

PRME Affinity Group Meeting
Orlando, Florida
Sunday April 26, 2009

Meeting Summary

Carolyn Woo, University of Notre Dame, started the meeting by introducing the presenters, Julie Perrin-Halot, Grenoble Ecole de Management, and Heikki Topi, Bentley University.

Perrin-Halot gave a presentation on the activities of Grenoble Ecole de Management

Topi gave a presentation the activities and lessons learned at Bentley University

Woo thanked the presenters and asked the audience for questions.

Incorporating current issues like the Financial Crisis into the curriculum.

Shereef Ellaboudy, University of Dubai, asked how a finance professor who has students that need to learn how to structure financial investments might incorporate teaching lessons from the financial crisis when lessons are not apparent and are not in the text books. He asked if it's a possibility to work with a publisher to change the contents of the textbooks or create supplements, how he might go about incorporating these subjects into financial classes since publishers don't have these issues in their books.

Julie Perrin-Halot stated that she may not be fully aware of everything being utilized by the finance and accounting department at Grenoble, but that this issue is being addressed by the faculty. She mentioned that case studies that present ethical dilemmas are being used in the class room as support.

Carolyn Woo stated that Aspen Institute's caseplace.org has many different instructional materials on their website to help professors incorporate these issues into their courses.

Topi said that one thing that Bentley has done is a business ethics workshop which deals with the incorporation of business ethics and related issues into the various courses in the classroom. Bentley does this teaching workshop every May and it's a 5 day intensive workshop. Part of the purpose of the workshop is to bring together faculty from different disciplines to work together to solve some of these issues.

Woo asked Topi if there was a cultural expectation that faculty should attend these workshops. Topi said that they do not have problems getting faculty to attend these workshops, because over the years faculty have found the high quality of the experience to be valuable.

How to align and coordinate initiatives in the midst of so much activity?

Joe McCann, Jacksonville University, asked how the presenters align and coordinate all of these different kinds of initiatives when there many other things going on within the university.

Topi answered that Tony Buono, the coordinator of the Bentley Alliance for Ethics & Social Responsibility, is a highly respected faculty member at the institution, and someone whom people trust.

He noted that Buono leadership doesn't work by force, but by his deep understanding of what is going on. Other factors that bring alignment at Bentley are the activism of the dean and administration, the institutional emphasis in ethics and social responsibility, as well as the commitment of students to take it seriously.

Perrin-Halot responded next and made the contrast that Grenoble does not have 20 years of experience of institutional emphasis like Bentley. At Grenoble, the movement began with a faculty member who had a passion for the subject and as people began to follow her, she quickly realized that the activity was increasing beyond what she could handle, and what resulted was the formation of a small team of staff and faculty to coordinate the schools activities. Then, based on increasing enthusiasm, the school formed a steering committee bringing together people from every department, including the maintenance and IT departments. She noted it was important to give each group a voice, but also make the group small enough for people to dialogue.

Woo asked about who convened the steering committee, who does it report to, and does it receive resources from the institution. Perrin-Halot stated that the group will be overseen by the quality department, and she leads it. Regarding resources she mentioned that the institution has pledged to give the resources necessary and reasonable.

What impact has PRME had on the institution?

Xavier Mendoza, ESADE Business School, asked what has been the impact of signing onto the PRME on the institution. He noted that the two schools presenting have been active in the areas of sustainability and ethics before they signed on to the PRME.

Topi answered that being a part of the PRME has been a source of institutional pride, because they are now part of a movement that is bigger than the institution - that is global, and is something that they can contribute to through the work that the school has been doing for a long time.

Perrin-Halot answered that signing the PRME has provided structure and guidelines, and created networking opportunities that they did not have previously.

Revisiting Adam Smith and origins of Economic Science

Otto Chang, Indiana University – Perdue University Fort Wayne, responded to the question that Ellaboudy posed earlier. He suggested that revisiting the origins of economic science might solve the problem of not having current texts that cover these issues. He claimed that there is a great misunderstanding of Economic Science, and that Economic Science is a moral science. He further suggested students could be asked to read Adam Smith's *Theory of Moral Sentiments* and engage in a classroom discussion.

Observations

Woo concluded the question and answer portion of the presentations. She then gave an update on some of the recent statistics coming from the Global Compact and her observations from interviews of major UNGC companies, as well as implications for business schools:

- **We are now reaching critical mass.** The Global Compact now includes 5000 businesses. The Russell 10000 index has 10750 companies globally, and represents 98 percent of the investable companies worldwide. With the Global Compact being split between small and large companies (>250 employees), we can make the assertion that 3000 – 4000 are investable and represented in the Russell 10000, or at least 1 in 3 companies in the Russell 10000 ascribe to the universal values of the Global Compact.
- **Rate of adoption increasing.** In 2008, more than 1,450 businesses signed on to the Global Compact, which is a large increase (30%) over the previous year, and remarkable compared to 2006 when there were just a few hundred companies.
- **Importance of reporting.** 900 companies were delisted for their failure to report on their activities.
- **From the US perspective.** The US has been seen as slow to adopt the UNGC principles but this is changing:
 - *Proportion of GC companies from the US is increasing.* The US is now the 5th most represented country in the GC, and there are a large number of new companies (to the UNGC) from the US.
 - *Global US companies are increasingly involved across the organization* at the corporate level, not just in a few divisions of the organization.
 - *UNGC logo required on more than 650 annual reports.* This is important because especially American companies have not had the culture that identifies with NGOs and UN initiatives.
- **Companies are requiring suppliers to be socially responsible.** For example, companies request that suppliers include in their bids their social responsibility report, or climate report, etc.
- **ISO is going to include a corporate social responsibility standard.** The standard the draft will come out this May with the final standard coming out May 2010.
- **Implications for business schools.** Woo stated that participants can address skepticism at their institutions by arguing that the reality for companies is that social responsibility is a necessity for them to do business.

Woo opened the floor for comments and questions from the audience.

Ellaboudy stated that many of the CEO and executives who have been criticized for creating the financial crisis went to prominent business schools, and its most likely that they took ethics courses at their schools. He asked why these courses have not impacted their behavior, and can we change the contexts or the way the courses are taught to improve the impact on the student's professional behavior.

Woo stated that this question of assessing the impact on moral development is a very big question and one that should be addressed as a separate discussion, and proposed that AACSB do this. Woo said that her institution she reminds people to be humble by keeping track of alumni who have done really bad things, not just those who have succeeded.

PRME Initiative Update

Woo updated the participants on the following:

- Overview of the Sharing Information on Progress policy that had been proposed, and should be in effect soon. [For more info about the SIP policy click here]
- Invitation for involvement [For more information about working groups and activities]

Woo then opened the floor for further questions and comments.

US School Participation

Xavier Mendoza asked why so few US schools have become members of PRME. He contrasted this to the involvement of European schools. He asked if this thought to be because more European schools have more curricular autonomy. He noted that it is not that US schools are not advancing this area, nor is it that their commitments are not serious, but he just wanted to understand why more US schools are not involved in PRME.

Woo noted that she did see a lot of representation from US schools at the Global Forum in New York, but just not a lot of deans. And, asked the audience to respond to the question.

Joe McCann, Jacksonville University, stated that he sent two faculty members instead of going himself to the meeting because it's important to educate and bring along the members of the faculty if real change is going to happen at the institution. McCann made the point that he thinks when you see corporate social responsibility reporting mandated in the US as in Europe that will be the day you see business schools come on board.

Susan Phillips, George Washington University, made the comment that deans, students, and a few faculty members see the need to be involved, but ethical issues are in every course and that is why this issue takes a much broader participation. Others commented that they are now experiencing far less pushback at their institutions since last fall when it comes to making ethics/social responsibility apart of the entire curriculum.

Ellaboudy stated that other professional schools such as Medicine and Law require a certification to practice, however in business there is no encompassing professional certification, and similarly even if we can't motivate students to behave ethically beyond graduation by taking away their degree if they behave unethically – so it becomes a challenge for business schools.

Improving the PRME Affinity Group

Woo then asked the audience for thoughts on how the affinity group can help. Participants asked for the following:

- Creating discussions and bringing anyone who wants to be involved in those discussions
- Complete event listings
- Highlighting new cases and resources
- Alerts to the Affinity Group when a new SIP report is posted
- Help connecting with local UNGC companies

The meeting adjourned at 4:15