Principles for Responsible Management Education (PRME)

Sharing Information on Progress (SIP) Report 2016
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June 2016

Illinois State University President Al Bowman signed Illinois State University's original letter of commitment to PRME on February 4, 2008. In doing so, Illinois State University and the College of Business became the third public university in the United States to commit itself to the principles underlying PRME and, by extension, the UN Global Compact. The faculty of the College of Business were eager to take part in the vital future sketched for us by the Principles of Responsible Management Education and the UN’s Global Compact.

The current SIP report demonstrates the continuing strong commitment of both the University and the College. Illinois State is a leader in civic engagement and responsibility. In teaching civic engagement, we strive to develop civically responsible individuals who embrace their membership in communities and society by owning social issues and working to be a part of the solution. Through our civic engagement initiative, we prepare students to participate in social change as well as an individual awareness of social responsibility.

The College of Business demonstrates its continuing commitment to the principles of PRME through its curriculum, research, and student engagement. In the last SIP report, the College reported 29 peer reviewed articles related to the principles of PRME. The current SIP reports 42 articles, 25 presentations, and 9 proceedings in support of the Principles for Responsible Management Education. Our research in topics related to the principles of PRME is often incorporated into the classroom. It significantly adds to the understanding of our students regarding the issues in a global society as we interact with business and social systems.

On behalf of the faculty and staff of the College of Business at Illinois State University, it is my pleasure to express our renewed commitment to the Principles for Responsible Management Education. One of our strategic goals is the integration of PRME into the curriculum. We are succeeding in this effort, and each year this integration becomes more apparent.

Sincerely,

Gerry McKean, Ph.D.
Interim Dean
About the College of Business at Illinois State University

The College of Business (COB) at Illinois State University has over 3,900 students and more than 100 full time faculty members. The COB is accredited by AACSB International in Business and is one of 182 business programs in the world to hold separate AACSB accounting accreditation. The COB has 10 undergraduate majors and three graduate programs at the master’s level. The COB was recognized in 2016 by Bloomberg’s Business Week magazine as one of the top 75 business programs in the country. It is a member of the Consortium for Undergraduate International Business Education (CUIBE). The COB traditionally has one of the highest pass rates in the state of Illinois on the Certified Public Accounting Examination for students with advanced degrees. The COB is recognized nationally by the International Risk Management Institute (IRMI). The COB Professional Sales Institute was recognized in 2015 as being one of the top university sales programs, and is one of a select group of programs nationally that is a member of the University Sales Center Alliance. The Katie School of Insurance and Financial Services at Illinois State University was recognized as one of the best undergraduate risk management programs by Risk Magazine. The MBA Program in the COB was recognized by The Princeton Review in 2016 as one of the Best 295 Business Schools in the nation and one of the top 60 programs in the Midwest.

Our Mission

Through a shared commitment to balanced excellence in teaching, research, and service, we are dedicated to providing the premier undergraduate business education for students in Illinois and the Midwest, as well as high-quality graduate programs in business administration and accounting. A highly qualified and research-informed faculty deliver an individualized student experience by blending classroom instruction, mentoring, and experiential learning. We engage the broader business community and our alumni to build strong advisory partnerships that help strengthen our curriculum, set strategic direction, and provide opportunities for our students, faculty, and staff.

To accomplish this mission:

- We value excellence in instruction and enhanced student learning. The College of Business supports the Illinois State University tradition of excellence in teaching. We attempt to provide a holistic approach to learning, relying on excellent classroom teaching but reaching beyond to provide mechanisms for students to engage faculty, industry and each other through experiential learning and individualized attention.
- We value a dedication to knowledge creation. Intellectual contributions and the intellectual discipline required of high quality scholarship are directly related to excellence in the classroom and in our service activities. Most of the efforts of the faculty will fall in the area of discipline-based scholarship as currently defined, but we also value intellectual contributions in the areas of interdisciplinary research, learning and pedagogy, and contributions to practice.
- We value a commitment to citizenship in and service to our institution, state, and nation. Our commitment to a dynamic global business environment demands that we take an active role, both as individuals and as a college of business, in the institutional and public processes related to our disciplines.
- We value a culture of shared governance. We operate in an environment of shared governance and we commit ourselves to an active role in campus shared governance processes.
- We value balanced excellence in the classroom, in research and intellectual contributions, and in service to our institution, our disciplines, and to the local, state, national and international communities.
We value high ethical standards, as embodied in our Standards of Professional Behavior and Ethical Standards. As a community of scholars and business professionals, we strive to embody the characteristics of responsibility, honesty, trust, respect, and fairness in our professional and personal lives.

As a signatory to the United Nation’s Principles of Responsible Management Education (PRME), the College of Business has agreed to provide an annual Report outlining Practical Actions, Assessment of Progress, and Future Objectives. The narrative below provides specific examples related to the required reporting areas.
Practical Actions

1. Strategic Plan

PRME’s principles are an integral part of the College’s strategic plan (2012-2017).

   Goal One
   Prepare students to become skilled business professionals who can contribute positively to organizations and society
   Strategies
   1. Continue to provide an integrated and responsive curriculum. *(EdIL: G2)*
      Tactics
      A. Use the AACSB Assurance of Learning processes and outcomes to address curricular needs for continuous improvement.
      B. *Continue to monitor the inclusion of the UN Principles of Responsible Management Education (PRME) in the curriculum.*

2. College’s Standards of Professional Behavior and Ethical Conduct

The administration, faculty, staff, and students of the College of Business at Illinois State University are committed to the principles of professional behavior and integrity. As a community of scholars and business professionals, we have developed a strong statement of Standards of Professional Behavior and Ethical Conduct, focusing on principles of Trust, Responsibility, Honesty, Respect and Fairness, and include in that statement all stakeholders and constituents of the College, from students to faculty and staff to administrators and even advisory board members. That set of Standards forms the basis of our behavior. As in business, it is no accident that a foundational principle is Trust. [http://www.cob.ilstu.edu/standards/](http://www.cob.ilstu.edu/standards/)

3. Diversity Programs in the College of Business

The Katie School partners with InVEST, a grassroots program that teams educators with representatives from the insurance industry to provide exposure for insurance career opportunities, to host students of underrepresented groups in higher education from various Chicago area high schools for an annual Illinois State University campus visit. Most recently, students from Ace Technical Charter High School, South Shore International College Prep, and Thornton Township High School visited on March 15, 2016.

The Katie School of Insurance and Financial Services at Illinois State University hosted a Diversity in Insurance Reception on Wednesday, November 18, 2015 in Chicago, Illinois. The event was tailored for members of traditionally underrepresented groups to explore the educational and career opportunities available within the insurance industry. Katie School alumni, representatives from insurance companies, and members of community-based organizations came together to discuss career and academic pathways for high school students of various backgrounds.
4. **Example of how we are Improving our World**

As a consequence of climate change, agriculture in many parts of the world has become a riskier business activity. Given the dependence on agriculture in developing countries, this increased risk has a potentially dramatic effect on the lives of people throughout the developing world especially as it relates to their financial inclusion and sustainable access to capital. Perhaps one of the most treacherous consequences is the effect that this has on the willingness of lenders to make loans to farmers. This study aims to address this important issue. We focus on analyzing data which could be used to develop financial instruments, such as an indexed-based insurance product which could potentially help enhance sustainable capital for farmers in northern Ghana. We analyze relationships between crop prices and production estimates and also between rainfall per crop gestation period (planting – harvesting) and crop yields. We make recommendations on how this information could be used to help mitigate the financial risks to farmers in Ghana.

5. **College of Business (Accounting) Hosted Research Conference**

Hosted the CSEAR North America Conference, June 2016. The Centre for Social and Environmental Research (CSEAR) is an international membership-based network that aims to mobilise accounting scholarship to enable a more sustainable society.

CSEAR aims to be a world-recognized, global community of scholars who engage with students, activists, practitioners, policy makers and other interested groups in order to generate and disseminate knowledge on social and environmental accounting and accountability. Their mission is to encourage and facilitate high quality, relevant research, teaching and external engagement with practice and policy through developing knowledge, expertise, resources and a supportive network for mentoring and career development.

6. **Ethics in the College of Business**

In each sequence (major) in the Collect of Business, students are assessed on four dimensions – writing and critical thinking, team skills, presentation skills, and ethics knowledge. With respect to ethics knowledge, the goal is that at least 75 percent of the students will be evaluated as acceptable or exemplary on the following criteria: students demonstrate an understanding of the responsibility of business in society; students demonstrate an understanding of ethical decision making; students demonstrate moral development in ethical decision making; students demonstrate an understanding of the responsibilities of a leader’s role as it relates to ethics; and students demonstrate an understanding of the roles of various corporate governance entities and policies as they relate to ethics. Faculty members in the sequences assess these skills each semester and meet once a year to discuss results and ideas for improving student performance on these assessments.

7. **University Projects**

Grounds and Fleet Management continues to be instrumental in enhancing and promoting sustainability at Illinois State University. Storm water results from precipitation events and can result in flooding and carry pollutants into water systems.

Waste reduction has been a priority for Grounds and Fleet Management. Most notably is the implementation of the solid waste contract that enables the University to measure waste production, reduction and create opportunities to further reduce the waste flow. Additional efforts include partnerships to mulch wood waste and increase recycling at tailgating events. The department has employed numerous sustainable practices including the use of organic products and has eliminated phosphorus in fertilizers, a contaminant in nearby
watersheds. Illinois State is also proudly recognized as a Tree Campus USA, the first in the state. Tree Campus USA is a national program launched by the Arbor Day Foundation that recognizes and honors colleges and universities for effectively managing their campus trees as well as fostering the concept of urban forestry beyond their campus borders into the community.

The Illinois State University Farm has been composting food scraps, landscape waste and livestock waste on a routine basis since 1993. In addition, other organic materials have been composted at different times depending on research project/study requirements. This facility annually composes between 8,000 and 15,000 cubic yards of leaves, 4-5,000 cubic yards of grass clippings and yard waste, less than 1,000 cubic yards of sawdust and woodchips, 200,000 gallons of separated biosolids from liquid swine manure, 50,000 gallons of unprocessed liquid swine manure and 15,000 cubic yards of livestock manure/bedding. Up to 24,000 pounds per year of food scraps are currently composted at the facility.

Recycling opportunities at Illinois State University are continually improving - increasing the acceptable commodities and recycling locations. ISU also provides locations for recycling paper, aluminum, plastic, glass, ink jet and toner cartridges, cell phones, electronics, batteries, and cardboard.

8. **Curriculum Related Activities and Actions**

**Offered a new minor in Business Environment and Sustainability:** With a rapidly increasing global population and corresponding increases in demand for natural resources, scientists, forward thinking corporations, and thought leaders are acknowledging the importance of understanding and minimizing the impact that business has on the natural environment. Currently, the nexus of business and the environment compels firms and their employees to carefully consider and develop answers to the following important questions: • What risk does our business model pose to the environment? • How can we minimize our firm’s impact on the environment? • How should sustainability be incorporated into our firm’s mission and vision? • What is the current environmental context in which firms operate? • Will corporate social responsibility activities enhance public opinion about our firm?

**The Interdisciplinary Sustainability Consulting Program**

Jointly offered by the College of Business and the College of Applied Science and Technology, the course gives students the opportunity to apply classroom knowledge and a passion for addressing environmental issues to consult to regional businesses.

**FIL 380 (Ethics, Leadership, and Corporate Responsibility)**

Students discuss and analyze material related to why it is important that businesses protect the environment, various approaches to environmental responsibility such as the market, regulatory and sustainability models, and business opportunities in a sustainable economy. As an example of sustainability efforts, the students read about and discuss what ISU is doing with respect to becoming more sustainable.

**MKT 236 (Business Ethics, Corporate Social Responsibility, and Sustainability)**

The Department of Marketing developed a new course with a focus on ethics and corporate social responsibility.

The Katie School developed an online course in risk management and sustainability that is used by the Dr. Arthur Martinez, of the MQM department as an independent study for students pursuing a minor in Business Environment and Sustainability.

Provided ethics education to over 62 students enrolled in FIL 250 insurance classes
Identified and coordinated 30 internships including eight fully funded international internships in London, Bermuda, Zurich, and South Africa.

9. Leadership Activities and Actions

Sent 12 students to national Future Business Leaders of America conference in Chicago

Sent 34 students to Future Business Leaders of America leadership Illinois competition

Created leadership development programs for the community

Hosted “Leadership Day” in November of 2015; leadership students were invited and encouraged to attend

Provided leadership development and Disc Assessment feedback for board members in the GROWMARK FS system.

Offered two iterations of the “Leadership Excellence” (LE) Program in November 2014 and February 2015 to the Illinois Soybean Association (ISA).

In summer of 2014, OLI began a “partnership” with the Central Illinois Non-Profit Leadership Institute (CINTI) to develop and offer a leadership development program targeted specifically at leader in not-for-profit organizations

Conducted four student leadership workshops for 51 students

10. Global Perspective through International Business

Increased student exposure to Global Opportunities and Issues:

IB Club has increased the number of trips to visit consulates and businesses from one to three to expose students to a wider range of individuals and organizations

IB Club has started a topical piece of each meeting to discuss a current event and enhance the value of membership

Currently developing new internship site in Panama

11. Advisory Boards Actions

The College of Business utilizes many advisory boards. Advisory boards exist for the College of Business overall, and for the various majors, centers, and institutes. In meetings with the advisory boards, the topics of social and environmental responsibilities are discussed. This provides valuable input for shaping the evolving curriculum.
12. Research Activities

Faculty Research: A total of 42 peer reviewed journal articles, 9 proceedings, and 25 presentations related to PRME topics were published by College of Business faculty members during the SIP period. This includes a partial listing of 2016 publications identified through June 2016. Faculty members from each department in the College of Business are represented as part of this research effort.

Articles


**Presentations**


**Assessment of Progress**

The College of business continues to make progress on the six principles related to the development of future managers. Since the last report, it is noteworthy that the College, through the Department of Accounting, hosted the Centre for Social and Environmental Research (CSEAR) conference related to sustainability. As reported under *Practical Actions*, CSEAR aims to be a world-recognized, global community of scholars who engage with students, activists, practitioners, policy makers and other interested groups in order to generate and disseminate knowledge on social and environmental accounting and accountability.

The College’s new minor in *Business Environment and Sustainability* touches the first three PRME principles. We are delighted to be able to enhance our students understanding of the impact that business has on the natural environment.

The College’s research efforts span all four department in the College. The College’s research related to a sustainable society is of high quality and continues to be published in top tier journals (AOS).

Additional effort is necessary related to *Principle 5* and *Principle 6*. Although the CSEASR conference is a good example of increasing the dialog on global sustainability issues, we can do more to create partnerships and increase the dialog on social responsibility and sustainability.
Future Objectives

1. Develop a robust monitoring system related to the integration of PRME in the College’s curriculum and research

2. Include additional stakeholders in PRME topical discussions

3. Explore the creation of a College committee to oversee PRME related activities and actions

4. In a format similar to the faculty research symposiums, hold a regular series of PRME related symposiums