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

April 1, 2018
Introduction and Renewal of Commitment

The University of Detroit Mercy’s College of Business Administration has been at the forefront of responsible management education from the beginning. Indeed, our claim to priority is validated by a leading professional journal in the field, Business & Society. In a forthcoming article entitled “Oral Histories of the Business and Society/SIM Field and the SIM Division of the Academy of Management: Origin Stories From the Founders”, authors Richard E. Wokutch, John F. Steiner, Sandra Waddock, and Mary J. Mallott publish interviews that they conducted with the dozen scholars who they consider to be the founders of field. One of those twelve is Fr. Gerald F. Cavanagh, S.J., who serves as the Charles T. Fisher III Chair of Business Ethics at Detroit Mercy.

While we’re proud of Fr. Cavanagh’s leading role in developing an academic discipline devoted to management education that incorporates social issues, we do not by any means relegate social responsibility to a single course or a single professor. Social responsibility is endorsed by our entire faculty and woven throughout our curricula at both the graduate and undergraduate levels. Our students complete required courses in business ethics, and many take elective courses on subjects such as Global Sustainable Development and International Human Rights Law. Every business student at Detroit Mercy engages in service-learning, using the skills developed in the classroom to enhance our community. Approximately 20 percent of our scholarly research focuses on topics emphasized in the Principles for Responsible Management Education. And our Center for Social Entrepreneurship assists new ventures in forming socially beneficial business plans and launching sustainable commercial enterprises that positively impact the community.

We firmly believe that our success as an educational institution comes not despite, but because of our emphasis on social responsibility. As just one example, our accounting students provide free income tax assistance to community residents each year, as part of our emphasis on service-learning; consequently, as reported last year by the National Association of State Boards of Accountancy, our accounting graduates outperformed the graduates of both Harvard University and the University of Chicago in passing the Certified Public Accounting (CPA) exam.

Founded in 1916, the College of Business Administration recently opened it second century as an institution devoted to promoting socially responsible business. 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.

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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 and to value inclusivity.

* Our College’s International Student Counselor actively expands students’ global sensitivity by arranging International Hours each semester, bringing students of various cultures together to share international cuisine and hear presentations by students who have come from or travelled overseas. At one such event in November of 2017, for example, a student who had recently returned from a semester in South Korea gave a presentation about her experience abroad.

* The College also promotes inclusivity by employing a diverse faculty, 35% of whom are female and 41% of whom are international or members of racial minorities.

* We believe that to develop our students’ capabilities, we must continually expand our own. In October of 2017, the College hosted two half-day Mission Retreats for faculty and staff to deeply examine our purpose. Central to the retreats was an examination of the Critical Concerns of the Sisters of Mercy: sustainability of the earth; immigration; nonviolence; anti-racism; and women’s concerns. A similar retreat is conducted for business students each year, featuring a presentation on “Values at Work” by an alumnus or alumna who consciously strives to carry out values such as sustainability in their business careers. Over the past two years, the speakers have included alumnae who now work at Fiat Chrysler Automobiles and PricewaterhouseCoopers.

* Our Center for Social Entrepreneurship employs graduate assistants and undergraduate volunteers in organizing and conducting training sessions, mentoring, and conferences for start-ups that are designed to deliver a positive social impact. By working with our Center, students gain experiential education and new perspectives on sustainability and the social responsibility of business.

* This diverse environment and our deliberate initiatives regarding inclusivity have a positive influence on our students. Exit surveys conducted by an independent firm in 2016 and 2017 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.

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.

* All undergraduate business majors and minors complete a course in Ethics, Business Leadership, & Social Responsibility that examines the behavior expected of ethical business leaders. The course is taught primarily by the Charles T. Fisher III Chair of Business Ethics.

* Over the past year, our core undergraduate course in leadership was reformulated as Leadership & Teamwork with Diverse Peoples, to more clearly represent the inclusivity expected of ethical business leaders.

* 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.

* In Fall 2017, the College offered graduate and undergraduate students a course on Global Sustainable Development, covering economic, social, and environmental dimensions of sustainability.

* In Winter 2017, the College offered an undergraduate course in Human Rights Law, examining the relationship between economic globalization, corporate respect for human rights, and international law. In 2016 and 2018, the College offered a course on International Business Law examining differences in legal systems and the effects of treaties and trade agreements.

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

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

* 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.

* Exit surveys conducted by an external firm in 2017 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.

* In conjunction with the Center for Social Entrepreneurship, the College’s Program Directors are investigating the possibility of a new academic program related to social entrepreneurship.
Principle 3 | Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

* The College’s Center for Social Entrepreneurship serves as an incubator for new ventures designed to enrich society by empowering the underprivileged and providing sustainable employment and commerce. Over the past 2 years, the Center has provided business training to dozens of such start-ups, and has also worked with well-established nonprofits such as Habitat for Humanity and the Michigan Women’s Foundation.

* 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 four 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 a scholarship, which has been endowed by alumni, 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 2016 Global Leadership Summit in Dallas, and the November 2017 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.

* The College’s Student Advisory Board undertakes projects that promote sustainability, including an ongoing recycling program.

* The College’s two Executives-in-Residence, both recently retired corporate executives, one of whom joined us earlier this year, assist students in obtaining internships that provide hands-on experience in responsible leadership.
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. More than one-third of these recent studies also involved students as co-authors.

Recent Publications Related to PRME Principles


Research in Progress:


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

Omid Sabbaghi, Jing Li, 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., "Social Entrepreneurship and Sense-Making: Evidence 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.

* The College annually bestows Business Leadership Awards on business leaders who have been exemplars of social responsibility. In 2017, for example, a Lifetime Achievement Award was presented to the Director of Community Outreach at Ford Motor Company, and in 2016 a Rising Star Award was presented to an alumna serving as the Community & Economic Development Manager for Flint, Michigan, who taken the position in the wake of Flint’s water crisis.

* In each of the past two years, the College has brought more than 30 corporate executives to campus to interact with students and faculty as guest lecturers during Alumni Week. These speakers bring real-world examples of business challenges to the classroom. The national and global corporations represented have included IBM, General Motors, Ford Motor Company, Fiat Chrysler Automobiles, Merrill Lynch, PricewaterhouseCoopers, Ernst & Young, Quicken Loans, Absopure Water, Yazaki, and Little Caesar Enterprises, among others. Regional firms have included Blue Cross/Blue Shield of Michigan, Level One Bank, DTE Energy, Plante Moran, 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, banks, consulting firms, and other businesses.

* 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.

* 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 2016-17 academic year.

* In the Winter of 2018, the College offered a new graduate course, the Integrated Field Project (MBA 5960), in which MBA students serve as consultants to a non-profit on a live case project. The current class is partnering with Southwest Solutions, a major social services agency in Detroit.

* The students operating our new Majestic Fund, a student-run portfolio of real investments, will meet four times each year with an Investment Advisory Council comprised of industry experts, to review socially responsible investment screens and performance. As a student representative told the Board of Advisors during its Spring 2018 meeting, they have elected to avoid investments that would be inconsistent with social values.
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.

* A member of the College of Business Administration’s Board of Advisors, Eric Hespenheide, ’75, was appointed in November of 2017 to serve as Chair of the Board of Directors of the Global Reporting Initiative. He previously served as Chairman of the Global Sustainability Standards Board from January 2015 to July 2016, and subsequently served as Interim Chief Executive of the Global Reporting Initiative, from July 2016 to January 2017. In each of these capacities, he has continued to encourage dialog and debate on issues of global social responsibility and sustainability.

* In 2017, the College coordinated the Mercy Business Leadership Conference to facilitate dialog among business schools affiliated with the Religious Sisters of Mercy on issues such as the role of sustainability and social responsibility in the curriculum.

* Faculty members participated in the 22nd World Forum of the Colleagues in Jesuit Business Education and the International Association of Jesuit Business Schools, in Nairobi, Kenya in July of 2016, as well as the 23rd World Forum, “Leadership and Innovation for a Sustainable World” in Namur, Belgium, in July of 2017. Sessions in 2016 covered such topics as, “Integral Ecology for Sustainable Social Impact” and “Compassionate Entrepreneurs and Conscious Capitalism” while sessions in 2017 included topics such as, “Is the sharing economy really sustainable?” and “CSR and sustainability”.

* One faculty member serves as an Editorial Board member for the Journal of Management for Global Sustainability, and another serves as an Editorial Board member for the Journal of Management, Spirituality, and Religion. In these capacities, they support dialog among authors and readers from academia and business, on topics related to social responsibility and sustainability.

* 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 have been on the winning team in each of the past 8 years. Members of the business school’s faculty and administration participate each year as judges.
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:

* Support participation by our faculty members in conferences related to the Principles of Responsible Management Education, including international conferences having sustainability as a theme.

* Examine the possibility of launching an academic concentration related to social entrepreneurship.

* Invite a Visiting Scholar from abroad, and bring in 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.