



AARHUS  
UNIVERSITY  
BUSINESS AND SOCIAL SCIENCES



# UN PRME SIP 2014



SIP 2014 from Aarhus University,  
School of Business and Social Sciences



# Welcome to the **PRME SIP 2014** of Aarhus University, School of Business and Social Sciences

School of Business and Social Sciences is a broad business school and one of the four faculties at Aarhus University. The school holds the distinguished AACSB and EQUIS accreditation.

With approx. 14,400 full-time students, several thousand part-time students, almost 250 PhD students and more than 500 faculty members, School of Business and Social Sciences ranks among the largest business schools in Europe. Furthermore, it is the largest business and social sciences unit in Denmark at university level with a broad academic base, encompassing both traditional business disciplines and social science disciplines.

The research-based study programmes offered by the school include highly recognised programmes within disciplines such as economics, finance, accounting, logistics, human resource management, organisation, marketing, management information systems, innovation, entrepreneurship, business communication, law, psychology, public administration and political science. In addition, all academic departments at the school are internationally recognised for their quality of educational and research activities.

The school is also host to a large number

of internationally recognised research centers.

## BROAD BUSINESS SCHOOL

At School of Business and Social Sciences, we pride ourselves in being different than the rest.

Adopting an innovative approach to business education to navigate and seize future opportunities as well as understanding the changing landscape and the market to which the school produces its graduates is a prerequisite for our success and the success of our graduates in their future careers. Educating innovative and responsible individuals with a comprehensive understanding of the complex global world entails a broad outlook on business education.

There is a substantial value that arises, for example, in the interaction between business development, internationalisation, entrepreneurship and regulation on the one hand and political decisions, psychological approaches to consumer and organisational behaviour, cultural understanding, sustainability, laws, demography, etc., on the other. At some point, they will all impact on an organisation's ability to perform in any market and on its ability to develop strategies that will carry it successfully through any obstacle that derives from

increasing globalisation.

School of Business and Social Sciences has recognised this development and sees a potential that has yet to be realised by the majority of business schools operating internationally.

We are convinced that this broad approach to business and business education will lead to responsible leaders of future business, which is the core of the UN PRME initiative. We have supported the PRME since 2009 and we are proud to contribute with our experience and ideas via this report.



Regards  
**Dean, Professor  
Svend Hylleberg**

## MISSION

As a broad business school, our mission is to add value to society by creating knowledge within and across the disciplines of business and social sciences and by educating our graduates to become innovative and responsible individuals with a comprehensive understanding of the complexity of a global world.

## VISION

We aim to be a leading international broad business school through excellent research, talent development, knowledge exchange and research-based education.

# Principle 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**.

The school continuously strives to create value for its stakeholders by educating responsible individuals, developing talent and by sharing research-based knowledge with national and international bodies, institutions and businesses, which is also reflected in its mission.

Being a business school within the Scandinavian context of solidarity, with strong traditions of cooperative movements, government funded youth and adult education, high levels of government regulation, heavily unionised labour markets and deeply ingrained notions of equality and democracy, the values of ethics, responsibility and sustainability are rooted in the culture of both faculty and students. The Scandinavian and Danish values and legal system are built on equality as well as religious and political freedom. As public state institutions, Danish universities are very well regulated by laws in terms of ethical behaviour. All administrative staff and faculty must abide by these rules and are liable to prosecution if they violate these rules.

The school, therefore, has a clear understanding of its role as an ethical and globally responsible contributor with the purpose of creating value for its stakeholders by producing responsible graduates, developing talent and by sharing research-based knowledge with national and international bodies, institutions and businesses which is also reflected in the school's mission, vision and strategic direction.

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### PRINCIPLE 1 IN PRACTICE

The capabilities of our students to be future generators of sustainable values for business and society at large and to work for an inclusive and sustainable global economy were recently demonstrated through a number of renowned global student competitions.

A graduate student from Department of Economics and Business was declared the winner of the International Atlantic Economic Society's Best Undergraduate Paper Competition, which took place 12 October 2013 at a conference in Philadelphia, USA. He won the competition ahead of three undergraduate students from UC Berkeley, Stanford University and University of California, San Diego. It was the second year in a row that the student, who is from Bulgaria, competed in the final, winning second place in 2012. This year, his paper dealt with financial economics, investment in particular, and contributes, among other things, by including an alternative return estimation methodology that departs from the classical mean-variance portfolio optimisation framework. The panel, consisting of 21 judges from all around the world, also focused strongly on the participants' ability to communicate their research.

# Principle 2

## Values

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

The school is working to continuously rethink the design and delivery of some of its programmes to meet the changing expectations of students and employers as well as the nature and focus of business school research in order to deliver new and innovative solutions to global challenges. Such rethinking is imperative if the business schools are to remain at the forefront of the international business school community and play a central role in educating future managers for the private and public sectors.

Educating students to become leaders in an era characterised by great challenges is something the school has been preparing for over the past couple of years, and the recent reorganisation of its academic scope has been a major step in this direction. Issues such as shortage of water, energy and food, as well as the economic crisis, climate changes and increased threats to national and international security all call for new solutions and ways of thinking. They call for leaders who can navigate in a global and very complex environment, who know their classical business curricula but who are also able to see the bigger picture and recognise the responsibility of business in society. This is all manifested in the school's mission statement to educate graduates to become "responsible individuals with a comprehensive understanding of the complexity of a global world".

Consequently, the broad approach to business education is believed to be a model for a modern business school, as

it provides students with the ability to understand the global context in which business is undertaken, and that requires a deep understanding of societal, political and cultural issues, which the social sciences and liberal arts have dealt with for a very long time.

In addition to the broad outlook in programmes and teaching, schools are also challenged to ensure that their research has an impact. The business school community is considered to play a central role in providing solutions to the global economic and societal challenges, as business schools have the capability to produce the type of graduates with skills required by an innovative knowledge-based society. School of Business and Social Sciences believes that its broad approach to business education will both increase its competitiveness and, equally, provide opportunities for strengthened collaborations globally with other business schools and universities.

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### PRINCIPLE 2 IN PRACTICE

The school recognises that moving in a direction of an increasingly global and multicultural society is not entirely unproblematic. To support this movement, a mentor programme has been developed with a focus on social responsibility and the aim to develop students' professional skills and social awareness. During a one-year period, selected alumni will mentor a business degree student. In return, the student will mentor a local refugee or immigrant with the aim of helping him or her become integrated into Danish society. The programme has attracted much interest and is a good example of how the school recognises its broad role in society as a provider of future responsible leaders.

Another example of the students' contribution to wider society is the voluntary Masanga Outreach

Project funded by Danida (Denmark's Development Cooperation) to help promote sustainable health care in one of Africa's most impoverished countries, Sierra Leone. Based on knowledge and experiences from their respective fields of study, the students volunteer from the areas of medicine and business and social sciences developed a thorough strategy for promoting awareness of and engagement among the local population in Sierra Leone in health care initiatives for pregnant women and small children. The Masanga Outreach programme is all about the health. But in order to create a long-term development project, it requires much more than just an awareness of health issues. That is why the programme is a collaborative effort between medical students and students from School of Business and Social Sciences who can contribute with organisational skills and knowledge of statistics, development policies and diplomacy.

# Principle 3

## Method

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

A teaching style focusing on the students' ability to critically analyse problems and be aware of several theoretical or methodological approaches to solving those problems (and know their respective limitations and consequences) is emphasised in all programmes at the school. Deeply rooted in Danish culture and tradition is a didactic approach, which rests on critical and independent thinking, problem-orientation and the recognition of a variety of views. The school is strongly dedicated to improving the methodology and didactics of teaching and learning. These efforts have resulted in the establishment of the Centre for Teaching and Learning (CUL).

Students at the school are familiarised with the concepts of ethics and responsibility already from the bachelor's level. For instance, with a course such as Philosophy of Science and Research Methodology, students acquire a strong basis for creating knowledge, which can form the background for their work with problems in real-life situations. Furthermore, the students learn to assess the quality of the information with which they are presented in their professional lives. This presupposes that they are capable of assessing the philosophical basis and methodological approach of enquiries. In addition, the emphasis of the courses is on the role of science in contemporary society, including among other things, the question concerning research ethics of the social sciences.

At master's level, students are confronted

with several and overlapping approaches and theories to train them to critically reflect on existing practices. Paradigmatic awareness is seen as important for students at this level as well. Following the progression of the programmes, students are expected to form and argue in favour of their own solutions to increasingly complex questions. Several courses and electives focus specifically on cultural diversity and understanding. The school firmly believes that the students' ability to think critically and independently is central to fostering responsible behaviour and understanding of social responsibilities.

A number of courses at both bachelor's and master's level have a specific academic focus on responsibilities for the environment and other communities. Examples of these courses are:

- Research Methodology
- Proactive Management and Proactive Law
- Organising the World
- Standardisation and Sustainability
- Natural Resources and Environmental Economics

In addition, e.g. the subject area of law is taught on the BSc in Economics and Business Administration, BSc in Political Sciences, LL.B., BSc in Economics and Management and various aspects of behavioural science are taught on the BSc in Economics and Business Administration and the BSc in Economics and Management. The common factor for

these programmes and subjects is that they are all related to political, business and/or public institutions, and the students acquire methods, theories and approaches to investigate and handle societal issues.

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### PRINCIPLE 3 IN PRACTICE

The school is continuously focused on further developing its programmes and curriculum to correspond to the needs and demands of the global society.

Moreover, several student associations at the school are specifically focused on global issues. For example, the students' ability to critically analyse problems and be aware of several theoretical or methodological approaches to solving those problems is The Socio-Economic Society (DSS).

DSS is an association for economic students, who are interested in the interaction between economics and society in general. Economic theory provides the basis for almost all politics. Therefore, it is important for economists to understand the potentials and limitations of the theories. The students arrange after-work meetings and debates for students to explore the socio-economic phenomena, as well as questioning the fundamental issues and present alternative solutions.

DSS has participated in the work on the global association "ISIPE", who is fighting for a more sustainable presentation of economics theories, and for a broader presentation of perspectives and methods for all economics students.

# Principle 4

## Research

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

The faculty members at the school are involved in numerous activities for the benefit of both national and international communities.

The school facilitates a proper interdisciplinarity among its research fields as many of the disciplines within the school will have to be imaginatively intercombined to meet the future challenges of society at large. In other words, lessons and approaches from e.g. psychology, communication, politics and law combined with those of marketing, finance, accounting, management and business economics will contribute to keeping the school at the frontiers of knowledge and innovative thinking with the purpose to contribute positively to a sustainable society.

For instance, a professor from the Department of Political Science and Government recently received the prestigious international 2013 IFES Joe C. Baxter Award for his contribution to improving electoral quality in multiple developing democracies and those affected by conflict. He was partly responsible for carrying out the election in South Africa in 1994, which marked the transition from apartheid rule to democracy. In 2014, 20 years since the country was established as a democracy, South Africa is the economic powerhouse of Sub-Saharan Africa and the largest economy in the second largest continent in the world, which is of great benefit for international trade and growth.

As argued in the book by Hardy and

Everett (2013) on Shaping the Future of Business Education: "Multidisciplinary approaches are needed in facing the challenges of business and the role of business in society. The interdependence between business, politics and civil society is increasing and so is the awareness of this interdependency. The world is being shaped by the development of a complex system inter-related dimensions and forces where the emerging economies play an increasingly important role" (p.41).

The innovative research environments that arise at the school will contribute to helping businesses think more broadly about their operations. Fostering a healthy, interdisciplinary openness among faculty members is crucial if the school is to be successful in its endeavours and live up to its mission. Just as the most successful companies are those that adapt to the changing realities of the markets in which they operate, the business schools that thrive are those that can adapt to an evolving landscape of business education influenced by domestic and international market demands.

The school has more than a dozen research centres and two national centres of excellence funded by the Danish National Research Foundation affiliated with the school. All of these are nationally and internationally renowned for their high quality research and all see themselves as part of the international scientific community in regard to publishing and international collaboration.

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### PRINCIPLE 4 IN PRACTICE

In 2013, the school established a new centre Tuborg Research Centre for Globalisation and Firms funded by the Tuborg Foundation. The centre conducts research within the areas of international economics and international business, mapping out the performance of exporters and international firms as well as the policies surrounding globalisation. The centre uses the theories and methods of international economics, industrial organisation, international business and economics at large to study globalisation and the international activity of firms.

Virtual communities have been launched at the school followed by financial incentives with the purpose of establishing research collaborations with as few restraints as possible. The virtual communities are based on the ideas of network collaboration across traditional research areas, organisational units, industries and national borders with the aim of increasing knowledge sharing and understanding of corporations' role in society. So far, two virtual communities have been established:

- Integrating Sustainability – from dialogue to reporting
  - Sustainability and Consumption – Near-Term and Long-Term strategies and interventions.
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# Principle 5

## Partnerships

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**.

Through an on-going focus on establishing and maintaining partnerships with external stakeholders, the school aims to contribute to the sustainable innovation and growth of society and business.

The innovative research environments that arise at the school due to the broadening of the business school scope contribute to making businesses think more broadly about their operations. In addition, by bridging the gap between business and social science disciplines at the school, the researchers will gain insights into how their fields relate to business and wider society and, not least, how business trends and trends in wider society relate to their specific fields of expertise.

The school is further developing this research-driven approach, encouraging interdisciplinarity both between the departments at the school and with other disciplines at Aarhus University for the benefit and further strengthening of its business programmes. By doing so, the school aims to support interdisciplinary research, which most likely will be crucial for attracting research grants and delivering sustainable solutions to social, economic and environmental challenges of the global world.

The school is actively involved in the business community, as it understands that these relationships are fundamental to the development of the school's programme portfolio and its research activities, as well as knowledge creation and knowledge transfer to external

partners and audiences for the benefit of the business community and society at large. The connections take myriad forms, but these activities generally include faculty research partnerships, consulting services and memberships in professional associations and boards, nationally and internationally.

At the school's campus in Herning, SMEs are offered the opportunity to rent office spaces at the campus area. The entrepreneurial spirit of the companies is nourished by the proximity with researchers, students, business promoters and other entrepreneurial companies. By opening the campus to these entrepreneurial companies, the school has created an interesting platform for developing an even stronger relation to the local corporate community.

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### PRINCIPLE 5 IN PRACTICE

The school's campus in Herning will launch a brand new initiative - The Stanford Peace Innovation Lab - Business Model Design and Persuasive Technology - in October 2014. The Stanford Peace Innovation Lab facilitates cutting-edge multi business model innovation within the area of peace innovation in different areas, such as Urban Innovation, Smart Cities, Smart and sustainable Traffic construction, Health Innovation and Energy consumption.

The Stanford Peace Innovation Lab in Aarhus initiates detailed field work within the themes of peace building, environment, energy and health in close cooperation with businesses and other stakeholders in the current transition processes which are caused by global developments and challenges.

During concentrated workshop processes new for-profit peace business models are designed and supporting persuasive technology (e.g. smart phone apps) and economic measures are developed and iteratively tested.

While the actual content of the concrete intervention is of course of great importance, initially, The Stanford Peace Innovation Lab seeks to find mature socio technical solutions and new business models that are economically sustainable and scalable.

A solid solution ideally integrates global, national and regional markets potentials and competences with big data. Conflict boundaries are analysed to create a for-profit peace business model case.

Peace is often seen as a non-profit or policy-related goal, but the significant financial returns from conflict reduction and peace-building mostly accrue to private actors. That is why Stanford Peace Innovation Lab have decided to team up with Aarhus University to strengthen the knowledge and methodologies on multi business model innovation that lift human behaviour design goals to the level of sustained business in real life.

The results and experiments are also expected to be implemented across faculties and departments at Aarhus University.



# Principle 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 social responsibility and sustainability**.

The school puts emphasis in facilitating collaboration and dialogue across academic, organisational and geographical boundaries without compromising the academic freedom of individual researchers, who are the core, persistent assets of the school. At the school, there is a common interest in taking the lead in delivering high-quality research and education, and the school wants to support and improve the conditions for its students and faculty to achieve the school's high and ambitious goals of becoming an attractive partner and contributor to the global community in general.

The school engages actively in dialogue with the surrounding business community and society and provides expert advice to commissions and other agencies at a local, national and international level. The school regards the structured and effective relationship with the business community to be a key feature of its activities.

As illustrated in the mission, the school has a clear understanding of its role of producing graduates that are innovative and responsible individuals with a comprehensive understanding of the complexity of a global world. Thus, the school stresses the significance of developing graduates with a practical understanding of business and management through interaction with business and organisations.

By supporting the UN activities on sustainable development and signing

the Declaration for Higher Education Contribution to Sustainable Development and the six PRME principles, ethical, responsible and sustainable approaches have become embedded in the school's operations.

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### PRINCIPLE 6 IN PRACTICE

A strong example of facilitating and supporting dialogue is the Aarhus Symposium. Aarhus Symposium is a student-driven event with the objective to connect students, the leaders of tomorrow, to key decision-makers and leaders of today, thereby strengthening the ties between the university and the global society. To accomplish this, an annual symposium on a specific theme is held at the university. Here, speakers are invited to share their experiences and insights regarding a specific theme. The participating students and the invited speakers engage in a discussion, achieving the organisation's main purpose: having leaders of today connecting with leaders of tomorrow.

In 2012, the theme was "Global Challenges – Growth and Sustainability", in 2013 "Global Challenges – Leadership and Innovation" and this year (2014) "Global Challenges – Leadership and Strategy".

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# PRiME Principles for Responsible Management Education