decade. The fact that three articles have been published in the Journal of Business Ethics in the last couple of years reflects this increase, especially in light of the fact that the School of Business only has thirteen faculty members with research obligations. The prevalence of research is even greater when other CSR-related topics are added like gender equality in the work force, well-being and work-life balance as well as marketing of healthy food etc. In this report, research projects conducted by a few faculty members and one PhD student are highlighted.

The following are highlights of how a few faculty members are spending at least some of their research efforts on social responsibility-related topics.



Friðrik Már Baldursson - Professor

Current research interests include environmental and resource economics and financial economics. He has published many articles within the field of environmental and natural resource economics. The most recent publication in this category of research is "Price Volatility and Risk Exposure: On the Interaction of Quota and Product Markets", published in Environmental and Resource Economics, 2012, and coauthored with Nils-Henrik M. von der Fehr.



Páll Ríkharðsson - Associate Professor

Research interests include management accounting, information technology, performance management and corporate social responsibility. He has published numerous articles on CSR and corporate environmental management and reporting. One of his most recent publications is "Managers' Views on Ethics Education in Business Schools: An Empirical Study" in Journal of Business Ethics, in May 2014 with Sigurjónsson, T., A. Arnardóttir, V. Vaiman.



Pröstur Olaf Sigurjónsson - Associate Professor

Research interests include strategic management, corporate and business strategy, business modelling, corporate restructuring, CSR and business ethics and corporate governance and social network analysis. He is a first author and co-author of three articles that have recently been published in the Journal of Business Ethics on the role of business schools in ethics education from the perspective of managers and teachers.



Auður Arna Arnardóttir - Assistant Professor

Current research focus is on ethical behaviour and ethics teaching, work-family balance and gender differences. Recent publications include: "Developing Cross-Cultural Competencies in Management Education via Cognitive-Behavioral Therapy" in Academy of Management Learning & Education, and "The Role of Business Schools in Ethics Education: Evidence from Iceland" in Journal of Business Ethics along with Pröstur Sigurjónsson and Vlad Vaiman. She is working on a research project on corporate board selection practices in the wake of gender quota legislation in Iceland.



Katrín Ólafsdóttir - Assistant Professor

Research interests include flexibility of labour markets, especially how labour markets react in a crisis, theory of unions, gender equality in the labour market, collective bargaining and the structure of wages, especially in the public sector, and experimental behavioural economics. She has published articles on the gender wage differences and gender effects of the economic crisis to name a few. Katrín is heading a research project on the status of men and women in the Icelandic labour market. The project is initiated by the task force of the government and social partners on equal wages.



Haukur Freyr Gylfason - Adjunct

Research interests include measures on quality of life and on social capital, social capital and well-being, well-being and unemployment, and dishonesty. His latest publication was “More on gender differences in lying” published in Economics Letters.



Arney Einarisdóttir - Assistant Professor

Director of the Research Centre on HRM. Participates on behalf of RU and Iceland in the international CRANET network. The network is a research collabor-ation between 40 universities and business schools carrying out regular comparative studies of organizational policies and practices in HRM across the world. She also works on research concerning the impact of the economic collapse in Iceland in 2008, HR-related downsizing methods, employee attitudes and behaviours. Publications include “From soft to hard downsizing methods: Flexibility in the public and private sector following the collapse”.



Valdimar Sigurðsson - Associate Professor

Valdimar has conducted numerous research projects on CSR and responsible marketing and social marketing. His focus has been on in-store consumer experimentation and promotion of healthy food and environmental conservation. He is a participant in a couple of research collaborations on consumer behaviour and green marketing, social marketing and environmental conservation. His latest publication on the subject is “Healthy Eating and In-store Experimentation” with M. Larsen and D. Gunnarsson.



Marina Candi - Associate Professor

Director of the RU Centre for Research on Innovation and Entrepreneurship. Her research interests lie in the field of innovation, in particular service innovation, experience-based innovation and business model innovation in technology-based sectors and creative sectors. She serves and has served as a project lead for two research projects funded under the EU FP7 Programme. She is currently the primary PhD supervisor for Kjartan Sigurðsson, whose PhD research is about how organisations can implement CSR strategies and profit or create new business opportunities from being good citizens.

A group of academics have created a string of research on business ethics. Since 2011 they have published three articles in the Journal of Business Ethics.

Weak Business Culture as Antecedents of Economic Crisis

Published 2011 in Journal of Business Ethics by Vlad Vaiman, Throstur Olaf Sigurjonsson, Pall Asgeir Davidsson.

The research investigates whether corruption was partly to blame for the financial crisis of 2008 in Iceland and if so, whether corruption was hidden because of the conventional way of defining and measuring corruption. The research was based on semi-structured interviews and documentation reviews.

Key insights: Corruption in its traditional sense is not the main cause of the financial collapse in Iceland; rather weak business culture, close relationships of business and politics and the lack of proper supervision. A different and possibly more dangerous form of corruption was not captured using the traditional measurement of corruption that focuses on acts of individuals rather than on the overall business culture. Society as a whole was largely unaware of the level of corruption and therefore unable to address it properly.

The Role of Business Schools in Ethics Education in Iceland: The Managers’ Perspective

Published 2013 in Journal of Business Ethics by Throstur Olaf Sigurjonsson, Vlad Vaiman, and Audur Arna Arnardottir.

The research looks at managers’ views towards business ethics domestically and internationally as well as the role of business schools in management education and business education.

This empirical research of 1000 managers surveyed from Iceland’s largest organisations explored four themes: (1) business ethics today, (2) whether the 2008 financial crisis has led to improved business ethics, (3) a self-assessment of business ethics, and (4) the role of business schools in helping businesses enhance the ethical behaviour of employees.

Key insights: The previously published international research literature indicates that businesses have little interest in ethics education and don’t believe much in its practicality (Dyck et al. 2011). But the results of the authors’ research show a different attitude of Icelandic businesses. Managers believe students should have strong ethical standards when entering the workplace; business schools should include business ethics in the curriculum and that the workplace is not where ethics is learned. It is also concluded that there is no significant change in the “ethical atmosphere” of Icelandic businesses since the 2008 financial crisis.

Managers’ Views on Ethics Education in Business Schools: An Empirical Study

Published 2014 in Journal of Business Ethics by Throstur Olaf Sigurjonsson, Audur Arna Arnardottir, Vlad Vaiman and Pall Rikhardsson.

The aim of the research is to investigate the voice of managers that has hardly been heard in the literature on management education on ethics and responsibility. Managers were asked the following questions:

- How do managers view the role of business schools in relation to educating the next generation of managers in business ethics?
- How have business schools succeeded in their quest for providing ethically responsible graduates?
- What, if anything, is lacking in graduates’ ethical capabilities?
- What could business schools do to further strengthen their efforts towards successful business ethics education? And can business schools and industry collaborate in any way in this matter, and if so, how?

Key insights from the research are that there is a clear call from managers for ethics education in business schools, but they believe that business schools have not succeeded in educating ethically responsible graduates. Managers state that business graduates are lacking strong personal values as well as fundamental knowledge of business ethics and the necessary critical thinking to understand when ethical dilemmas arise and to be able to apply their knowledge and to solve dilemmas. Managers furthermore believe that no improvements in this area have been seen since the financial crisis of 2008, which goes hand in hand with local business schools not having altered their curriculum to focus more on business ethics. Managers see that business schools are instrumental for both educating and training future managers within business ethics, and additionally, managers call for closer collaboration with business schools.

This string of research has hence set the background for further research on how to influence moral courage, moral approbation and self-efficacy of business school students, and what type of change in business school students’ education has the most effect.

Another study being launched is an international comparison study of managers’ views towards business school education on business ethics in Iceland, Denmark and China by Sigurjonsson, Arnardottir, Yunxia and Hao.

This string of research is very much supportive to the PRME initiative as it helps identify the needs of the market, teachers’ readiness, and students’ knowledge and in identifying what teaching methods work best in educating responsible future managers. The research also tells us that “[managers] view strengthening business ethics awareness in business students as a collaborative endeavor between business schools and industry” (Sigurjonsson et al. 2014, p10).”



KJARTAN SIGURÐSSON PHD STUDENT

The basic elements in Kjartan’s research on corporate social responsibility (CSR) revolve around CSR as a business strategy, i.e. how can an organisation implement a CSR strategy and make profit from being good citizens. All firms can implement a CSR strategy if they appreciate the people and follow a strategic plan—not only by creating new business opportunities but also by creating a shared vision through implementation of a CSR strategy. Furthermore, CSR can serve as a guiding principle to create differentiation and competitive advantage, and therefore serves to create superior and unique value, which is costly to imitate, and neutralise threats from competitors. However, it is important to be aware that everything an organisation does to create value must be transparent and in line with the commitments promised in the written contract codified in the CSR strategy.

CSR has not reached a single definition and my opinion is that it should stay like that. CSR as a broad term without a single definition has the potential to change the identity of a company through innovation and entrepreneurship, for example, organisations can use the term to change their attitude toward employees, the environment, and how they give back to the society (socially). Therefore, CSR should be flexible and not become rooted into some kind of legalised term.

- Kjartan Sigurðsson

With engaged and interested academic faculty, RUSB hopes to advance understanding and knowledge about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value. Furthermore our collaboration with Festa - Icelandic Centre for Corporate Social Responsibility, will continue to foster this research topic.

PRINCIPLE 5 PARTNERSHIP + PRINCIPLE 6 DIALOGUE

We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

We will facilitate and support dialogue and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Partnerships and dialogue are closely interlinked; therefore we have decided to jointly report on those two aspects.

RUSB prides itself on its strong ties to industry. With a good relationship with industry we can do even more to encourage dialogue among different stakeholders on the important issues of global social responsibility and sustainability.

RUSB has a long tradition of collaborating with Icelandic businesses, both in teaching and research, and the majority of part-time faculty are active members of the business community. RUSB, in collaboration with Festa (the Icelandic Centre for Corporate Social Responsibility), the Executive Education and Continuous Learning and School of Energy, interacts with managers of business corporations to support them in incorporating social and environmental responsibilities. This is done through courses, seminars and conferences for industries, corporations and organisations and with direct counselling.

According to a research conducted by Sigurjonsson et al. in 2014, managers call for closer collaboration between industry and business schools. Research collaboration and retraining employees in business ethics ranked the highest on the managers’ list of ways of collaboration but when asked how business schools could assist business directly in improving their business ethics the answer was, “to provide short seminars and advice” and “assistance in establishing sound procedures in order to prevent ethical misfortunes as well as assist organizations when they have gone down the wrong path”. Both Festa and the Executive Education and Continuous Learning programme are already providing seminars and assistance on the same or similar topics but there is an opportunity to do more.

RU strategy on ties with industry

Reykjavik University emphasises ties with national and international industry, which is based on integrity and mutual respect for the benefits of the entire society. The University takes active part in the shaping and development of industry and society, and works towards satisfying the needs of society for specialised knowledge. These goals are attained through education, research, innovation, development, and participation in discussions on issues arising in society. Furthermore the University emphasises good relations to its alumni and to attend to lifelong learning needs of individuals.

- From RU strategy



ICELAND SCHOOL OF ENERGY

Reykjavik University and RUSB have special ties with the energy industry. In collaboration with Reykjavik Energy and Iceland GeoSurvey, RU has established the Iceland School of Energy, a unique organisation that provides education and research into the field of sustainable energy. Along with its main partners, the Iceland School of Energy collaborates with other leading renewable energy companies in Iceland.



FESTA Icelandic Centre for Corporate Social Responsibility

Reykjavik University is a founding member of Festa, along with six leading corporations. RU and Festa are closely linked through a cooperation agreement. RU provides Festa with facilities within the University and Festa helps RU to strengthen and disseminate knowledge of corporate social responsibility to industry and within the University. The mission of Festa is to raise awareness on CSR among companies and the public as well as supporting companies that want to implement CSR into their business practices.

A strong spirit of collaboration has evolved between Festa and RUSB, in part as the director of Festa, Ketill B. Magnússon, is the CSR and business ethics teacher in the undergraduate and MBA programmes. He has also provided counselling to many other faculty members wanting to include business ethics in their courses and he serves in the RUSB task force for PRME.

- Festa provides a platform for dialogue between different stakeholders on CSR, including companies, NGOs, authorities, media, consultancies, institutions and international bodies, e.g. the EU.
- In 2013 and 2014 Festa has organised six seminars, five workshops, one conference and a number of discussion meetings on CSR for Icelandic companies.
- Festa has since 2013 provided annual competitive funding for research within RU in the field of social responsibility and business ethics.
- Festa currently has 44 company members who have committed to implementing CSR into their business practices.



“Most managers have never had any training in business ethics or CSR in their formal study, in spite of the fact that ethical issues frequently come up in business. The urgency of environmental and social challenges for companies is growing rapidly and so does our knowledge of the nature and methods of CSR. Thus, being aware of these challenges and knowing how to tackle them has become absolutely essential for successful business leaders”.

Ketill B. Magnússon - Director of Festa

EXECUTIVE EDUCATION AND CONTINUOUS LEARNING

The Executive Education and Continuous Learning programme at RU regularly runs conferences, lectures, and events in collaboration with industries, businesses, professional associations and organisations in Iceland. The Executive Education and Continuous Learning programme work closely with corporate and public clients and major professional organisations, designing programmes to serve the excellence of each organisation and the sustainable future of our business community. The aim is to drive effective, immediate and lasting change for clients.

Demand for seminars or modules on business ethics and/or CSR has increased in the last few years and the Executive Education and Continuous Learning programme has been suggesting and adding more modules in the longer programmes on business ethics than ever before. The goal is to increase the prevalence of business ethics and CSR in most if not all relevant programmes.

In many of the longer programmes designed for professional organisations, such as the fishing and tourism industry, participants are learning about management for the first time, and as a faculty member specialising in management explained.

Companies and organisations sometimes hire faculty to follow up on seminars for further consultation. In those sessions, RU faculty always bring up the elements of business ethics and CSR to remind companies not to exclude them.

In many of the longer programmes designed for professional organisations, such as the fishing and tourism industry, participants are learning about management for the first time, and as a faculty member specialising in management explained.



“Teaching different methods and approaches and discussing the advantage of looking at stakeholders in contrast to only shareholders is to teach responsible management. Having a theoretical discussion about management and management practices is especially valuable for professionals who may not have reflected on their management practices in this way before”.

Hulda Dóra Styrnisdóttir, adjunkt



Companies and organisations are eager to collaborate with universities to strengthen business ethics. There is an opportunity for us at RUSB in collaboration with the Executive Education, Festa and the Iceland School of Energy to strengthen their efforts; to foster dialogue and debate among RU’s many stakeholders on issues related to local and global social responsibility and sustainability and to engage managers of business corporations in the discussion and knowledge sharing. There are also ample opportunities for case writing, student projects and internships on the topic of CSR and business ethics in industry that we hope to take advantage of.

“Life is not always as described in the textbooks, hence we are willing to accept students for internship or specific assignments and get them exposed to the difficulty of solving ethical dilemmas.”

“Faculty could bring students in to solve ethical dilemmas, collect data, analyze and present alternatives, material that later could be used for research and teaching purposes”

“Industry need to re-educate its employees in business ethics and business schools should have a stronger role therein”

“Business schools should continue to provide short seminars, which could then lead to advisory assignments and case writing”

“Business Schools should emphasize business ethics research more and collaborate with industry when doing that”

“Business schools could provide businesses with situational assessments on their business ethics, and use the data for research purposes”

“Business schools should follow up on students’ education by collaborating with industry by providing in-house training on business ethics”

Quotes from hiring managers in “The Role of Business Schools in Ethics Education in Iceland: The Managers’ Perspective”. Published 2014 in Journal of Business Ethics by Throstur Olaf Sigurjonsson, Audur Arna Arnardottir, Vlad Vaiman and Pall Rikhardsson.

COMMITMENT TO PRME - KEY OBJECTIVES AND GOALS

Reykjavik University School of Business is dedicated to work towards PRME’s Six Principles. Here are the key objectives for the next couple of years:

Principle 1: Purpose + Principle 2: Values

- Continue to increase teachers’ awareness and knowledge of responsible management education and measure their willingness and commitment
- Develop tools to measure whether RUSB students and future graduates know and believe that RUSB puts great emphasis on responsible management
- Measure students’ knowledge on the topic
- Reach out to alumni
- Strengthen Nordic collaboration
- Take further steps in fulfilling the environmental strategy

Principle 3: Method

- Integrate social responsibility and responsible management education in teaching throughout all programmes
- Create an internal measure of:
 - Teachers’ reports on their efforts
 - Students’ perception of the prevalence of the topic
- Encourage internships and thesis projects on social responsibility
- Continue to be open to effective learning pedagogy through the PRME network

Principle 4: Research

- To encourage further research in the field of social responsibility
- To actively disseminate research in the field to industry and public
- Keep track of development of publications in the field

Principle 5: Partnership + Principle 6: Dialogue

- Be active in the dialogue and debate about global social responsibility and sustainability
- Continue to foster the sense of importance of CSR among corporations
- Increase offering of courses and seminars on CSR and business ethics for industry and organisations
- Encourage cooperation between students and companies on CSR-related projects
- Establish a RU and Festa annual event on social responsibility



DECEMBER 2014