Business School University of Colorado Denver Sharing Information on Progress (SIP) for 2010 for UN PRME: Principles for Responsible Education: University of Colorado at Denver, The Business School, Campus Box 165, P.O. Box 173364, Denver, Colorado 80217, United States

1. Letter of Renewed Commitment
August 27, 2010

UN PRME: Principles for Responsible Management Education

This letter is to confirm the University of Colorado Denver’s Business School’s and my continued commitment to the PRME: Principles for Responsible Management Education.

Sincerely,

Sueann Ambron
Dean
Business School
University of Colorado Denver
2. Major Achievements in Relation to the Implementation of One or More Principles during the last 18 months

In the school's own words...(Ranking #65: Aspen Institute Beyond Grey Pinstripes: Global 100 for 2009-2010):

The Business School at the University of Colorado Denver uses a three front approach to prepare MBA students to manage social, ethical and environmental issues inherent in mainstream business: (1) Core MBA courses that are value based including required core courses: Legal and Ethical Environment of Business; Introduction to International Business; Managing Individuals and Teams; Accounting and Analyzing Information; Financial Management; and Strategic Management. Students are exposed to value-based issues at the beginning of their program and at the end with the capstone Strategic Management Course. (2) Specialized electives for MBAs addressing value based issues including a number of different electives, such as Regulation and Ethics in Financial Marketing, International Corporate Governance, Negotiation and Interpersonal Conflict Management, and Auditing, among others. (3) A Specialization in Managing for Sustainability that enables MBA students to explore the role of business in fostering the long-term health and viability of communities, the environment, and the organization. MBA students can take these electives individually or for a specialization. They can also substitute cross-disciplinary courses in Engineering, Architecture, the School of Public Administration which offer courses in sustainability. Students may also take an internship to gain expertise and assist firms dealing with environmental and sustainability issues. Five electives are offered: MGMT 6821: Managing for Sustainability; MKTG 6800: Non-Profit and Social Marketing; ENTP 6858 Innovation in the Social Sector; BUSN 6800 Accounting/Finance for Sustainability; BUSN 6830 Business and the Natural Environment; and MGMT 6822 Business Ethics and Corporate Social Responsibility; ENTP 6860 Business Planning for Social Entrepreneurs; and INTB/BUSN 6870 Global Climate Change. Students may also take an internship working with a firm on non-profit issues and may substitute other inter-disciplinary courses in Sustainability offered by the Schools of Engineering, Architecture, and Public Administration.

The Business School is part of a campus Sustainability Hub to provide interdisciplinary education and research on sustainability including the School of Architecture, Engineering, Public Administration, and the College of Liberal Arts. Based on the University’s history and depth of sustainability-related research and education, the University of Colorado Denver was one of six universities awarded with a multi-million dollar, five-year award from the National Science Foundation to develop and support inter-disciplinary graduate programs in Sustainability. The mission of the MBA specialization in Managing for Sustainability is to develop students who can become leaders and change agents in both for-profit and non-profit organizations. The Business School, which has the largest MBA program in the state of Colorado, developed eight stand-alone sustainability courses that have become popular with students. The school maintains a strong partnership with CORE (Connected Organizations for a Responsible Economy), a non-profit business association dedicated to the promotion of more
environmentally and socially responsible business practices with a view to creating a more sustainable global economy. Joint activities planned for 2009 include a speaker series, an annual worldwide sustainability summit, a regional sustainability career fair, workshops on starting and implementing sustainability initiatives, and a case book research project with business and architecture students on small to medium-size firms that are outstanding in sustainability that will be published by Praeger Publishing (ABC-CLIO by about November 2010). The campus Sustainability Hub initiative and NSF IGERT grant also create educational opportunities for interdisciplinary education and research for faculty and students and the community.

2.1 Principles 1 and 2 Curriculum Change

**A. Curriculum: Coursework Search Results**

- **21 Course(s)**

  (1) **Department:** Accounting

  **Course Name:** Analyzing and Interpreting Accounting Information (BUSN 6550)

  **Instructor(s):** Ann Martin, Dennis Murray, Emily Vera

  The ethics of accounting from the accountant's point of view is discussed throughout the course. Students are asked to think about their moral and ethical frameworks and to think about their awareness of what they are being asked by management and whether this is ethical or not.

  (2) **Department:** Accounting

  **Course Name:** Auditing (ACCT 6020)

  **Instructor(s):** Carol Dee

  This course helps students to develop a sound knowledge of financial auditing, emphasizing the theory, underlying the development of standards, objectives and procedures. The course includes accounting professional ethics.

  (3) **Department:** Business Law

  **Course Name:** Professional MBA: Legal and Ethical Environment of Business (BUSN 6540)

  **Instructor(s):** Ira Selkowitz

  This course helps MBA students to develop a working knowledge of legal and ethical parameters for business decision making.

  (4) **Department:** Business Law

  **Course Name:** Legal and Ethical Environment of Business (BUSN 6540)

  **Instructor(s):** John Ruhnka, Ira Selkowitz, Diane Dalmy

  Students are required to do an individual project analyzing a business ethics problem and to do a group case analyzing the affect on different stakeholders and using moral models for analyzing alternatives including specific societal values or rights.
affected by each alternative. Each student is required to apply the "Harvard Ethics Analysis System" to an ethics topic.

(5) Department: Business Law

Course Name: Executive MBA Ethical and Legal Dimensions of Business (XBUS 6670) Download Course Syllabus
Core Course Instructor(s): John Ruhnka

Students are required to do an environmental scan of an ethical issue, a 15 minute Power Point presentation to the class, which covers a current business or international issue with ethical implications. Each student is also required to apply the Harvard Ethics Analysis System to an ethics topics in the form of a 6-8 page legal memorandum, which counts 25% of their final grade.

(6) Department: Entrepreneurship

Course Name: Innovation in the Social Sector (ENTP 6858)

Elective Course Instructor(s): Tiffany Espinosa

This course is also an elective for MBAs and can be used for their in Managing for Sustainability specialization. This course examines existing institutions that are addressing the pressing social and environmental needs facing us today and develop our own models. Not only will students learn theory, they will explore how it plays out in the real world via guest speakers and case studies. By the end of this course students will possess the tools to identify strategic interventions that will be sustainable over the long term and can be implemented with existing resources. At the end of this course you will develop an opportunity analysis that identifies a solution for an unmet need.

(7) Department: Entrepreneurship

Course Name: Entrepreneurial Financial Management (ENTP 6824)

Elective Course Instructor(s): Beth Cooperman

This course provides a foundation for the financial management of a small business. Students do business plans, emphasizing the financial section of the plan. Students become aware of the long-term effect of decisions and become aware of environmental factors and opportunities in starting a business, including different types of green businesses that help to find solutions to environmental and other social problems. They also examine international considerations.

(8) Department: Entrepreneurship

Course Name: ENTP 6860: Business Planning for Social Entrepreneurship

Elective Course Instructor Tiffany Espinosa

Business planning is a key process both in new and existing organizations. Build your
own road map in achieving your organizational goals. Create a vehicle for thinking about, discussing, researching, and analyzing your strategies for sustainability.

(9) Department: Environmental Management

Course Name: Business and the Natural Environment (BUSN 6830)

Elective Course: Instructor(s) John Byrd

This course examines ways that companies are using to reduce their impact on the environment. Students gain an understanding of the reasons why environmental problems emerge in our market-based economy, largely from the overuse of open access resources and external costs generated from such overuse. Many of the innovations that businesses are adopting (some voluntarily, others mandated) to reduce material and energy use and better identify problems are part of the new field of industrial ecology. The course looks at some of these innovations, such as zero emissions plant design, green product and packaging design, producer-take back programs, life cycle assessment, corporate environmental reporting, and ISO 14000 certification. The course also examines green (socially responsible) investing, and the role of consumers in defining what companies do and how they behave.

(10) Department: Finance

Course Name: Accounting and Finance for Sustainability (BUSN 6850)

Elective Course: Instructor(s) John Byrd and Ann Martin

This elective course is part of the specialization in Managing for Sustainability that MBA’s can take as an individual elective or part of their specialization. The course focuses on internal accounting and finance techniques that aid companies in becoming more eco-efficient and that provide external reporting to help investors value a company along social and environmental dimensions. How and when to report potential environmental liabilities and different models of sustainability reporting are also discussed. The course also looks at some financing arrangements unique to renewable energy and energy efficiency investments. The course also examines some of the investment aspects of the Kyoto Protocol and how the insurance industry is dealing with climate change. The strategy choices are also examined including a real options approach.

(11) Department: Finance

Course Name: Management of Financial Institutions (FNCE 6360)

Elective Course: Instructor(s) Beth Cooperman

This course presents an analysis of the structure, markets, regulation, financial analysis and important institutional details for managing commercial banks and other financial institutions. Topics include problems and policies of the internal management of funds, loan practices and procedures, investment, liquidity risk management and loan management. This includes corporate governance issues and the different stakeholders affected by managerial decisions. It also includes understanding the ethical considerations in lending and the environmental considerations, as well as in other financial institution management decisions.
Elective Course  Instructor(s)  Marcelle Arak  The course analyzes the structure of fixed income instruments including financial engineering and reverse-engineering. In the course students learn that some innovations are designed to get around regulations and serve no economic purpose. Students also become aware of problems associated with the common structure of some asset-based debt instruments, credit derivatives, equity swaps and other instruments, and how this contributed to the financial meltdown that occurred during 2007 to the present. Students are given a group project to evaluate a particular instrument, and its credit risk and liquidity risk, and to gain an understanding of social problems associated with different instruments.

Core Course  Instructor(s)  John Byrd  Students in this class are asked to do a Corporate Governance information project where they find out information from proxy statements on different stakeholder information including the % of institutional investors, % of equity ownership by managers; % of outside directors, and other information to understand the nature of different stake holders and the effect on corporate governance.

Elective Course  Instructor(s)  John Byrd  This course is about corporations and making them more responsive and responsible to shareholders, other stake holders, and society as a whole. More dramatically, this course is about curbing the greed and egoism that can come from a person or group of people having too much power and too little accountability. It is a course that will help to explain some of the tragic financial events of the past decade--economic crises and corporate collapses--and the remedies being proposed to address those tragedies. A case study and case report and presentation approach is used in the course.

Elective Course  Instructor(s)  Marc Musyl, Steven Segal  With the recent history of ethical and legal lapses in the financial sector and in the corporate world in general, and faced with the current meltdown and looming reform in the financial markets, it is more important than ever to be knowledgeable about the legal environment of the financial system. This course will provide the graduate business student with an introduction to the legal environment of the financial markets. Topics will include the regulations that govern the security markets, the functions of the regulatory agencies, the process and regulation of security issuance and the capital raising process, disclosure and reporting requirements, and fraud & insider trading. In addition, the course will provide a
review of the rules and ethical standards that are required for CFA preparation.

(16) Department: International Management

Course Name: Introduction to International Business (INTB 6000)

Core Course: Instructor(s): John Ruhnka, Manuel Serapio, Kang Rac Cho

We require an international core elective for all MBA students which students can choose from. For this international core elective, students are required to examine an international topic with ethical implications and to apply the Harvard ethical analysis system to do a situation analysis including an analysis of the effect on different stakeholders and applying different moral models.

(17) Department: International Management

Course Name: Legal Aspects of International Business (INTB 6060)

Core Course: Instructor(s): John Ruhnka

This course is a core elective choice (required international elective) for MBA students. The course provides an overview of the framework of international law and international organizations and treaties and legal issues, as well as ethical and political developments that will affect global business in the next decade. Students are required to do an individual ethical analysis and to learn and apply the Harvard Ethics Analysis system.

(18) Department: Management

Course Name: Managing for Sustainability (MGMT 6821)

Elective Course: Instructor(s): Blair Gifford

This course can be taken as an elective or part of the MBA specialization in Managing for Sustainability. The course provides an introduction to Managing for Sustainability within a firm. The course surveys various sustainability issues locally and globally including Colorado organizations that are key leaders in these developments. Students are asked to take action and become social entrepreneurs by considering ways they can put sustainability into their current work efforts and even start new sustainability initiatives. Students learn management skills needed to start and manage sustainable enterprises in the for-profit non-profit and public sectors.

(19) Department: Management

Course Name: Business Ethics and Corporate Social Responsibility (MGMT 6822)

Elective Course: Instructor(s): Ira Selkowitz

This course is an elective MBA students can choose from or use for their Managing for Sustainability specialization. In the course the student develops and understanding of ethical theories, including utilitarianism, Kantian, Rawlsian, stockholder, stakeholder, and social contract. The student then applies some or all of these theories to actual and hypothetical case studies. The doctrine of corporate social responsibility is also defined and explored, and diverging views of corporate social
Responsibility are discussed. Examples of how corporate social responsibility can increase a company's goodwill and net income are analyzed in case studies.

(20) **Department:** Management

**Course Name:** Strategic Management (BUSN 6710)  
**Instructor(s):** Vinit Desai, Marlena Fiol

During week 6, Corporate Social Responsibility is discussed in terms of its relation to Strategic Management, providing students with in-depth frameworks and decision-making tools to understand the strategic benefits and issues associated with different CSR investment approaches. Students also discuss and analyze several strategy cases related to CSR and stakeholder issues in the course. Cases that include ethical issues are also discussed.

(21) **Department:** Marketing

**Course Name:** Nonprofit and Social Marketing (MKTG 6800)  
**Instructor(s):** Nicole Vowles

In this course, students examine the role and application of marketing processes in non-profit organizations, such as those addressing social issues and causes. Using case studies and projects, students consider the non-profit sector's multiple marketing objectives which including aiming to change behavior, developing donor relationships, and creating partnerships with for-profit organizations. In the course for Spring 2008, students worked with the Denver Water Board in helping to develop a marketing plan to help reduce water use by consumer in Denver.

(22) **Department:** Organizational Behavior

**Course Name:** Managing Individuals and Teams (BUSN 6520)  
**Instructor(s):** Kenneth Bettenhausen, Wendy Guild, Linda Brooker

The course includes a class entitled "Managing form the Middle: Issue Selling" focusing on corporate social responsibility and ethical scenarios and how MBA students can (1) stand up to perceived pressures to act expediently rather than ethically; and (2) work within the political, structural, and cultural dimensions of their workplace to implement change. Scenarios depict areas involving corporate social responsibility and ethics.

(23) **Department:** BUSN and International

**Course:** BUSN 6870/INTB 6870: Global Climate Change

**Instructor:** John Byrd

Global climate change may be one of the most important challenges facing business in the 21st century. This course will introduce how companies and countries are considering climate change.

(24) **Department:** Management and Entrepreneurship

**Instructors:** Ken Bettenhausen and Beth Cooperman
Course: Entp. 6800: Research in Managing for Sustainability

Students do independent research and develop cases on sustainability problems that particular firms face, and materials for the Managing for Sustainability and BUSN core courses or other independent research projects on different topics in sustainability.

B. On-Campus Speakers and Seminars:

(1) Community Board Meeting: Fall 2008 Community Meeting with Sustainability Business Leaders

Activity Type: Other

Description: Faculty and Community Sustainability Business Leaders met to discuss unmet business needs and the progress for the Sustainability Specialization Program.

(2) Sustainability Management Community Meeting Activity Type: Speaker

Description: A breakfast curriculum discussion event was held to get community input from leaders in Sustainability in Colorado to discuss business needs and to help develop the best curriculum for the Managing for Sustainability MBA specialization. Ideas from the meeting helped us to update the material in our courses and develop new courses for the program.

(3) Sustainable Management Speaker Event Activity Type: Speaker

Description: The MBA Student Organization and Net Impact student groups at the University of Colorado Denver sponsored a speaking event inviting both Business and Architecture students in April 2008. The speaker for the event was Walt Rakowich, the president and COO at Pro Logis, a company that has excelled in Sustainable Management practices worldwide. Pro Logis is a publicly traded real estate firm that has undertaken global projects to clean up environmentally damaged areas and has been involved in building sustainable warehouses, putting solar panels on the top to provide solar energy that in turn has been sold to municipalities to provide less expensive solar energy to communities. Pro Logis has been lauded as a company that also leases roof space to utility companies for solar panel installations, helping the environment as well as providing revenues for the firm including agreements with Southern California Edison (SCE) and Portland General Electric (PGE). Students learned how a company can be both profitable and help the environment with innovative solutions to environmental problems.

2.2 Principle 3. Research:

(1) Toward a Theory of Local Legitimacy by MNEs in Developing Nations: Newmont Mining and Health Sustainable Development in Peru


This paper describes a current initiative by Newmont Mining Corporation (Newmont) to develop sustainable community benefit in communities around its mining operations in
Peru in response to heightened criticism of Newmont by non-government organizations and the media. Using anthropologically oriented methods, a community health assessment project in an area of projected mining is described in detail in this paper. This case adds to London and Hart's social embeddedness strategy for multi-national enterprises (MNEs) working in developing nations by introducing a locally-based community interaction model, which we describe as a local legitimacy strategy, in an effort to bring about sustainable development in the communities that surround a MNE's production activities. The components of our local legitimacy strategy include co-analysis of community needs by MNEs and community partners, and planning and investment in developments to enhance the social fabric and the physical infrastructure needs of communities. The developing world is getting better at publicizing and monitoring the work of MNEs. We argue that it will be increasingly necessary for MNEs, like Newmont, to add local sustainable benefit into their strategic mix to gain the social license and legitimacy that is needed to operate in poorer communities.

(2) Director Tenure and the Compensation of Bank CEOs, Managerial Finance (2010), 36(2), pp. 86-102: John Byrd and Elizabeth Cooperman and Glenn Wolfe

Working on behalf of shareholders, the directors of public corporations advise and oversee the executive team. Many studies have examined whether the independence of directors improves the effectiveness of this oversight. A characteristic, which has been largely overlooked, is how board tenure or the length of time directors have served on the board, and hence long-term relationships between board members and executives, affects the quality of a board's oversight. We hypothesize that the longer directors have been on the board the more their allegiance shifts away from shareholders and toward managers. Long-term relationships with executives and other directors will reduce incentives to dissent or be critical of managerial proposals. Alternatively, an expertise hypothesis predicts superior monitoring of executives by directors with longer tenure. We test the alternative hypotheses by examining how board tenure affects the compensation of bank CEOs. Using a sample of 93 publicly-traded bank holding companies, we regress a measure of relative CEO compensation against board tenure, ownership structure, firm performance, peer pay, and other corporate governance variables. Overall our results suggest that both board and ownership variables have a significant effect on CEO compensation. With respect to tenure variables, we find a significant, negative relationship between average tenure for directors on a bank's compensation committee, consistent with an expertise hypothesis.


With significant under funding of public defined benefit pension plans, public debate often focuses on funding problems, neglecting benefit-side factors that contribute to under funding. In this study we examine the benefit side by calculating the value of deferred compensation, using a unique dataset of salary histories for recent university retirees covered by the Colorado Public Employees Retirement Association plan. We find
sizable levels of deferred compensation that is associated with retirement age and period, job class, service years, and to some extent gender, with administrators receiving the highest levels. We also find wage-earning profiles to underestimate salary growth for higher paid employees.


This study uses a unique dataset of retiree characteristics and salary histories for administrators, teachers, and non-professional employees of the Denver Public School Retirement System (DPSRS) to analyze surplus deferred compensation for DPSRS and four state K-12 defined benefit pension plans. We find sizable levels of surplus deferred compensation for each plan, with significant differences across plans, job classes, and age groups. Across plans, differences in cost of living allowances (COLAs) impact the expected present value of retirement benefits more than benefit table differences when controlling for each respective factor. Somewhat surprisingly, the plans in our study with the largest present value of future benefits had lower employee contribution rates. Pension wealth for reduced benefits showed larger wealth accrual at younger ages than full, unreduced benefits, and younger cohorts starting work at an earlier age received significantly higher surplus deferred compensation.


This paper examines the stock price response to the announcement that a U.S. company has been named to the Toxic 100 list of the largest air polluters, where rankings are based on data from the Environmental Protection Agency’s (EPA) Risk Screening Environmental Indicator (RSEI) project. We find a significant negative average abnormal return (AR) of -1.20% in 2006 and -1.60% in 2008 over the two-day announcement periods for the Toxic 100 announcements each year, representing an average drop in market value for the average firm in the index of -$235,944,909 in 2006 and -$237,595,885 in 2008. Firms in the top 10 ranking of the index had a significantly larger negative abnormal return than in the bottom 10 ranking. Firms that were not on the 2006 index, but were added to the 2008 index experienced an average abnormal return of -3.5%. The results confirm the importance of transparent environmental risk disclosure and reporting on firm valuation.

2.3 Principle 4. New Learning Frameworks

(1) The graduate Managing for Sustainability specialization allows students to take internships in lieu of one course. A number of students have taken advantages of these working for non-profits on sustainability projects, consulting firms in sustainability, and
sustainability projects at other firms.

(2) A research course was also created for independent summer research by students, “Research in Managing for Sustainability,” Entp. 6800, in which students develop cases for use in the Core Courses for the MBA program with the goal of incorporating sustainability throughout all the core cases. Cases developed included cases including sustainability in decisions made from an operational management perspective and finance capital budgeting decision perspective, among other cases.

2.4 Principle 5 and 6 Partnerships

(1) UCD Net Impact Chapter: Speaking Events and Partnerships with Sustainable Businesses in Denver/Boulder, Colorado

Description: The UCD Net Impact Chapter had several events and partnerships with local sustainable businesses during Fall 2009 to Spring 2010 including: (see website: http://ucdnetimpact.com/).

(a) “Inside the Sustainability Camp,” by Kim Coupounas, CEO and Co-founder of GO-LITE, a sustainable company in Boulder, Colorado. Go-Lite is a company with the goal of making its business 100% sustainable, mitigating its entire environmental footprint.

(b) “LOHAS” by Ted Ning, LOHAS is a non-profit focused on promoting health and fitness, the environment, personal development, and sustainable living including the Lohas Journal and annual Lohas Forum in Boulder, Colorado (www.lohas.com).

(c) “SWEET ACTION ICE CREAM,” is an independent retail ice cream store that is totally wind-powered and that maximizes its recycling and minimizes its waste including using compostable waste goods for services and products and uses natural local ingredients for its products (www.sweetactionicecream.com).

(d) ELEPHANT Energy” is a non-profit that promotes entrepreneurship and nature conservation in rural Africa by marketing and distributing appropriate sustainable energy technologies in communities in the Elephant country of Africa.

(2) Business School partnered on Joint Book of Cases on Outstanding Small and Medium Size firms with students/faculty in the Business School/College of Architecture, and CORE, Connected Organizations for a Responsible Economy, a non-profit association in Colorado dedicated to the promotion of more environmentally and socially responsible business practices with a view to creating a more sustainable global economy that will be coming out in November 2010, published by Praeger (ABC-CLIO).

(3) Partnership with Pro Logis for a new center for sustainability in the new business school building.
(4) Partnership with Community companies for a Community Sustainability Advisory Board.

(5) Partnership with Campus Sustainability group for joint research and allowing student in different areas to take courses in sustainability in different schools including Architecture, Engineering, School of Public Affairs, among others.

(6) Partnership for Campus Speaking Events with the Joint Campus Sustainability Group.

3. Looking Forward: Key Objectives for the Next 18-month

(1) Incorporate Sustainability, Environmental and Social Ethical Concerns in the CORE MBA curriculum required for all students.

(2) Develop joint programs with other schools including a Certificate program with Civil Engineering, allowing engineering students to earn a sustainability management certificate, and business students earn a sustainability engineering certificate.

(3) Develop non-degree certificate for the community in managing for sustainability.

(4) Work on a speaker series in business sustainability.

(5) Expand Community Advisory Board to include other Business Partners.

(6) Work with the UCD Net Impact Chapter to expand engagement across the student body and events.

(7) Work on incorporating sustainability courses in the undergraduate curriculum.

(8) Expand faculty research in the Sustainability, Social Ethical Research Areas.

Conclusion: We hope to enhance our programs and expand our partnerships with the community helping to develop leaders in sustainability and to engage a larger proportion of Business students and interact with other sustainability partners on campus and the business/non-profit community.

4. Desired Support: Tools, such as curriculum best examples from PRME would be very helpful in achieving the key objectives.

5. Sustainability on Campus: We have a strong cross-college sustainability group on campus and a sustainability group on campus to make the campus sustainable and to reduce the campus’s carbon footprint and make the campus sustainable.