



College of Business Administration



PRME

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

April 1, 2016

Introduction and Renewal of Commitment

This year marks the 100th anniversary of the founding of the College of Business Administration (CBA) at the University of Detroit Mercy. By coincidence, it overlaps in part with what Pope Francis, a Jesuit priest, has declared to be the Year of Mercy. For a Catholic business school operating in the Jesuit and Mercy traditions, this is indeed an extraordinary moment in history.

For a full century, we have been providing a business education that looks beyond the bottom line and truly incorporates mercy, in the sense of compassion for others. Our courses emphasize business ethics, sustainability, diversity, and global perspectives. We require service-learning, so that students practice the skills developed in the classroom by serving the needs of the community; and for two consecutive years, we have been the proud recipients of awards from a grateful City of Detroit for our service-learning projects. We offer, and in some programs, require, international experiences so that students gain first-hand knowledge of the global context of business. We conduct scholarly research on issues such as poverty, ethics, environmental sustainability, corporate social responsibility, and social entrepreneurship. And we involve the business community in many of these efforts, engaging corporate executives as part-time instructors, mentors for students, guest lecturers, coauthors, and advisors.

We have incorporated mercy in these and other ways without any sacrifice of academic quality. This year, *U.S. News & World Report* ranked our undergraduate Management program 10th in the entire nation, and ranked our MBA program 16th in the nation for Management.

But even after 100 years of success, we are not complacent. As we open our second century of business education during this Year of Mercy, we plan an even greater involvement in creating sustainable solutions for society. We are currently in the process of launching a new Center for Social Entrepreneurship which will function as a catalyst and incubator for ventures designed to empower the less fortunate and serve the greater good by enriching our community—our corner of the planet—with sustainable commerce. A Jesuit priest has been hired to direct the Center, the first cohort of social entrepreneurs has been recruited, the first series of skills seminars are set to take place this Spring, and a grand opening is set for the Fall. In addition, a five-year strategic plan has been developed for the Center to incorporate academic components.

In short, our College has been at the forefront of responsible management education since 1916, and we have no intention of falling behind. With this report, which outlines our PRME initiatives over the past two years as well as some plans for the near future, the College of Business Administration reaffirms its commitment to the Principles for Responsible Management Education.



Joseph G. Eisenhauer, Ph.D.
Dean, College of Business Administration
University of Detroit Mercy



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 College's mission is to prepare diverse students to serve businesses and society with competence, compassion, and conscience. To that end, the College immerses students in an inclusive environment of diversity. More than 36% of our undergraduates and 51% of our graduate students are female; 8.6% of our undergraduates and 9.4% of our MBA students are international, and 22% of our undergraduates and 51% of our graduate students are minority students. Group projects, team competitions, and social interactions prepare all of our students to work with diverse populations.

* The College also promotes inclusivity by employing a diverse faculty, 33% of whom are female and 44% of whom are international or members of racial minorities. Among others, the College recently welcomed Dr. Carletta Griffin and Dr. Wonseok Choi. In addition to her full-time teaching schedule and part-time work as a practitioner, Dr. Griffin serves as President of the Race Relations and Diversity Task Force of Birmingham. Having earned a Bachelor's degree in Ethics Education in Korea prior to completing his doctorate, Dr. Choi brings both an international perspective and a broad understanding of responsible management to the classroom.

* In the Fall of 2014 and the Fall of 2015, the College offered an elective course to both graduate and undergraduate students on Global Sustainable Development, covering economic, social, and environmental dimensions of sustainability.

* During 2015-16, the CBA Program Directors began investigating the possibility of launching a new academic program related to social entrepreneurship and/or nonprofit management.

* The College installed a new Financial Markets Lab this year, enabling students to access and utilize up-to-the-minute financial information from around the globe.

* In 2015, the Dean of the College joined the Steering Committee of the Independent Innovators Network, a program created by the Michigan Colleges Alliance to provide scholarships for students with entrepreneurial or social-entrepreneurial ideas.

* This diverse environment and our deliberate initiatives regarding inclusivity have a positive influence on our students. Exit surveys conducted by an independent firm in 2015 revealed that both our graduate and undergraduate students exhibit satisfaction levels above the national average on several international and diversity-based dimensions of their education, including the understanding of multicultural issues, the ability to work with diverse populations, the ability to view issues from others' perspectives, and the ability to make decisions in a global environment.

* Upon his induction to the American Hall of Distinguished Audit Practitioners last month, the Institute of Internal Auditors noted that CBA alumnus Eric Hesperheide led Deloitte & Touche's global sustainability reporting and assurance practice, served as chairman of the Global Reporting Initiative's Technical Advisory committee, and currently serves as Chairman of the Global Sustainability Standards Board, Chairman of the AICPA Sustainability Assurance and Advisory Task Force, and as a member of The Institute of Internal Auditors Global Advocacy Committee.



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.

* During 2014-15, the College developed and offered a new course in Human Rights Law to both undergraduate and graduate students as part of an expanding concentration in Business Law. One student wrote anonymously in the course evaluation, “The course was very ethically and morally opening. Issues affecting the world and how they relate to the U.S. were presented and challenged our traditional view.”

* Over the past year, a course in Business & Society was reformulated as Ethics, Business Leadership, and Social Responsibility to more clearly represent the social responsibility expected of ethical business leaders. This course is required for all undergraduate business majors and minors, and has been submitted for inclusion in a university-wide core curriculum. The course is taught by a faculty member who holds the Charles T. Fisher III Endowed Chair of Business Ethics. Indeed, a new Minor in Business Law, created in 2015-16, requires Ethics, Business Leadership and Social Responsibility as the capstone course.

* All MBA students take a core course in Personal Development, Ethics, & Social Responsibility in Organizations, which examines issues such as business ethics, sustainable growth, global commerce, the governance of firms, and transparency in management.

* All undergraduates gain a global perspective and sensitivity to international issues by taking an approved course in international business such as Global Finance or International Business Law.

* Over the past two years, an elective travel course, International Studies in Business, has taken graduate and undergraduate students abroad, to Italy and Greece, to observe international business operations in person; a trip to Ireland is planned for this spring.

* Beginning with the cohort that enrolled in 2014-15, the College’s accelerated 5-year BS/MBA program now requires an international experience to ensure a greater appreciation of the global environment. Students may satisfy this requirement through travel courses, semester abroad programs, international internships, Alternative Spring Break service trips overseas, or similar international experiences.

* The College offers graduate certificate programs in Forensic Accounting and Ethical Leadership & Change Management, which prepare leaders of private companies, non-profit organizations, and government agencies to prevent fraud and lead with integrity. The College offered graduate courses on Accounting During a Cash Crisis and Corporate Fraud Detection & Prevention, both of which critique fraudulent accounting practices, in the Fall of 2014 and the Fall of 2015, respectively.

* Exit surveys conducted by a private firm in 2015 revealed that our MBA and undergraduate students’ satisfaction with their exposure to social responsibility and ethics in their curricula is well above the national average.



Principle 3 | Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

- * This year, the College of Business Administration is launching a new Center for Social Entrepreneurship under the direction of Fr. Phillip Cooke, S.J., who previously helped implement social ventures in Guatemala, Nicaragua, the Philippines, and the Pine Ridge Reservation in South Dakota. In contrast to traditional centers of entrepreneurship, our Center will serve as an incubator for ventures designed to enrich society by empowering the underprivileged and providing sustainable employment and commerce. The Center has begun working with social entrepreneurs from the community, and is supported by a Graduate Assistant enrolled in the College's Ethical Leadership & Change Management program as well as a Jesuit novice.
- * All business students—graduates and undergraduates alike—complete service-learning courses as part of the business curriculum. Through these courses, students practice servant-leadership by using the skills developed in the classroom for the benefit of the community. In each of the past two years, a grateful City Council of Detroit has bestowed awards on the College for its Volunteer Income Tax Assistance program.
- * To both encourage and reward responsible servant-leadership through service-learning, the College now annually offers the endowed Rev. Gerald F. Cavanagh, S.J. Scholarship to the student deemed to have performed the most meaningful service-learning.
- * Our Student Advisory Board and several of our honor society chapters, including Beta Gamma Sigma, Beta Alpha Psi, Alpha Sigma Nu, and the Global Jesuit Business Students Association, encourage student participation in community service activities such as recycling, clothing drives, income tax assistance, environmental improvement projects, and the provision of financial literacy instruction to middle-school students.
- * We encourage student leaders to participate in the Beta Gamma Sigma Student (BGS) Leadership Forum each year. Most recently, the College sponsored students to attend the Fall 2014 Leadership Forum in Indianapolis, and the November 2015 BGS Global Leadership Summit in Orlando.
- * The College provides students with many prominent role models of responsible leadership. All students in the College's accelerated 5-year BS/MBA program are matched with carefully selected mentors from industry who provide practitioner perspectives on careers and corporate responsibility. In addition, the College annually bestows Business Leadership Awards to exemplary individuals in business, government, or the nonprofit sector who not only achieve professional success but who also demonstrate a commitment to improving society. And as noted under Principle 5, the College annually brings distinguished alumni back to campus to provide guest lectures on topics such as corporate social responsibility.



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.

Our faculty members have consistently been leaders in producing scholarly research on ethics, social responsibility, environmental sustainability, sustainable development, and diversity. Approximately 20 percent of our published research addresses such topics. Examples of our recent research in these areas, completed since our last PRME report was written, are listed below; College of Business Administration authors are shown in bold type.

Recent Publications

Omid Sabbaghi and **Gerald F. Cavanagh, S.J.** “Jesuit, Catholic and Green: Evidence from Loyola University, Chicago” *Journal of Business Ethics*, 127(2), 2015: 317-326.

Suk Hi Kim and Connor Muldoon, “The Dodd-Frank Wall Street Reform and Consumer Protection Act: Accomplishments and Shortcomings” *Journal of Applied Business and Economics*, 17(3), 2015: 92-107.

Gerald F. Cavanagh, S.J., “Benchmarks for Jesuit Business Education: Lessons for Presidents, Provosts and Search Committees” *Journal of Jesuit Business Education*, 6, 2015: 53-70.

Suk Hi Kim, “The Survival of North Korea: A Case for Rethinking the U.S.-North Korea Standoff” *North Korean Review*, 11(1), 2015: 101-112.

S. Akter, **Mithu Bhattacharya**, Samuel Fosso Wamba, and S. Aditya, “How does Social Media Analytics Create Value?” *Journal of Organizational and End User Computing*, 28(3), 2016, forthcoming.

Evan A. Peterson, Carletta E. Griffin, Gregory W. Ulferts, and Terry L. Howard, “Law, Business Strategy, and Social Change in the Global Environment” *International Journal of Management & Information Systems*, 19(4), 2015: 123-128.

Ram Kesavan, Oswald A. J. Mascarenhas, S.J., Wei Ning, and **Michael D. Bernacchi**, “Did Business Development Reduce Poverty in China?” *International Management Review*, 10(1), 2014: 21-30.

Fang Yang, Lun Mo, Andre S. Avramchuk, and Robert A. Carpino. "Toward Diversity in STEM Workforce: An Examination of Early Career Interests across Gender, Ethnicity, and Academic Performance Variables" *Journal of Contemporary Business Issues*, 20(1), 2014: 33-55.

Jacques Boettcher, Gerald Cavanagh, S.J., and Min Xu, “Ethical Issues that Arise in Bankruptcy” *Business and Society Review*, 119(4), 2014: 473-496.

Joseph G. Eisenhauer, “Charism and Commerce: Business Education in the Mercy Context” *Journal of Catholic Higher Education*, 33(1), 2014: 93-117.

Ram Kesavan and Wei Ning, “Sustainability of e-Commerce: The Case of Penny Auctions” *International Management Review*, 10(2), 2014: 49-56.

Alexander M. Tolksdorf, **Evan A. Peterson**, and **Gregory W. Ulferts**, “Perspectives on the LEED (Leadership in Energy and Environmental Design) System as a Green Certification Standard” *Journal of Sustainability Management*, 2(2), 2014: 51-58.

Video presentations

Joseph G. Eisenhauer, “Catherine McAuley, Social Entrepreneurship, and Education for the Mercy Mission” available at <https://www.youtube.com/watch?v=5IrVxxh27Jw>, April 2015.

Research in Progress:

Ram Kesavan and **Michael Bernacchi**, “An Ethical Analysis of Offshoring Business Activities”.

Ram Kesavan and **Michael Bernacchi**, “The New Vulnerable: Passive Consumers of Harmful Products”.

Ram Kesavan and **Michael Bernacchi**, “Using the Social Media Power of Viral Marketing to Tame Wicked Problems of Pandemic Diseases”.

Evan A. Peterson, “Human Rights Law, Corporate Governance and Globalization”.

Evan A. Peterson, “Greed versus Green: The Role of Business in Solving Social Problems”.

Jing Li, **Omid Sabbaghi** and Navid Sabbaghi, “Certified Emission Reduction Credits and the Role of Investments: Evidence from Wind CDM Projects in China”.

Omid Sabbaghi, Yuntaek Pae, and Navid Sabbaghi, “Sustainable Growth Rate, DuPont Analysis, and the Cross-Section of Returns”.

Omid Sabbaghi and **Gerald Cavanagh, S.J.**, “Faith, Applied Ethics, and Social Entrepreneurship: Lessons from the Global Social Benefit Institute”.

Min Xu, “Ethical Stocks vs. Sin Stocks”.



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.

- * In October of 2015, the College hosted a Global Leadership Seminar for more than 20 automotive executives from China. The presenters included Dr. Lawrence Zeff and Dr. Min Xu; our Visiting Scholar in Management, Dr. Daowen Ren of Guandong Polytechnic University in China, and our International Student Advisor, Ms. Yuping Yang, provided translations between English and Mandarin.
- * In each of the past two years, the College has brought more than twenty corporate executives to campus to interact with students and faculty as guest lecturers during Alumni Week. The national and worldwide corporations represented included General Motors, Ford Motor Company, Fiat Chrysler Automobiles, PricewaterhouseCoopers, Quicken Loans, Absopure Water, Yazaki, Little Caesar Enterprises, Comerica Bank, and Borg Warner, among others. Regional firms included Talmer Bank, Masco, Level One Bank, DTE Energy, Henry Ford Health System, Plante Moran, St. Mary Mercy Hospital, and many others.
- * Over the past two years, the College has hired several executives as adjunct faculty, who bring their real-world experiences and case studies of social responsibility into the classroom. The organizations represented include automobile manufacturers, investment brokerages, hospitals, accounting firms, consulting firms, and government agencies. An example is illustrative. When the City of Detroit first considered bankruptcy, one of our alumni, John Naglick, was called upon by the Emergency Manager to take over as Finance Director and Interim Treasurer. While responsible for managing city finances during that historic municipal bankruptcy, John simultaneously taught a course to our graduate students on Accounting During a Cash Crisis, providing unique insight into the financial and social challenges facing the city.
- * The internships undertaken by our students for Detroit-based business corporations often revolve around meeting social and environmental challenges. As an example, our students have been hired in each of the past two years as managers of the General Motors Student Corps, with responsibility for scheduling, budget appropriations, purchasing, and supervision of projects involving community revitalization.
- * Each year, the College hosts a Mission Retreat for students, featuring a presentation by an alumnus or alumna who consciously strives to carry out the Jesuit and Mercy values, such as the care of God's creation, in their business careers. Over the past two years, the speakers have included Kaitlin Avery of Fiat Chrysler Automobiles and Anai Orozco of Ernst & Young.
- * The Dean, Assistant Dean, and Program Directors attended industry updates given by members of the Board of Advisors on current challenges in taxation, real estate, automobiles, banking, mining, and technology during the 2014-15 academic year.



Principle 6 | Dialogue: We will facilitate and support dialog and debate among educators, students, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

* Several faculty members participated in the 20th World Forum of the Colleagues in Jesuit Business Education and the International Association of Jesuit Business Schools, entitled “Mobilizing the Worldwide Jesuit Network: Collaboration for Global Sustainability” in Seoul, South Korea in July of 2014, as well as the 21st World Forum, “Leadership and Innovation for a Sustainable World” in Montevideo, Uruguay, in July of 2015.

* Dr. Evan Peterson serves as an Editorial Board member for the *Journal of Management & Sustainability*; Dr. Gregory Ulferts serves as an Editorial Board member for the *Journal of Management for Global Sustainability*, and Fr. Gerald Cavanagh, S.J. serves as an Editorial Board member for the *Journal of Management, Spirituality, and Religion*.

* Fr. Gerald Cavanagh, S.J. served as Session Chair for “Organizational Sustainability” at the Academy of Management Conference, and Dr. Omid Sabbaghi has served as an ad hoc reviewer for the *Journal of Business Ethics*.

* Our students are encouraged to participate in extra-curricular events focused on ethics and responsibility. Business majors compete in the University’s Ethics Bowl, and several members of the business school’s faculty and administration participated as judges.

* Dr. Michael Bernacchi has served as an evaluator for the Global Trade Mission business competition at Oakland High Schools, which addresses topics such as clean technology and renewable energy.

* In 2015-2016, the College welcomed Dr. Daowen Ren, Professor of Management at Guandong Polytechnic University in China, as a Visiting Scholar; Dr. Ren has been collaborating on research with our Management faculty, bringing an international perspective to the work. She is currently collaborating on a comparative analysis of social media use in the U.S. and China.

* In March of 2016, the College sponsored a panel discussion for the entire University community on the topic of Social Entrepreneurship, led by Lenora Hardy-Foster, President & CEO of the Judson Center, a social services agency, and Gabriela Santiago-Romero, a social entrepreneur who works for Wayne County and participates in Challenge Detroit, which brings future leaders into the urban environment.

* In March of 2016, the College co-sponsored two presentations by Eric LeCompte, President of Jubilee USA: one entitled, “Puerto Rico’s Debt Crisis: Causes and Cures” and the other entitled, “Reflections on Pope Francis’s Year of Mercy”.

Looking to the Future:

Over the next 24-month period, we will continue to expand the activities we've initiated in pursuit of the Principles of Responsible Management Education. We intend to:

- * Formally launch our new Center for Social Entrepreneurship, with the support and involvement of business leaders who promote sustainable commerce with a social impact.
- * Support participation by our faculty members in conferences related to the Principles of Responsible Management Education, including international conferences having sustainability as a theme.
- * Invite additional visiting scholars and guest speakers, both domestic and international, to address issues such as global sustainability, inclusivity, and corporate social responsibility.
- * Complete our existing working papers and initiate new research related to business ethics and responsible management.

Toward those ends, we look to the PRME community for:

- * Identification of experts on sustainable practices who are available to serve as seminar leaders or guest lecturers.
- * Information on available foundation grants that could be used to support projects devoted to the Principles of Responsible Management Education.
- * Measurement protocols that can be used to assess the potential impact of our PRME activities.