



PRME

This is our **Sharing Information on Progress (SIP)**
Report on the Implementation of the **Principles for
Responsible Management Education**

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MESSAGE FROM THE DIRECTOR



PROF PIET NAUDÉ
Director, USB

A handwritten signature in black ink, appearing to read 'P. Naudé'.

As an institution of higher education, dedicated to the development of responsible, competent and ethically responsible managers, the University of Stellenbosch Business School (USB) is committed to the ongoing implementation of the Principles for Responsible Management Education.

This report deviates from the approach that we have taken in the past. At USB we are currently in the midst of piloting and integrated reporting process for the business school that can tie in with our accreditation reports, our reporting obligation to PRME and our accountability to various other stakeholders.

Instead of directly addressing each of the PRME principles, we offer herewith an adapted version of the Integrated Report that we are currently working on. This report should therefore not be viewed as an integrated report, but rather serve as a reflection of the ongoing process of integrated thinking that we are instilling at the USB. Integrated thinking informs our future strategy as new information develops our understanding of what is required from responsible management education.

The report has been structured according to the six capitals model that has become widely accepted as the standard practice in the world of integrated reporting. At the end the six principles of responsible management education is used to summarise the report's content for SIP purposes.

Please regard as a work in progress and an expression of our resolve to practice integrated thinking as we execute our academic task whilst building a business school with a living commitment to ethics, responsibility and sustainability.



EXECUTIVE SUMMARY



PROF ARNOLD SMIT
Associate Professor of
Business in Society
Head, USB Social Impact



This report is derived from an Integrated Reporting (IR) approach that we are currently developing for Stellenbosch Business School. With this report we are exploring the middle ground between our accreditation institutions with their focus on academic standards and quality on the one hand and our various other stakeholders who have an interest in how our teaching and research are of relevance for the challenges they are confronted with in practice.

IR's focus is on value creation for the stakeholders of an organisation. Its building blocks are six forms of capital, namely, natural, human, social, intellectual, manufactured and financial. In the value creation process none of these capitals stand on its own, they all form part of a systemically integrated way of managing an organisation in responsible and sustainable way. Although different sections of the report refers to different capitals, we hope to demonstrate, at least in this version, how all of them are connected with an integrated values system and commitment towards building a business school for societal benefit whilst we are at the same time also committed to being a responsible and sustainable institution.

It should also be noted that the report interweaves the narratives of two interdependent entities, namely Stellenbosch Business School (USB) with its focus on postgraduate business and management education and USB Executive Development (USB-ED) with its focus on executive education. Together they generate educational value for both South Africa and the African continent.

The report begins with sections on governance and stakeholder accountability, followed by a section each on USB and USB-ED. Thereafter follows the value creation story based in the Six Capitals. The report ends with a summary that mirrors the PRME's six principles and indicators around future priorities. This account is far from detailed, but it is sufficiently relevant in relation to demonstrate how responsible management education and societal value creation can stand in a complementary and mutually reinforcing relationship to each other.

We submit this SIP at a time that the world around us is changing faster than what we have expected. The trends that we were following have unexpectedly been disrupted by political shifts and protective economic sentiments in Britain and America. Some other countries seem on the verge of moving in the same direction. These events, however, should not derail our belief that globally responsible leadership and inclusive sustainable development is still the imperative to follow in our business and management education practices.

1. GOVERNANCE

Although the University of Stellenbosch Business School (USB) has established its own brand and reputation, we remain part of the broader Stellenbosch University (SU) brand, and share certain facilities, services and stakeholders with the university. As SU's resources and energy are focused around its vision, mission and values, it is important to consider how our USB vision, mission and values are aligned to those of our main campus.

As a public business school that forms part of Stellenbosch University, the Director of USB reports to the Dean of the Faculty of Economic and Management Sciences and an advisory board. The Director is appointed by the university and accepts responsibility for the school's strategy, academic and research programmes, research centres and budgetary oversight. The Director represents the school on faculty and senate and chairs the Academic Planning Committee and the Executive Committee of USB.

Although, as a business school, we differ from companies in terms of our sphere of influence and the nature of our responsibilities, it does not exempt us from accountability towards our stakeholders. While business and management education is our core mission, our responsibilities also include proper campus governance, engagement with local and global stakeholders and partnerships and the accountability for our economic, social and environmental impact.

2. STAKEHOLDER ACCOUNTABILITY

Our Advisory Board meets twice a year to advise on strategy, planning, and market requirements, and to ensure high level input from the business community. The chairperson of the Advisory Board and the director, in turn, meet once every two months. Student representatives, core faculty of the USB, and senior administrators, fully participate in the Advisory Board meetings. The rector and vice-rectors of SU, as well as the Executive Director: Operations and Finance, are routinely invited to attend the Advisory Board meetings to facilitate proper integration. The Advisory Board is also represented by a wide range of stakeholders, including employer organisations, the alumni association, and the students and the management of the university. Regular meetings are also held between staff and students to ensure stakeholder interests are being met.

As an educational entity, we are obligated to a broad range of stakeholders to measure and report on our own performances. Nationally we abide by the prescripts of the Department of Higher Education and Training. Our triple crown accreditation (AMBA, AACSB and EQUIS), as well as our subscription to the Principle for Responsible Management Education (PRME) helps us to explain our policies and practices in the area of quality assurance and performance measurement. This report aims to communicate how we create value for our stakeholders and it is a testimony to the quality of the institution and the education we strive to deliver.

3. MANAGEMENT EDUCATION IN AFRICA

3.1 LOCALLY ROOTED, GLOBALLY RECOGNISED

In 1964, the USB started out as a small and local business school, providing postgraduate programmes for Stellenbosch University. Fifty years later, we are a top-tier institution with three international accreditations and cooperation agreements with more than 70 business schools across the world. Many of our 17 000 alumni have become admired leaders in all spheres of society. The modern and multi-functional USB campus is situated between Stellenbosch and Cape Town, in the Tyger Valley business district with its fast-growing corporate and entrepreneurial sector.

3.2 POSTGRADUATE AND EXECUTIVE EDUCATION

In 2001, the USB joined hands with the private sector to create USB-ED – a new venture that would broaden the reach of management development and also increase revenue via certificate programmes. The partnership allowed us to reposition ourselves as a unique provider of programmes to meet the country's business learning needs, while securing the business school's future by generating an income stream for investors. Very few other institutions in the world have separated their academic and client-related activities to enable the latter to operate as a truly commercial enterprise. Although part of the USB, USB-ED operates as an independent business, governed by its own board of directors. It is a business model that has set a new benchmark for university-private sector cooperation.

Initially, USB-ED was expected to operate largely in South Africa. Yet today, the company is providing high-quality executive development services throughout Africa and beyond. We have achieved all of this while maintaining a commitment to integrity, responsibility and sustainability.

To our stakeholders, there is little differentiation between USB and USB-ED and many view us as one entity. This is an advantage when recruiting students as most have had contact with either USB or USB-ED before enrolling with the other. Where USB-ED is focused on being an agile business, USB concentrates more on maintaining its academic rigour. Some refer to this relationship as “the two hulls of a catamaran.” The two sides also have their own management teams, human resource functions, operations, finances and marketing teams, whilst inviting reciprocal representation on management committees, boards and strategic planning sessions.

3.3 A SHARED VISION FOR AFRICA



USB and USB-ED are both aligned to delivering responsible management education in Africa, and we deliver it in two streams: post-graduate (business) education and executive education. USB attracts students to the business school campus with a vision to be globally recognised as the leading knowledge partner in Africa. USB-ED reaches a growing number of countries on the African continent with the vision to see leaders across Africa and beyond serving each other with wisdom and courage. In this way, we are both unique expressions of what it means to be management educators in Africa. We share

and originate from the same university brand, share similar values, and undergo the same quality assurance processes. In a quest for collaborative, globally oriented value creation, we are developing an international reputation together.

3.4 ETHICS, RESPONSIBILITY, SUSTAINABILITY AND GOVERNANCE

We have committed ourselves to be responsive to the need for sustainability in our learning, teaching, research and social engagement initiatives. We exist to make a difference, therefore we develop graduates to be stewards of society. Our academic and civic engagement extends to the whole of Africa and where possible we work with other business schools and organisations to make it more productive and impactful.

3.4.1 Fostering a culture of responsible leadership

For us, responsible leadership is our defining attribute. An explicit ethos, informed by ethics, responsibility and sustainability, is embedded in all programme processes and curriculum development efforts.

3.4.2 Collaborating on a global scale

We participate in the work of the Globally Responsible Leadership Initiative (GRLI), the Principles for Responsible Management Education (PRME), the Academy of Business in Society (ABIS) and the World Economic Forum. These affiliations help us in shaping our insights of what it means to be a business school for societal benefit.

3.4.3 Social impact

We value our interaction with and contribution to society. This includes our academic programmes, our research activities and several projects. A newly established Social Impact Portfolio has the purpose of pulling all of these initiatives together in a more focused and better integrated whole.

3.4.4 Environmental stewardship

Our campus serves approximately 7 500 management education and executive development students each year. Between 2009 and now, the number of our programmes has doubled. Apart from USB and USB-ED we also share the business school campus with the School of Public Leadership (SPL) and the Institute for Futures Research (IFR), together serving approximately another 1 300 post-graduate and short course students. Several programmes, especially short courses and customised programmes, are presented off-campus. These activities demand that we think carefully about our environmental footprint and lately much was done to install energy saving motion sensors and light bulbs, to encourage water saving, to recycle waste, and serve tap water instead of bottled water.

4. USB: CREATING VALUE THROUGH POST-GRADUATE EDUCATION

4.1 VISION

The USB is part of Stellenbosch University's Faculty of Economic and Management Sciences, and a leading provider of internationally accredited postgraduate management degrees in South Africa. The school's vision is to be: "Globally distinguished as the business knowledge partner in Africa". USB's intangible assets are an important part of Stellenbosch University's narrative.

USB'S VALUES

Integrity: We are accountable and earn the trust and respect of all our stakeholders.

Inclusivity: We celebrate diversity and enhance inclusivity.

Innovation: We foster critical thinking and application.

Excellence: We benchmark against the best and exceed expectations.

Sustainability: We act to ensure economic, social and ecological well-being.

Engagement: We shape business thinking and interact with wider society to promote the public good.

4.2 STRATEGIC PERSPECTIVES

Our mission is to create, disseminate and apply business knowledge through the provision of relevant, emancipatory, well-founded and responsibly-delivered business education and research of an internationally-judged standard to a wide spread of current and future managers world-wide, but with particular emphasis on sub-Saharan Africa.

We deliver on this mission by:

- delivering top-quality postgraduate education to individuals and organisations, particularly programmes which emphasise leadership and personal development;
- producing research output and interventions which are internationally respected and which have practical and policy impact;
- engaging positively and imaginatively with an agenda of social engagement both in South Africa and elsewhere, encouraging our students and staff to mobilise their knowledge and experience in an emancipatory fashion;
- promoting an environment of authentic, critical academic engagement regardless of the provenance of the participants, embracing diversity and transformation; and
- engaging with the interest of our stakeholders, specifically, industry, students, alumni, international partners and society.

Business perspective:

We aim to build and maintain our reputation and to position our brand as the preferred knowledge partner in Africa. We continuously works to meet and exceed accreditation requirements and to increase our financial, social and ecological sustainability.

Stakeholder perspective:

At the USB we work to increase our international character in a diverse way, with a focus on the African continent. We are increasing our stakeholder engagement with students, alumni, business, and broader society.

Process perspective:

We are continually aiming to improve our curriculum content, delivery modes and through-put rate, and to design programmes for shared resource and content across our programme portfolio. We strive to increase the quality, quantity and impact of our research, to optimise synergies with USB-ED, and to deliver an excellent customer service experience.

Resource perspective:

By using technology for effective business processes and customer services, the USB works to improve automation and business information; effective admissions, teaching support and delivery of blended learning; and positive customer feedback via a call logging system. We promote staff wellness and optimise staff development, and apply innovative measures to continually improve staff diversity and a culture of inclusivity. We aim to plan facilities, faculty and support staff in line with student growth.

4.3 ACCREDITATIONS AND RANKINGS

To date, the USB is one of 77 schools in the world to have the Triple Crown. We have retained our status as the only African school with full term accreditations from AACSB, AMBA and EQUIS.

AACSB accreditation



In November 2012, the USB became the first business school of African origin to achieve international AACSB accreditation for its MBA and other programmes. AACSB accreditation represents the highest achievement for an educational institution that awards business degrees. The fundamental purpose of AACSB accreditation is to encourage business schools to hold themselves accountable for improving business practice through scholarly education and impactful intellectual contributions. AACSB accreditation demands evidence of continuous quality improvement in three vital areas: engagement, innovation, and impact. The school must encourage and support ethical behaviour by all role-players, it must maintain a collegiate environment, and must demonstrate a commitment to address current and emerging corporate social responsibility issues.

EQUIS accreditation



USB was the first business school in Africa to receive EQUIS accreditation, awarded by the European Foundation for Management Development (EFMD). EQUIS assesses business schools as a whole, including their programmes, internationalisation activities, research, executive education provision, corporate connections and community outreach. EQUIS requires the school to have a clear understanding of its role as a globally responsible citizen, and its contribution to ethics, responsibility and sustainability. The USB achieved its most recent reaccreditation in 2014 (for 5 years).

AMBA accreditation



USB was the first South African business school to achieve the international AMBA accreditation from the UK-based Association of MBAs in 2002. AMBA's accreditation criteria focus on every aspect of MBA provision, including the institution, faculty, curriculum and assessments. The most recent accreditation was awarded in 2012.

Eduniversal



In 2015, for the eighth consecutive year since 2008, USB was ranked as one of the Top 3 business schools in Africa. For each ranking, USB has received Eduniversal's Five Palmes award, placing the school among the top 100 business schools in the world. This award is based on the Eduniversal global survey. The rankings are the result of voting by deans of business schools around the world, based on a list of criteria.

PMR.africa



PMR.africa is a survey conducted among employers of MBA graduates in South Africa. PMR.africa USB the number one school in South Africa for four consecutive years since 2012.

5. USB-ED: CREATING VALUE THROUGH EXECUTIVE DEVELOPMENT

5.1 VISION

As USB's executive development company, USB-ED offers relevant learning interventions in 14 developing countries, building management skills at all levels of organisations across all sectors. USB-ED is an organisation with a strong culture of business ingenuity, committed to sound ethics and the sustainability imperative in the areas of environment, society and governance. USB-ED's vision is to 'see leaders across Africa and beyond serving others with wisdom and courage'. USB-ED has its own board of directors and shareholders. The director of USB also serves on the USB-ED Board whilst the CEO of USB-ED serves on the USB Manco.

USB-ED's values

Ethics: We integrate our walk and our talk, interacting in the most professional way. We believe in working authentically with all our stakeholders.

Respect: We demonstrate respect for all our stakeholders - shareholders, employees, faculty, clients, society, government - maintaining a non-dogmatic and safe environment for free expression of views and ideas. We value intellectual freedom.

Entrepreneurial spirit: We continually innovate, experiment and collaborate when we do business.

Quality: We never compromise on quality.

Sustainability: We are responsible in all our actions, ensuring educational content, learning processes and frameworks that are globally responsible and sustainable, and as such contribute to the economic and social well-being of Africa and the world.

5.2 STRATEGIC PERSPECTIVES

In 2014 USB-ED took a long-term view to ensure its relevance and sustainability for the future. The company agreed on the following four strategic themes, all further explicated in measureable outcomes over time:

- Theme 1: Advanced learning network
- Theme 2: Business model
- Theme 3: Organisational strength and implementation capacity
- Theme 4: Vibrant life-long learning

5.3 AWARDS AND RANKINGS

As a company, USB-ED has been recognised by the Professional Management Review (PMR.africa) as the top executive education provider in three African countries. We also received a Diamond Arrow Award under the category of Foreign Business Schools offering Executive Education in Botswana in 2014 and Namibia in 2015.

5.4 USB-ED IN AFRICA



USB-ED is a proudly African company that shares in the rich heritage and academic rigour of Stellenbosch University, yet offers the entrepreneurial culture of business. Since 2001, our footprint has expanded across the continent, with local presences in South Africa (Cape Town, Johannesburg and Durban), in Addis Ababa, Ethiopia and in Dar es Salaam, Tanzania. We are well on our way of becoming the business school with the widest African footprint and impact.

6. OUR PERFORMANCE: VALUE CREATION THROUGH THE SIX CAPITALS

Within the context of Integrated Reporting <IR>, the term 'value' is focused on two key dimensions: the capitals an organisation uses or effects, and the time dimension (short, medium, long term) in which it does so. By considering the capitals, we are taking a broader stakeholder-inclusive perspective at USB and USB-ED. As two separate, yet closely related entities, we aim to reaffirm trust and credibility with all of our stakeholders, and to make a paradigm shift with regards to the value creation process – considering the use of resources and how they affect sustainability over the long term.

The six capitals model is at the heart of an integrated reporting process. It explains how an organisation creates value for its stakeholders by making use of the productive capacity of its natural, human, social, manufacturing, intellectual and financial capital. Whereas it is desirable that we explain how we value and work with all six of these capitals, it is also to be kept in mind that we are an educational institution and therefore we may have a stronger focus on human, social and intellectual capital. This will also be reflected in what follows.

6.1 INTELLECTUAL CAPITAL – THE REASON FOR OUR BEING

6.1.1 Growing responsible leaders in Africa

We aim to operate at a world-class level, increasing our international character in a diverse way, with a continuous focus on the African continent. SU (and by association USB and USB-ED) is recognised in many places in Africa and around the world. Where the USB draws international students to its campus in the Western Cape, USB-ED takes its learning to reach across the continent.

Our students are the reason for our being and at the same time they provide the financial capital and intellectual capital with which we carry out all our activities. Our graduates have to be

- responsible leaders
- effective and professional communicators
- strategic thinkers
- stewards of society
- expert decision-makers

6.1.2 Programme content and design

6.1.2.1 Programme offerings

The table below summarises our postgraduate programme offerings and 2016 student numbers:

Business Management	PGDip (112)	MBA (406)	PhD (34)
Development Finance	PGDip (47)	MPhil (179)	PhD (35)
Futures Studies	PGDip (52)	MPhil (27)	PhD (2)
Management Coaching		MPhil (62)	
Three areas of specialisation	Post Graduate Diplomas in Leadership Development (31) Financial Planning (75) Project Management (122)		

6.1.2.2 Assurance of learning

We do not have full autonomy with regards to academic programmes as it is subjected to the senate and eventually government's approval. We aim to continually improve our curriculum content, delivery modes, assurance of learning, and to advance our programme mix. We also want to ensure a standardised Assurance of Learning (AOL) process and approved academic quality framework. We review programmes via a consultative process over a five-year cycle and conduct mid-periodic reviews. There is also a focus on creating a standard for all USB modules at all levels that will enable alignment and mobilisation of credits.

6.1.2.3 Embedding ethics, responsibility and sustainability in teaching and research

We place a high premium on ethics, responsibility and sustainability, and translate these into our academic offerings. This is true for all of our post-graduate offerings, and a strong focus in our Business in Society module at the USB. We are seeing a growing number of students who are focusing their research on these themes. At USB-ED, we are increasingly incorporating these themes into the design of Senior Management Development Programme and the Executive Development Programme. It is also core to the Africa Directors Programme.

6.1.2.4 Blended learning: the 'glocal' classroom



The international future of USB remains strongly linked to the development of the African continent. The School's delivery modes must meet educational principles and the learning demands of students. It must also be adapted to technological and pedagogical advancements. In support of this, we have explored numerous markets in Africa. Blended learning (a mix of face-to-face and technology-based interactive learning) will be used more and more to overcome the constraints imposed by the great distances students have to travel to attend programmes at the USB in Bellville, South Africa. In a "glocal" classroom, more students may be reached through streaming. To this end we are creating compulsory development opportunities for staff in the pedagogy of blended learning.

Student numbers have doubled since 2011 with an increased number of programmes and a broader range of delivery modes. Without virtual/blended learning capacity, we would not be able to accommodate the same number of students. The 'glocal' classroom creates an opportunity that makes learning much more affordable for students who no longer have to afford travelling or accommodation costs in addition to school fees. This also has a positive impact on carbon footprint. In 2015 there were about 40 students that attended virtually. In 2016 that number rose to 160. Reduced costs also provides greater access to learning and provides a more affordable way of generating income through programmes. It also has the added benefit that it reduces the environmental footprint of USB's learning activities.

6.1.3 Attracting top international students

With Cape Town as a desired international destination, we have wonderful opportunities for internationalisation at the USB. Initially we were decidedly habitat-bound and recruited students only from the Western Cape. Gradually the USB's range has grown to attract students from the whole of South Africa. With the endorsement of the triple crown of international accreditations and an international network of alliances behind us, our sphere has grown by leaps and bounds. Beyond from within Africa, students from the United Kingdom, Germany, the Netherlands and France, and even countries such as Canada, Russia, China, Chile and Finland have followed programmes at USB.

Locally, our aim at the USB has always been to attract top-quality students while fostering diversity. We have already been successful in increasing the numbers of black, female and international students. Incoming exchange students arrive twice a year (January and June) for six months at a time. This creates a richly diverse classroom environment in which students share from the variety of experiences they have been exposed to. Visitors learn about topics such as change and diversity management, visit local companies and have the opportunity to participate in the business school's social engagement initiatives – such as the Small Business Academy where they interact with community entrepreneurs. Here students gain first-hand experience of the circumstances under

which these small business owners operate and engenders individual as well as organisational support to local entrepreneurs.

6.1.4 International opportunities for USB students

Each MBA student at the USB now travels abroad for a compulsory week-long international module that forms part of their study requirements. At least one destination in Africa is included in the choice of international destinations each year. Others include, Argentina, Belgium, Brazil, Canada, Germany, Italy, Japan, Morocco, the Netherlands, Singapore, Slovenia, the United States, Turkey, and the United Kingdom.

We actively develop incoming and outgoing student exchange opportunities, which afford students the option to follow additional courses at other business schools. The active participation of USB students on projects and case studies with incoming international students on customised programmes is also encouraged. Each year, selected students have the opportunity to be included in the activities of visiting groups.

6.1.5 International partnerships

We aim to have active strategic partnerships with key international business schools from diverse geographies. Currently our international cooperation is accomplished through partnership agreements with over 65 top schools in Africa, Asia, Australia Europe, North America, South America and the United Kingdom. During this process, our existing agreements with international business schools are reviewed and preferred partners are identified. In the last two years, around 36 international partners were removed due to inactivity.

The International Affairs office works with Stellenbosch University with regards to its partnerships, and we now have shared agreements rather than institutional agreements with partners. The visiting school requests a certain topic, such as doing business in Africa, leadership, ethics, sustainability etc. The USB organises faculty, company visits and project work.

There is a strong focus on actively developing initiatives with African business schools. As part of the integrated reporting process we also evaluate the USB's engagement with other African business schools to gauge whether further synergies can be unlocked to advance value creation. Together with our international partners, we:

- cooperate on academic programmes
- structure programmes for visiting student groups from abroad
- run exchange student programmes
- conduct joint research projects

6.1.6 Executive education

6.1.6.1 Customisable learning

At USB-ED, our academic vision is to create personally transformative learning experiences in the field of executive education, using world-class facilitation and delivering academic and applied excellence with social relevance. We have the ability to customise programmes that are aligned to the strategic outcomes of the client organisation. With an entrepreneurial and innovative focus, we have developed a new learning and design function that creates unique programme offerings. The company's learning and design function is moving into the collaborative space as we develop new programmes with the support of specialists and through the use of crowdsourcing.

- We offer a short lead time between scoping, design, registration and delivery of a wide range of customised and open programmes, which is made possible by expert, virtual faculty.
- We apply an innovative teaching and learning process, which shapes courageous leaders and maximises their transfer of new knowledge from the classroom to the workplace.
- We provide multiple learning pathways which, through articulation, facilitate the entry of graduates to local and global higher education institutions.

6.1.6.2 Technology Enhanced Learning (TEL)

TEL is learning which is supported, mediated or assessed by the use of electronic media and it has a fundamental role to play in the delivery of our strategic objectives at USB-ED. TEL can be utilised both locally and at a distance and it can cover a wide range of activities, from the use of technology to support learning as part of a blended approach, to learning that is delivery completely online. The value proposition of USB-ED's TEL offerings is to provide well-designed (pedagogically sound) programmes, some of international repute through strategic partnerships, in selected niche areas

(with key faculty) so as to differentiate the business from its competitors. Where possible, these programmes should be able to articulate into a qualification so as to contribute to the variety of learning pathways of participants.

6.1.7 Research

6.1.7.1 Research strategy



We are firmly of the belief that academic research and publications – in scope, depth, quality and relevance – remain two of the key factors that distinguished the world's leading business schools from the rest.

On his arrival at the USB in 2014, USB's Director Prof Piet Naudé listed high-quality research, or the creation of new knowledge, as a priority for the school. According to Prof Naudé, it is easy to forget that the USB is first and foremost an academic department of Stellenbosch University and therefore has a very specific research mission: "We prioritise

research because what builds a business school's long term reputation is its intellectual credibility and reputation."

In 2015, we finalised a conceptual research framework and from there created an implementable strategy at the USB. Faculty research performance is driven more strongly now, and new faculty members must have a solid research record and a healthy interest in research to be appointed. Faculty members are also supported through improved systems and equipped through writing retreats. The school is in the process of creating a work-load model that allows sufficient time for research and carries sufficient rewards for quality research outputs. The intellectual debate will be kept alive through doctoral presentations, research seminars, lunch-hour meetings and other types of formal and informal academic conversations.

6.1.7.2 Focus areas

Being known for certain research focus areas helps for directing funding and assists in recruiting students. Although there are no fixed focus area strategy for research at USB, the three main categories are economics, business and finance. Topics mostly have a strong focus on Africa. A major focus is Development Finance, which is a discipline that equips participants with a thorough understanding of the special problems and finance in developing countries. We also register an increasing interest amongst students to take research topics in the 'business in society' domain, e.g. governance and ethics, sustainable development, stakeholder engagement.

In 2015, two MBA students conducted research on integrated reporting. This research provided guidance in the development of USB and USB-ED's first integrated report. The first looked at the implications of integrated reporting for a business school, a case study of the USB. The second was an exploratory study on the potential for applying the six capitals model of the integrated reporting framework to a business school environment. The next phase of this research began at the end of 2015 with a project in which the focus will be on USB's integrated reporting systems, stakeholder engagement and organisational culture.

6.1.7.3 Co-leading international research on business's contribution to peace

USB's Africa Centre for Dispute Settlement (ACDS) is undertaking a research project with international partners to assist in filling the evidence gap in the effectiveness of business's efforts for peace. The study will attempt to help business, governments, peace advocates and international institutions move beyond rhetoric to the real evidence. The centre is co-leading the research project with CDA Collaborative Learning Projects in Cambridge, Massachusetts, USA, and the Peace Research Institute in Oslo, Norway. Funding is provided by the Carnegie Corporation and Norwegian Ministry of Foreign Affairs. Ultimately, the aim is to engage the business community as a new peace building actor.

6.1.7.4 *Research output*

In June 2015 USB's appointed a head of research with the primary objective to efficiently increase USB's intellectual contributions. We now also have two full time NRF (National Research Foundation) accredited researchers amongst our faculty. Evidence abounds that we have excelled in practice-oriented research with a strong development focus at the USB.

It is required of every Master's student to do a research assignment as completion of their chosen programmes, be it Master's in Business Administration (MBA), MPhil in Development Finance (MDevF), MPhil in Management Coaching, or MPhil in Futures Studies. Apart from the work done by academic staff, the annual research output of USB's Master's and PhD students is quite considerable.

Dissemination of research takes place on a variety of platforms, from the traditional media to the latest in web-based technology. State-subsidised, peer-reviewed academic journals and publications as well as online publications are used. This includes a searchable web-based repository called USB ThoughtPrint. PhD dissertations and MBA and MPhil research assignments are published on SUNScholar, an open-access electronic archive of the University.

Our research output for 2016 contained

- 36 articles in academic journals
- 4 books
- 15 chapters in books
- 53 conference presentations

6.1.7.5 *Research centres*

Various centres at the USB and USB-ED undertake specialised research, public articles and journals, and offer workshops and conferences:

The **Centre for Corporate Governance in Africa** conducts multi-disciplinary research and offers interventions to improve the effectiveness of corporate governance in African organisations.

The **Africa Centre for Dispute Settlement** is a hub for research and reflection on conflict prevention and conflict resolution. It partners with business, government, labour and local communities to reduce the costs of conflict and increase collaborative opportunities.

The **Institute for Futures Research** specialises in futures studies primarily as a support service for knowledge and strategic management.

The **Centre for Applied Entrepreneurship** equips individuals and communities with entrepreneurial and business management skills and attitudes to create wealth for themselves and others.

The **Transnet Centre for Business Management of Projects** is committed to assisting organisations and individuals throughout Africa to deliver better project results.

6.2 SOCIAL CAPITAL: SOCIETY IS OUR ULTIMATE BENEFICIARY

Whilst the majority of our students are from business, our ultimate purpose is to develop graduates who will be stewards of society, irrespective of the sector or type of organisation that they may be working in as their career paths unfold. Whilst the development of responsible leaders and managers is the unifying purpose of our academic work, we also regard it as imperative that we as an institution live by what we teach and be for society what we expect our graduates to become.

6.2.1 **USB Social Impact: Enhancing Responsible Leadership and Social Engagement**

Since 2013, significant progress has been made in different dimensions of our social-engagement thrust at USB. The most visible development has been the introduction of the Social-Engagement Project for full-time MBA students. The start of the Small-Business Academy and its involvement of USB alumni and staff/students is another important development. USB's research centres and USB-ED's centres of excellence have been repositioned to support the ideal of social responsibility, sustainability and ethical business behaviour.

At the beginning of 2016 USB created a new portfolio, namely USB Social Impact, the purpose of which is 'the societal orientation and impact of our curricula and research, our involvement in

social dialogue and public policy making, the social impact of our engagement with stakeholders, our collaboration with partner schools and organizations, and our sustainability and responsibility practices as an institution'. Apart from appointing an associate professor to lead the portfolio, we have gone further in also establishing a committee to serve as a catalyst through which the portfolio's objectives can be further embedded in the work of USB.

USB Social Impact covers the following areas:

- **Academic focus:** to contextualise and integrate responsible leadership and social engagement across all programmes. This includes curriculum design, lecturing, research and publications and conferencing.
- **Societal focus:** to ensure that USB impacts public opinion and policy formulation on sustainable development challenges in a South African and African context. This includes social dialogue, engagement projects and USB's public reputation and accountability as a sustainable and responsible organisation.
- **Networking and convening focus:** to ensure that USB collaborates with relevant South African and international institutions (e.g. GRLI, PRME, ABIS, the Business Ethics Network of Africa) committed to responsible management education.
- **Entrepreneurial focus:** to engage in research and develop interventions that address capacity building needs around sustainable development challenges.

6.2.2 Social engagement for students

In order to develop students' ethical awareness, issues related to ethical behaviour and corporate responsibility are incorporated into our programmes and research. Students are encouraged to work towards the good of the whole of society. As part of 'engaged learning', MBA and MPhil in Development Finance students assist small business owners and do research in Khayelitsha and Mitchells Plain. The 2013 full-time MBA class was the first to undertake a structured Social Engagement Project (SEP) aimed at the creation of practical experience in this field. This was repeated in 2014 and 2015. The SEP was closely linked to the Business in Society (BiS) module, which focuses on three dimensions of the business and society interaction: the environment, society and governance – also known as the ESG agenda.

Students identified social engagement opportunities where they could make personal and academic contributions. After getting involved in the selected field and gaining hands-on experience, students were required to prepare and deliver reflective essays on what their contributions were and the personal lessons they learnt during these engagements. According to students, this project has opened their minds and has led them towards new insights in their perception of the broader business environment.

6.2.3 Capacity building for social sector organisations

Both USB and USB-ED engage in capacity building initiatives for social sector organisations such as small businesses, non-profit organisations and schools.

6.2.3.1 Business Driven Action Learning with a social purpose

During the course of USB-ED's open Senior Management Development Programme (SMDP), participants are required to complete group assignments. Syndicate groups are required to design a strategy for an NPOs of their choice that is in need of improving its performance. This assignment not only adds to the participants' learning experience but also provides an opportunity for an NPO to receive input and advice from experienced senior business managers who can assist the NPOs management team to deal with strategic challenges it may be facing.

6.2.3.2 Management and leadership training for non-profit organisations

The business school's structured engagement with society goes back to 1998 when MBA graduates started the Management Programme for Non-Profit Organisations, an initiative to assist non-profit organisations (NPOs) in acquiring management skills. An alumni committee of the USB Alumni Association organises the programme in successive groups as part of USB's and USB-ED's social engagement. By enhancing managerial effectiveness, service delivery and good governance in the NPO sector, the School helps to ensure that social development and education ultimately benefit. This initiative was also later complemented with a NPO Leadership and Strategy Programme presented by USB-ED.

6.2.3.3 *Developing young African talent*

The Rising Star programme is establishing a living community of young African talent that are mentored and provided with platforms for development and communication, enabling them to become role models, opinion leaders and inspiration for future African talent. USB-ED, a Rising Star sponsor, developed the criteria against which participants are assessed and is proudly represented in the judging panel its Director of Customised Programmes and Organisational Partnerships. USB-ED hopes to play an integral part in the lifelong learning and development journeys of these individuals. The Awards identify, recognise and celebrate this exceptional young talent across all industries in South Africa, and are a unique opportunity for these individuals to showcase their successes, as well as prove their commitment to development and growth – not only of themselves and their organisations, but also their industries and communities.

6.2.3.4 *Developing leadership capacity in schools*

USB-ED is the academic partner of SEED Educational Trust, a non-profit organisation that develops skills, confidence and hope in leaders in the education sector so that they can lead effectively. The partnership presents the School Leadership Programme (SLP), which aims to enhance learner performance by creating healthier educational environments. The programme equips school principals, deputies and district administrators to exercise facilitative leadership in the complex and highly stressed environment in which they have to make education work. USB-ED supports SEED Trust in the areas of programme accreditation and certification, quality assurance and research.

6.2.3.5 *Developing small, medium and micro-sized enterprises*

A giant stride forward was taken with the launch of the USB Small Business Academy (SBA) in 2012. The SBA is our largest social engagement initiative and enables us to make a contribution in the area of core business, business education. With the SBA, the business school makes a difference to the lives and businesses of small business owners in low-income communities. USB shares knowledge in an effort to develop business skills, and works with corporate sponsors and other stakeholders to develop a skill set for small business owners. The intake is from March to November each year.

The USB SBA Research Unit undertakes research on aspects of small business development in the low-income areas to gain an understanding of the diversity, challenges, financing and support structures of small businesses in these environments.

The Centre for Applied Entrepreneurship at USB-ED, in collaboration with the Western Cape Department of Economic Development and Tourism, offered free development workshops to selected SMMEs in venues across the Western Cape in early 2016. The workshops were aimed at helping entrepreneurs to prepare for the next life cycles of their businesses and to overcome the vulnerable phases. Participants were introduced to instruments and methodologies that help them identify potential indicators of change and assess the impact and opportunities that these changes represent. They are also guided to design their business models around value-creating strategies. This initiative is an important boost for the development of successful smaller businesses.

6.2.3.6 *Young Minds Entrepreneurship Programme*

The USB-ED Young Minds Entrepreneurship Programme helps school-leavers, students and young graduates to define their directions and goals in life. In 2016 95 young people were impacted through this career-focused gap year programme.

6.2.4 *Alumni relations*

Successful USB students, and USB-ED participants who successfully complete programmes at NQF level 6 or higher, become USB alumni. The alumni contribute towards USB in a number of ways. They make donations to projects and initiatives and offer mentorship to USB MBA students and to small business owners through USB's Small Business Academy. They also play an important role in the MBA selection process by conducting application interviews with MBA candidates all over the world.

At USB we recently formed Roundtables, which is a platform where members (alumni volunteers) meet with staff of the Business Development, Marketing and Communication Division over different parts of the continent to provide valuable feedback and advice on different academic programmes.

The alumni association consists of 13 regions with active committees and chairs. Six of these regions are outside of South Africa. The business school uses the alumni association and other initiatives to engage with alumni and build beneficial relationships and to meet their needs with regards to communication about the latest trends, courses and other learning opportunities.

6.2.5 Convening spaces for thought leadership and dialogue

At least once per month there will be a Leaders Angle event where a thought leader from academia, business, politics or civil society will address a matter of broader concern. This is open for our students, alumni and the public in general. In addition we also host workshops, conferences and a regular directors table, to work through the issues that matter for business and society.

6.3 HUMAN CAPITAL: IT IS OUR PEOPLE WHO MAKE IT HAPPEN

At both USB and USB-ED we have relatively small teams of academic and administrative staff carrying exceptionally big workloads in view of the outcomes that we strive to achieve.

6.3.1 Faculty

6.3.1.1 Diversity is a priority

Stellenbosch University committed to building the diversity profile of both staff and students. It states in its Institutional Intent and Strategy that:

A diversity of staff, students, knowledge, ideas and perspectives can enhance the quality of core academic activities, i.e. research, learning and teaching, as well as research-based and learning- and teaching-oriented community interaction. Academic excellence is limited without the intellectual challenges brought by a diversity of people and ideas. We acknowledge the diversity of our staff and students and the context we operate in. The diversity of thoughts and ideas, race, gender, religion and others on our campus is a strength of our institution. We proudly recognise that we are not just a knowledge provider, but that we prepare our students to operate in the context of our country and continent.

We strongly support this view at USB and USB-ED and see any new appointment as an opportunity to grow diversity. However, we balance this goal against the goals of appointing the best applicant in any particular position, the goal of achieving a diverse international profile, gender profile and profile of functional specialities. Against the background of a relatively small staff complement, this balancing act can become extremely challenging. However, we have been making steady progress.

6.3.1.2 International faculty

Although there is a continuous flow of international faculty visiting the USB and collaborating on research (6-7 a year and a further 8-10 during the MBA's elective week), we are seeking to bring a greater number of international expertise to South Africa. Based on the feedback from MBA students returning from international school visits, key faculty members are identified to teach electives at the USB later in the year.

The International Affairs office continuously identifies international faculty exchange opportunities for our USB faculty to teach electives abroad. Connecting USB faculty with international faculty also allows for the possibility to explore collaboration on joint research projects.

6.3.1.3 Faculty development in executive education

When USB-ED partners with an education institution in the rest of Africa, we plough back by creating development opportunities for local faculty and to allow the transfer of knowledge. This includes opportunities to shadow USB-ED faculty members in class as well as online workshops.

We collaborate with TCS learning to develop high level facilitation skills among our learning process facilitators (LPFs). Once internal capacity has been developed, these LPFs will become meta-practitioners, equipping other USB-ED facilitators. The cost of developing LPFs will be off-set by including external participants in the programme.

6.3.1.4 Staff development

Staff development is high on the agenda for both USB and USB-ED. Each entity budgets sufficiently to spend on staff development each year. When staff from either of the two entities attends programmes of the other, only the variable cost is payable. Staff are also encouraged to attend conferences as part of their development.

6.4 MANUFACTURED CAPITAL: INFRASTRUCTURE AND TECHNOLOGY WITH A SOFT IMPACT

6.4.1 Technology applications to enhance academic delivery

Reference has already been made to the 'glocal' classroom and technology enhanced learning. In a developing economy context such as in South Africa and the rest of the African continent it is

imperative to ensure that education technology platforms can enhance access and achieve scale. To achieve this USB has developed a technology infrastructure consisting of

- 136 servers to deliver ICT services
- 1 248 physical network points (reaching as far as Johannesburg)
- 1 800 Wi-Fi points
- 230 telephones and 3 private automatic branch exchanges (PABXs)
- 45 terabyte (TB) storage
- 350 virtual desktop computers
- 300 laptops
- Technology in lecture halls
- Cash registers and credit card readers
- Printers and multi-functional machines

This has made it possible for USB and USB-ED to

- offer 630 online courses and modules, with 8 500 unique users accessing the system every week;
- extend the number of virtual classrooms from 1 to 4 in 2015;
- develop a research and faculty management system; and
- develop a data model and storage space for the purpose of accreditation and other reports.

6.4.2 Ecological impact

By their very nature academic institutions can have a heavy environmental impact. We have put measures in place to counter this. We procure technology from suppliers with the right sustainability orientation and track record and we have embarked on a strategy to use less paper. In 2011 there were 104 personal printers on the BPC campus and now there are only 32.

Outputs for 2014		Outputs for 2015	
Copies made	1 544 996	Copies made	1 028 017
Course files opened	2 870	Course files opened	2 174
Document bound	12 236	Documents bound	6 979

There are other aspects to manufactured capital that we need to develop reporting measures and baselines for as well. This is still a work in progress and the picture of what we need to attend to will become clearer in the next reporting cycle.

6.5 NATURAL CAPITAL: STEWARDS OF PRECIOUS RESOURCES

This is an area of our operations for which we still need to develop the necessary baselines and reporting systems. Much has been done, though, over the past five years, to install energy and water saving mechanisms and to make a discipline of recycling. We remain concerned about the carbon footprint that we create as a result of staff's transport patterns to the office and back and the thousands of air miles accumulated as a result of faculty's travel needs and the incoming and outgoing student groups to and from our campus. This is certainly an area that needs to be prioritised in forthcoming reporting cycles.

6.6 FINANCIAL CAPITAL: WITH A POSITIVE ROI WE CAN GO FURTHER

Both USB and USB-ED is in positive territory despite the challenges economic conditions in which we operate. This puts us in a position to pursue our mission and objectives for ourselves as educators and for the societies in which we operate. We can also not afford to lose sight of the fact that we provide management education in a developing context, in societies plagued by poverty, inequality and unemployment. Neither should we forget that South Africa, in 2016, were challenged by a student community hungry for learning, but with little means to afford it with. In such a context it remains our challenge to maintain global relevance and educational quality whilst staying in touch with the realities of an unequal and divided society.

7. MATCHING THE SIP WITH INTEGRATED REPORTING

This report is neither the normal Sharing Information on Progress, nor a full-bodies Integrated Report. The question is therefore whether we, through the process of Integrated Reporting, can come to conclusions about whether we have satisfied the PRME requirements, especially from a responsible management education point of view. The table below offers a high level summary in which we match the Integrated Reporting approach, based on the Six Capitals framework, with the six principles of the PRME.

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	Our integrated reporting process offers evidence of the way integrate ethics, responsibility and sustainability into both our postgraduate business and management education and our executive development programmes.
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 United Nations Global Compact.	Our educational approach is purposefully values-based. Whilst business in society as a subject concentrates what we understand as an integral responsibility orientation, we find ways of introducing various applications thereof across subjects and programmes.
Principle 3 Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.	We do management education in a country and continent with serious human development challenges. We need educational strategies that go beyond the conventional and we believe that we are making progress with approaches that optimise both access and scale.
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.	We notice and increase in scholarly output from faculty and students in addressing sustainability concerns. This, we believe, is a natural outcome of the ERS integration that we pursue in our teaching and learning. A challenge that remains is the indexing of all research in such a way that we can develop a more concise picture of the broader societal benefit and impact of our research.
Principle 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.	We have these managers in both our postgraduate and executive development programmes. We create convening spaces where we engage in conversations with leaders from industry, government and society. Several faculty do consulting assignments. Several faculty represent us in global forums where responsible leadership and sustainable development challenges are deliberated on. Whether we reap the reciprocal benefit of this exposure in terms of our educational relevance is a conversation that we need to engage in more regularly.
Principle 6 Dialogue: We will facilitate and support dialog 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.	This dialogue we purposefully engage in our classrooms. It is initiated by students in as much as it is entertained by faculty. We create convening spaces where stakeholders are invited to participate in. We do recognise, however, that we need to do much more to take the dialogue to society and to become much more involved in forums that have relevance for policy-making in matters of social responsibility and sustainable development.

8. FOCUS ON THE FUTURE

In relation to the requirements of this report, there are a number of priorities that we want to highlight:

- Responsible leadership and management are multi-faceted concepts and we have embarked on a conscious effort to translate and integrate the meaning and implications thereof in order to create sustainable societal value and impact.
- The societal impact of our business and management education should be measureable in appropriate terms; how to do this is a priority that we have decided to attend to.
- Although the sustainable development goals have become common ground for us in many conversations, we still have much to do in linking it with our research and thought leadership outputs.
- Africa suffers from an undersupply of responsible management education and we have committed ourselves to work with continental and global partners to change this.
- Through our Integrated Reporting Project, we'll continue to harvest the reciprocal value of reporting in relation to institutional development and stakeholder engagement.
- Believing in the value that a business school should have for society on matters of ethics, responsibility and sustainability we are actively working on improving our participation in the broader public discourse and eventually on policy formation as well.