College of Business Administration

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

April 7, 2014
Introduction and Renewal of Commitment

Long before sustainability or even “environmentalism” were widely recognized as important concepts for businesses to promote, the notions of stewardship and the care of creation were fundamental components of Catholic Social Teaching. Similarly, the duty of businesses to support the dignity of work and engage in responsible leadership has a rich history in the Catholic intellectual tradition.

As a Catholic institution founded by the Religious Sisters of Mercy and the Society of Jesus (the Jesuits), and inspired by their charisms, the College of Business Administration at the University of Detroit Mercy has a long-standing commitment to these ideals, which are fully consistent with the Principles of Responsible Management Education (PRME). And we have never been content to merely endorse these values; rather, we consistently pursue the PRME objectives through dedicated activities, the most recent of which are detailed in this report.

Indeed, for 65 straight years, the College of Business Administration has been accredited by the Association to Advance Collegiate Schools of Business (AACSB), placing us among the top 5% of business schools in the world. As part of that ongoing accreditation, the College continuously strengthens its efforts to meet and exceed the standards established by AACSB International, which has placed increasing emphasis on ethics and sustainability in recent years.

Moreover, we are proud of the international recognition that we have earned for our work in promoting ethics and social responsibility. Last September, after scrutinizing Master of Business Administration (MBA) programs in 17 countries around the globe to ascertain the level of emphasis they place on sustainability, Corporate Knights magazine ranked our MBA program 21st in the world. This external validation of our efforts is an especially notable accomplishment for us, as it demonstrates that a private institution with small class sizes, delivering personal attention to students, can nevertheless have an important impact on global sustainability.

With this report, which outlines our PRME initiatives over the past two years, the College reaffirms its commitment to the Principles of 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.

* Sustainability has been receiving increasing emphasis in our College for a number of years. Indeed, in 2013, *Corporate Knights* magazine completed an analysis of sustainability initiatives in MBA programs from 17 countries around the world, and ranked our program 21st in the world.

* In the Fall of 2012 and the Fall of 2013, the College offered an elective course to graduate students on Global Sustainable Development, covering economic, social, and environmental dimensions of sustainability.

* Inclusiveness and diversity are also bywords within the College. In the Summer of 2012, the College offered an elective course to graduate students on Diversity in Management and Marketing, exploring the relationships of diversity to organizational change and development, effective management practices, and successful marketing methods.

* In March of 2013, the College hosted a panel discussion on the value of diversity in business. The moderator was the founder of the National Association of Black Women Entrepreneurs, and the panelists were from India, Central Africa, and the Middle East. Among the panelists was an alumnus who serves as the Director of Corporate Sustainability for Global Advanced Metals.

* In the Fall of 2013, the College welcomed Ms. Yuping Yang as an International Student Counselor, to help international and domestic students become more culturally integrated.

* During the 2013-14 academic year, the College hired two new full-time faculty members, Evan Peterson in Business Law and Terry Howard in Decision Sciences, both of whom strongly endorse our institutional commitment to business ethics and responsible management practices, and weave these concepts throughout their courses.

* We engage in a process of continuous improvement regarding graduate and undergraduate learning goals related to the adoption of a global perspective. To that end, over the past two years, students have been required to analyze a work system in a global context with diverse people via a case analysis in a core course. In an elective course, students examined the importance of joint ventures using Beijing Jeep in China as a case study, and the challenges of direct translations were discussed in the context of understanding different languages. And 20% of the Advanced Accounting course is now devoted to global issues.

* These initiatives have had a positive influence on our students. Exit surveys conducted by a private firm in 2013 revealed that our students’ satisfaction is above the national average on several international 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.

* In the Fall of 2012, the College initiated an annual Mission Retreat for incoming freshmen, to introduce them to our institutional values. In addition to structured reflections, the retreats feature presentations by recent alumni/ae on the application of values in daily business practice.

* Four sections of required business ethics courses are taught annually by a faculty member who holds the Charles T. Fisher III Endowed Chair of Business Ethics. All undergraduate business and accounting majors take both Ethics (Philosophy 2010) and Business & Society (Business 3190). The former provides a theoretical framework for discussion of ethical issues, and the latter delves into business applications such as the U.N. Global Compact. Over the past two years, new readings, including the book, Plan B: Mobilizing to Save Civilization, and a supplementary text, World on the Edge: How to Prevent Environmental and Economic Collapse, both by Lester Brown, have been added to the Business & Society 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. In 2012-13, Catholic Social Principles (including the dignity of work and the rights of workers, preferential treatment of the poor and vulnerable, and concern for the environment) were introduced into the course.

* All undergraduates acquire 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, a travel course, International Studies in Business, has taken students abroad, to Rio de Janeiro, Barcelona, and Rome, to observe international business operations in person.

* In the spring of 2014, the College approved a new international component to its accelerated 5-year BS/MBA program, to ensure a greater appreciation of the global context of business.

* The College continues to offer 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. In 2013, the College offered graduate courses on Accounting During Cash Crisis and Corporate Fraud Detection & Prevention, both of which critique fraudulent accounting practices.

* In 2012-13, readings from the Wall Street Journal and other sources were introduced as a permanent part of a graduate Finance course, to facilitate discussion of corporate approaches to social responsibility.

* Exit surveys conducted by a private firm in 2013 revealed that our students’ satisfaction with their exposure to social responsibility is well above the national average, ranking fifth in our Carnegie class at the undergraduate level and first in our Carnegie class at the graduate level.
Principle 3 | Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

* We encourage student leaders to participate in the Beta Gamma Sigma Student Leadership Forum each year. The College sponsored students for the November 2012 meeting in St. Louis and the February 2014 meeting in San Antonio. Additionally, the College sponsored two students who attended the Beta Alpha Psi regional conference in Indiana in March of 2014.

* As part of its assurance of learning process, the College has recently designed new objectives and rubrics for learning goals that are associated with responsible leadership at both the undergraduate and graduate levels, and regularly evaluates the learning outcomes for these goals.

* The content of the undergraduate Leadership course has been revised to include motivation, decision-making, interpersonal communication, and teamwork; instruction on group dynamics has been added, and more emphasis is now placed on teamwork in a leadership project.

* A new teamwork rubric was developed for the MBA Leadership course based on critical dimensions of group performance as identified by students during prior semesters; along with faculty input, students now rate themselves and their teammates on these dimensions.

* Service-learning has continued to expand throughout the College, as we encourage students to practice servant-leadership. Since the Fall of 2012, 9 undergraduate courses and 4 MBA courses, including the disciplines of accounting, marketing, finance, and business ethics, have incorporated service-learning requirements. A recent study conducted by two College faculty members and the Director of the university’s Institute for Leadership and Service found that after completing service-learning, our students not only showed significantly greater interest in 7 out of 7 social justice issues, but also improved on 8 out of 10 dimensions of leadership (O. Sabbaghi, G. F. Cavanagh, S.J., and T. Hippskind, S.J., “Service-Learning and Leadership: Evidence from Teaching Financial Literacy” Journal of Business Ethics, 18(1), 2013: 127-137).

* The Rev. Gerald F. Cavanagh, S.J. Scholarship, established to encourage and reward responsible leadership through service-learning, has now been fully endowed. The inaugural recipient was also selected as the university’s valedictorian in 2013.

* All incoming freshmen are provided with a copy of the College’s Academic Integrity Policy. In the spring of 2014, the College’s International Student Counselor provided a bilingual seminar on academic integrity and began a translation of the Academic Integrity Policy into Chinese.

* The College’s Executive-in-Residence assists students in obtaining internships that help develop leadership skills. Several business majors completed internships with the GM Student Corps in the summer of 2013, having responsibility for scheduling, budget appropriations, purchasing, and supervision of projects involving community revitalization.

* In November of 2012, the College’s Graduate Student Advisory Board hosted a presentation by then Detroit Mayor Dave Bing on responsible leadership for the future of the city.
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, and environmental sustainability. We have estimated that 19 percent of our published research addresses such topics. Examples of our recent research in these areas are listed below; College of Business Administration authors are shown in bold type.

Publications


Research in Progress:

Ram Kesavan, “Millenial Development Goals: A Case Analysis Approach”.

Ram Kesavan, “Millennial Development Goals: A Communications Perspective”.

Ram Kesavan and Michael Bernacchi, “The New Vulnerable: Consumers of Micro- and Macro Harmful Food Products”.


Min Xu, Gerald F. Cavanagh, S.J., and Jacques Boettcher, “Ethical Issues that Arise in Bankruptcy”.

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

Omid Sabbaghi and Gerald F. Cavanagh, S.J. “Jesuit, Catholic and Green: Evidence from Loyola University, Chicago”.

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**Robert Hutchinson**, “Illuminating the Shadow Economy: An Exploratory Study of Tax Evasion Predictors”.

**Omid Sabbaghi** and **Navid Sabbaghi**, “Market Efficiency and the Chicago Climate Exchange”.

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**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 April of 2013, the College co-sponsored a presentation by Michael D. Ware, Managing Director of Advanced Capital Markets, on clean energy initiatives in America.

* Following a joint conference presentation on the subject of measuring corporate progress on the millennium development goals, Fr. Gerald Cavanagh, S.J. collaborated with Eric Hespenheide, an alumnus who was then the Global Leader for Sustainability and Climate Change at Deloitte & Touche, LLP, on the preparation of a book chapter entitled “Millennium Development Goals, Business Planning, and The UN Global Compact Management Model”. Hespenheide currently serves on the Board of Directors of the Global Reporting Initiative (GRI), “a leading organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development” (see [https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx](https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx)).

* Jean-Paul Meutcheho, Director of Corporate Sustainability for Global Advanced Metals, joined the College’s Board of Advisors in 2013, bringing his expertise in sustainability to discussions concerning the future directions of the College.

* 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 corporations represented included Ford Motor Company, IBM, Delphi Corp., Chrysler Group, Argent International, Volkswagen, Absopure Water, Ameriprise, BorgWarner, Talmer Bank, Sundance Beverage, Urban Science, TCF Bank, and many others.

* Over the past two years, the College has hired several corporate executives as adjunct faculty, who bring their real-world experiences and case studies of corporate social responsibility into the classroom. Among the corporations represented are General Motors, Ford Motor Company, Wells Fargo, and Huron Valley Steel Corporation.
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.

* Our faculty members currently serve on the editorial boards of more than a dozen professional journals, several of which provide a forum for such dialogue. These include the *Journal of Management & Sustainability*, which focuses on “research in the fields of environmental sustainability, corporate social responsibility, economic sustainability and any disciplines concerning the interaction between management and enterprise sustainable development” ([http://www.ccsenet.org/journal/index.php/jms/about/editorialPolicies#focusAndScope](http://www.ccsenet.org/journal/index.php/jms/about/editorialPolicies#focusAndScope)).

* In addition to service on editorial boards, several faculty members support scholarly debate on such topics by serving as *ad hoc* reviewers of manuscripts for journals, including *Business Ethics Quarterly*. The topics of recently reviewed papers include ethical standards in accounting.


* Our students are encouraged to participate in extra-curricular events focused on ethics and responsibility. Ten business majors competed in the 2012-13 Ethics Bowl, including one who was on the first-place team. Several members of the business school’s faculty and administration participated as judges.

* In the Fall of 2013, a team of our MBA students competed in the Business for a Better World Case Competition sponsored by *Corporate Knights* magazine and the Schulich School of Business in Toronto.

* In each of the past two years, 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.


* The College cosponsored symposia in April of 2012 and 2013 entitled Women Mean Business, featuring panelists such as Susan Goodell, President and CEO of Forgotten Harvest, a nonprofit agency fighting hunger and waste, and Sr. Marilyn Lacey, RSM, Executive Director of Mercy Beyond Borders, an international agency fighting extreme poverty among displaced women and children.

* In June of 2012, the College hosted visiting scholar Markus Oberndörfer of the Technical University in Chemnitz, who gave a presentation on urban renewal and the efficient shrinking of cities to sustainable size in the US and Germany.
* In October of 2012, Xiao-Ling He, Associate Professor of Quantitative Finance at the Zhejiang University of Science and Technology in China, concluding nearly a year as a Visiting Scholar in our College, delivered a seminar on the culture, economy, and current social issues of China.

* In April of 2103, Dr. Krzysztof Wach from Cracow University and the Jesuit University Ignatianum in Poland addressed the College on the topic “From Communism to Capitalism: Entrepreneurship in Poland”, examining the long-term viability of new ventures there.

* In October of 2013, Finance Professor Suk Kim presented a special international lecture to the university community entitled “North Korea: A Wildcard in US-Northeast Asian Relations,” discussing the sustainability of an often unstable region of the world.

* In March of 2014, the College sponsored a panel discussion for the entire university community on the sustainability of Detroit following its bankruptcy. Panelists included a recently retired Vice President of Public Affairs at Comerica Bank, who addressed corporate responsibility for the city’s future, a Managing Director of the Michigan Economic Development Corporation, who represented the governmental perspective, and the Director of Community and Economic Development for Oak Park, who represented the community development perspective.

**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 will strive 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.

* Invite additional visiting scholars and guest speakers, both domestic and international, to address issues of global sustainability and corporate social responsibility.

* Increase participation in organizations devoted to corporate social responsibility and sustainable business practices.

* Complete our existing working papers and initiate new research related to business ethics and responsible management.

* Establish standards for evaluating the impact of our scholarly research on business practices and/or the practices of the academic community.

    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.