



College of Business Administration

PRME

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

April 2012

Introduction and Renewal of Commitment

Since its inception nearly a century ago, the College of Business Administration at the University of Detroit Mercy has promoted social responsibility in addition to academic accomplishment. As our Mission Statement explains, “The College of Business Administration prepares diverse students to serve business organizations and society with competence, compassion, and conscience. Rooted in the Jesuit and Mercy traditions, the College champions academic excellence and good character by encouraging intellectual, spiritual, ethical, and social growth.” Devotion to that mission guides all that we do.

Our participation in the Principles for Responsible Management Education (PRME) is fully consonant with our mission and identity as a Catholic business school at the forefront of ethics and social responsibility. It is also consistent with our long-standing international accreditation. For more than 60 years, the College of Business Administration has maintained accreditation by the Association to Advance Collegiate Schools of Business (AACSB) International, placing us in the top 5 percent of business schools worldwide. In its own words, “AACSB International recognizes and accepts its role as a standard setter and facilitator for ethics in business education. It will continue its strong support for ethics education for all business students, and for sustainability and corporate social responsibility in business.”¹ Maintaining that accreditation requires us to undertake rigorous and verifiable efforts to promote responsible management education.



In further pursuit of objectively measuring our progress in this regard, our graduating students annually participate in exit surveys conducted by Educational Benchmarking, Incorporated (EBI). The EBI survey of student satisfaction has consistently ranked us among the best—most recently, 11th out of 96 comparable business schools nationwide —on the extent to which the MBA curriculum addresses business ethics and social responsibility.

¹ <http://www.aacsb.edu/resources/ethics-sustainability/relatedstandards.asp>.

In September of 2011, our MBA program was ranked among the Global 100 by the Aspen Institute, an independent non-profit agency. After evaluating graduate business programs throughout the U.S. and 21 other countries, the Aspen Institute identified our MBA program as one of the hundred best in the world for its emphasis on social responsibility, ethics, and environmental stewardship. This external validation of our role in responsible management education is an especially notable achievement for a program of our size.



The remainder of this report details specific activities that we have undertaken to advance the six principles in the PRME initiative, and outlines those that we plan to pursue over the next 24 months.

We are proud of our accomplishments, but we are not content to rest on our laurels. We continue to develop curricula, extracurricular activities, research, and partnerships to promote responsible management. With unanimous agreement, the College of Business Administration earnestly reaffirms its commitment to the Principles of Responsible Management Education. At the University of Detroit Mercy, business ethics and social responsibility are not just fashionable phrases; they are a way of life.

A handwritten signature in black ink, reading 'Joseph G. Eisenhower', written over a horizontal line.

Joseph G. Eisenhower, Ph.D.
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April 5, 2012



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.

* Our purpose, as explained in our Mission Statement, is to prepare “diverse students to serve business organizations and society with competence, compassion, and conscience.” Our emphases on diversity and compassion lead us—faculty and students—to work for an inclusive global economy, and our emphases on competence and conscience drive us to create sustainable value.

* To ensure the continuity of purpose, the College actively recruits faculty and staff who support and promote its mission and the PRME. Our diverse faculty provide a global perspective and sensitivity to international issues. Between 2010 and 2011, the College hired three new full-time faculty members, each of whom emigrated to the U.S. after earning a bachelor’s degree overseas. Women comprise one-third of our full-time faculty.

* In 2010, the College initiated the St. Ignatius Chapter of the Global Jesuit Business Students’ Association, inducting 19 students to the inaugural class. In addition to recognizing academic achievement, the organization exists “to promote and encourage ethical and socially responsible business practices among its members and in the global business community.”² Indeed, community service is a condition of membership in the association.

* Between 2010 and 2011, 24 students took MBA 5680, an elective course on Diversity in Management and Marketing, which develops an understanding of the importance of diversity among suppliers, fellow professionals, employees, managers, and customers.

* The College has partnered with Fu Jen Catholic University in Taiwan to provide a Global Entrepreneurial MBA program, taught partly in Taiwan and partly in the United States.

* As noted in the Introduction, surveys of our MBA students are taken each year to measure (and thus, to help us ensure) their satisfaction with the extent to which the curriculum addresses business ethics and social responsibility. In 2010, we ranked 20th out of 119 comparable business schools; in 2011 our ranking improved to 11th out of 96.

* Commitment to the principles that we inculcate stays with our graduates. Several of our alumni hold positions as social responsibility managers with organizations, and the Business Alumni Board staffs a Community Outreach Committee to foster contributions of time, talent, and funding to worthwhile causes in the region.

² GJBSA Mission and Purpose, available at [http://www.gjbsa.org/?_m=page&p=GJBSA Mission and Purpose](http://www.gjbsa.org/?_m=page&p=GJBSA+Mission+and+Purpose).



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 and accounting majors are required to 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, including the UN Global Compact. In addition, ethical issues are woven throughout the business curriculum in other courses.

* All undergraduates acquire a global perspective and sensitivity to international issues by taking an approved course in international business such as International Business Law, Global Finance, Global Marketing Strategies, or Comparative International Management.

*International Studies in Business, cross-listed for undergraduates and MBAs, takes students abroad to observe the operation of international businesses in person.

* Personal Development, Ethics, and Social Responsibility in Organizations (MBA 5210) is a required course for all MBA students. The course examines personal values and goals, ethics in business, team roles and processes, the role of free markets, sustainable growth, global commerce, the governance of firms, transparency in management, and business-government relations.

* The College offers Global Sustainable Development (MBA 5305) as an elective course for graduate students. The course is a comprehensive study of the economic, social, and environmental dimensions of sustainable development.

* In January 2011, the College launched a new graduate certificate program in Ethical Leadership & Change Management. The certificate prepares leaders in for-profit businesses, non-profit agencies, and government entities to lead their organizations and communities with integrity. This five-course program emphasizes ethics, values, and corporate responsibility, in addition to organizational change.

* In January 2012, the College initiated a new graduate certificate program in Forensic Accounting. The certificate provides an understanding of the purpose and practice of domestic and international accounting rules, and equips students to ferret out errors and fraudulent entries in financial statements. The central concepts include the distinction between ethical and unethical practices, auditing and fraud detection, and the use and misuse of information technology.



Principle 3 | Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

* The College has placed renewed emphasis on service-learning, in which students perform community service as part of their educational experience. Six courses were designated as service learning courses in the Fall of 2011, including three graduate and three undergraduate courses. An example is the free income-tax assistance provided to low-income households by students in the Federal Income Tax course. Service learning illustrates the servant-leader model of compassionate leadership.

* In the Fall of 2011, the College initiated fundraising for a new scholarship to be endowed in honor of Fr. Gerald Cavanagh, S.J., the Charles T. Fisher III Chair of Business Ethics. When fully funded, the Cavanagh Scholarship will be awarded annually to the undergraduate business major who demonstrates the most meaningful service learning, as a way to encourage responsible leadership.

* Each spring, the College recognizes responsible student leaders by awarding them the Dean's Leadership Key.

* The College also partners with the newly reorganized UDM Institute for Leadership and Service, whose purpose is to promote "social change for the common good" through service learning and outreach programs. In 2011 and 2012, several business majors earned Leadership Medallions through the Institute's Emerging Leaders program for their leadership roles in community service. In the Fall of 2011, accounting students received a grant from the Institute, funded by the Ford Motor Company Fund, to engage in community outreach. The Institute opened an office inside the College in January 2012, and launched a new interdisciplinary Leadership Minor program.

* In December of 2011, the College instituted a new Academic Integrity policy to enforce the ethical standards that are central to its mission and identity.

* In January 2011, the Student Advisory Board (SAB) launched a recycling initiative. Recycling bins for bottles and cans are now located throughout the business school building, and the contents are taken to recycling facilities by SAB members, making for a cleaner and greener learning environment.



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 scholarship on ethics, social responsibility, and environmental sustainability. Examples of our recent research in these areas include the following. (College of Business Administration authors are listed in bold type).

Publications: Books, Chapters, and Peer-Reviewed Articles

Gerald Cavanagh, S.J., *American Business Values: A Global View*, 6th edition. Upper Saddle River, NJ: Prentice Hall, 2010.

Gerald Cavanagh, S.J., “Ethics in Business Requires Moral Maturity” *Business Ethics Quarterly*, 20(4), 2010: 717-718.

Jeanne David and **Patrick Wirtz**, “A Framework for Discussing Ethics in Principles of Accounting.” *Journal of Business Case Studies*, 6(1), 2010: 83-88.

Evan Peterson, “Legal Ethics in the Business World” *Perspectives in Business*, 7(1) 2010: 49-55.

Omid Sabbaghi, “Do Green Exchange Traded Funds Outperform the S&P 500?” *Journal of Accounting and Finance*, 11(1), 2011: 50-59.

Omid Sabbaghi, “The Behavior of Green Exchange Traded Funds” *Managerial Finance*, 37(5), 2011: 426-441.

Navid Sabbaghi and **Omid Sabbaghi**, “Sustainable Supply Chain Management” in N.R. Khalili (ed.). *Practical Sustainability: From Grounded Theory to Emerging Strategies*. Palgrave Macmillan, 2011: 101-119.

Omid Sabbaghi and Navid Sabbaghi, “Carbon Financial Instruments, Thin Trading, and Volatility: Evidence from the Chicago Climate Exchange” *Quarterly Review of Economics and Finance*, 51(4), 2011: 399-407.

Joseph G. Eisenhauer, Doris Geide-Stevenson, and David L. Ferro, “Experimental Estimates of Taxpayer Ethics” *Review of Social Economy*, 69(1), 2011: 29-53.

Suk Hi Kim, **Junhua Jia**, and **Michael Whitty**, “The Northeast Asian Energy Situation and the North Korean Factor” *North Korean Review*, 7(1), 2011: 78-86.

Conference Presentations and Working Papers

Oswald A. J. Mascarenhas, S.J., Ram Kesavan, and Michael D. Bernacchi, “A Joint Advertiser-Viewer Responsibility Paradigm” North American Society for Marketing Education in India conference, Manamai, India, December 24, 2010.

Oswald A. J. Mascarenhas, S.J., Ram Kesavan, and Michael D. Bernacchi, “Ethics of Global Marketing: An Evolutionary Approach” working paper, 2011.

Min Xu and Omid Sabbaghi, “ROE: Return on Ethics” working paper, 2011.

Jacques Boettcher, Gerald F. Cavanagh, S.J., and Min Xu, “Ethics of Bankruptcy” working paper, 2011.

Jeanne David, Gerald F. Cavanagh, S.J. and Simon Hendry, S.J., “Catholic Social Thought Evaluates Workplace and Environmental Actions in Business” working paper, 2011.

Kristine E. Principe and **Joseph G. Eisenhauer**, “Fulfilling Our Mission: Integrating Catholic Social Teaching into the Core Business Curriculum” Colleagues in Jesuit Business Education conference, Cincinnati, July 2011.

Evan Peterson, “Compliance and Ethics Programs: Competitive Advantage Through the Law” working paper, 2011.



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 hosted a forum entitled Sustainability Creates Business Value in the spring of 2010, featuring several prominent corporate responsibility and sustainability officers as speakers. These included David Stangis, Vice President of Corporate Social Responsibility at Campbell Soup, Andy Acho, retired Worldwide Director of Environmental Outreach and Strategy at Ford Motor Company, Daniel Saint, Managing Director at Jefferson Wells, and Eric Hespenheide, Global Leader for Sustainability and Climate Change at Deloitte & Touche, LLP.

* Fr. Gerald Cavanagh, S.J. collaborated with Eric Hespenheide, the Global Leader for Sustainability and Climate Change, Audit and Enterprise Risk Services at the accounting firm of Deloitte & Touche, LLP, to present a research paper entitled, “Millennium Development Goals, Business Planning, and the United Nations Global Compact Management Model” at a conference on The U.N. Millennium Development Goals, the Global Compact, and the Common Good, held at Notre Dame University in March 2011.

* In May of 2011, Associate Dean Ken Kuna, Dr. Gregory Ulferts, and Dr. Mary Ann Hazen collaborated with Mr. Richard Gorges of Corporate Restoration, Inc., to present “Smart Financial Management and Responsible Leadership” at the Chrysler Corporation’s spring Supplier Training Week symposium.

* In October of 2011, Associate Dean Ken Kuna, Dr. Gregory Ulferts, and Dr. Michael Whitty collaborated with Mr. Richard Gorges of Corporate Restoration, Inc., to present “Smart Financial Management and Responsible Leadership II” at the Chrysler Corporation’s fall Supplier Training Week symposium.

* In February of 2012, Fr. Gerald Cavanagh, S.J. served as a presenter and panelist at a local symposium entitled Sustainable Detroit. The keynote speaker for the symposium was Steven Kurmas, Chief Operating Officer of DTE Energy Company.

* In March of 2012, Gary Priestap, owner of Priestap Financial, provided a guest lecture on business ethics in Business & Society, and John Sofia, Vice President of American Axle, provided a guest lecture on sustainability in Control of Operations Management & Quality as part of the College’s annual Alumni Week.



Principle 6 | Dialogue: We will facilitate and support dialogue 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.

* Dr. Suk Hi Kim founded and directs the Institute for North Korea (INK) in the College of Business Administration at the University of Detroit Mercy. Under Dr. Kim's editorship, the Institute publishes a scholarly journal, the *North Korean Review*, which facilitates a dialogue among internationally renowned scholars concerning a critical and often unstable region of the world.

* In 2011, Dr. Kim co-edited *The Survival of North Korea: Essays on Strategy, Economics, and International Relations*, published by McFarland & Company. Like the *North Korean Review*, this important work engaged scholars from around the world in addressing matters of regional and global sustainability.

* Our undergraduate students are encouraged to participate in the University's annual Ethics Bowl competition, debating current issues with ethical components. In 2010, 15 business majors participated, and teams comprised entirely of business majors earned both first and second place. In 2011, six business majors participated, and the chair of the College's Student Advisor Board led her team to first place. Each year, the first-place teams went on to compete against other universities in the region. Dean Eisenhauer and Fr. Gerald Cavanagh, S.J. were among the judges in both years.

* In August of 2010, Fr. Cavanagh attended a session on the U.N. Global Compact at the Academy of Management conference in Montreal, Canada.

* Our faculty, especially Fr. Cavanagh and Dr. Michael Bernacchi, are frequently interviewed by news media for their expert commentaries on topics such as corporate scandals, responsible advertising, and environmental regulations pertaining to the auto industry. On average, our faculty members were cited by news media once per week in 2011.

* In January of 2012, the College was pleased to welcome Dr. Xiaoling He, an Associate Professor of Quantitative Finance at Zhejiang University in China, as a Visiting Scholar for twelve months. Dr. He brings an international perspective to the discussion of sustainable finance.

* In October of 2011, Dr. Omid Sabbaghi participated in an Honors Program symposium on the Occupy Movement, as the movement was gaining worldwide momentum.

Looking to the Future

As we look ahead to the next 24-month period, we are challenging ourselves to pursue the Principles of Responsible Management Education further. In particular, we seek to:

- * Expand service-learning across the various disciplinary concentrations in business.
- * Raise additional funding to endow the Cavanagh scholarship, which will be used to recognize and reward service-learning.
- * Bring additional scholars and practitioners to campus for extended dialogue on issues of sustainability.
- * Complete the existing working papers and initiate new scholarly research related to business ethics and responsible management.
- * Engage more students in extra-curricular activities such as the Ethics Bowl that promote reflection and debate on critical current issues involving social values and stewardship.
- * Continue to recruit faculty and staff who endorse the PRME, as open positions arise.

Toward those ends, we look to the PRME community for:

- * Examples of best practices.
- * Identification of experts on environmental stewardship who are available to serve as seminar leaders, symposia participants, or guest lecturers.
- * Information on available foundation grants which could be used to promote projects related to the Principles of Responsible Management Education.