



University of Pittsburgh

*Joseph M. Katz Graduate School of Business and
College of Business Administration
Office of the Dean*

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PRME Steering Committee
c/o Dr. Manuel Escudero
Head, PRME Secretariat at United Nations Global
Compact Office
DC2-612
2 United Nations Plaza
New York, NY 10017

Dear Dr. Escudero:

I am writing on behalf of the Joseph M. Katz Graduate School of Business (Katz) and College of Business Administration (CBA) at the University of Pittsburgh to affirm our commitment to the Principles for Responsible Management Education. As an institution of higher learning involved in the education of current and future managers, Katz and CBA are committed to engaging in a continuous process of improvement and following the PRME compact.

Because our practices may be of help to others, we provide this update and list several new and ongoing initiatives that reflect the values and attitudes of the school.

My colleagues and I welcome inquiries from other organizations and encourage all business education providers to follow the principles that encourage responsible management.

Sincerely,

A handwritten signature in black ink that reads "John T. Delaney". The signature is fluid and cursive, with a large initial "J" and "D".

John T. Delaney
Dean

1. The Mission of the School

The mission of the Joseph M. Katz Graduate School of Business and College of Business Administration is to produce knowledge through research on issues relevant to business and society; prepare students to create business value through thought leadership and practice; and promote global dialogue on economic and entrepreneurial activities that improve society.

We will achieve our mission by emphasizing experience-based learning (EBL), stressing speed and value in education, and maintaining a stimulating environment that honors the following core values:

- **Candor and Transparency**, which ensure effective communication;
- **Initiative**, which empowers us to take action and perform to the highest standards;
- **Integrity**, which will be demonstrated in our actions and decisions;
- **Collaboration and Compassion**, which emphasize respect and sharing, and magnify our teamwork;
- **Innovation**, which allows us to envision the future and accept change; and
- **Continuous Improvement**, which will be woven into the fabric of what we do.

We will measure performance of our mission by examining:

- Research, teaching, and other results relative to competing business schools;
- Faculty achievements and awards in business and the disciplines;
- Student satisfaction with our teaching, processes, and activities;
- Student achievement in case competitions, professional certification exams, and the development of professional and entrepreneurial experiences;
- Our success in generating resources;
- Faculty, staff, and alumni satisfaction with our progress;
- Our creation of global experiences and opportunities for students, faculty, and others;
- Our impact in the region and local business community; and
- The outcome of key business school ranking surveys.

2. The Vision of the School

Our aspiration is to be a recognized global leader in the development of people, and the generation and dissemination of business knowledge, processes, and skills that generate lasting societal value.

3. Progress on the Principles

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.

Key Initiatives and Indicators of Progress

Net Impact Club for MBA students is sponsored as a joint effort of the MBA Office and the Berg Center for Ethics and Leadership. The Katz chapter of Net Impact, a global organization of more than 10,000 members whose mission is to “inspire, educate, and equip individuals to use the power of business to create a more socially and environmentally sustainable world.” With more than 200 chapters on six continents, Net Impact boasts a vast and influential network of MBAs, graduate students, and professionals who are emerging leaders in corporate social responsibility, social entrepreneurship, nonprofit management, international development, and environmental sustainability. The Pitt Chapter of Net Impact is working to enhance student focus on issue of social responsibility and sustainability in global business environments.

Socially Responsible Investment Club. One of the new program enhancements sponsored by the Berg Center within Pitt Business is the creation of the Socially Responsible Investment Club. Under the leadership one of our finance faculty members, undergraduate business students have undertaken a project that examines the impact and parameters of socially responsible financial investing. Involvement in the project not only helps students to learn about the connection between a firm’s performance and its ethical business practices, but raises their awareness of the importance of individual fiscal responsibility and financial stewardship. Student participants also are taking advantage of being able to hold their discussions in our new state-of-the art Financial Analysis Laboratory, which offers real-time data and access to information.

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.

Key Initiatives and Indicators of Progress

Katz Leadership Fellows Program In partnership with an external organization known as Leadership Pittsburgh, Inc. (LP), this new initiative is specially designed for full-time MBA students. The Katz Leadership Fellows Program will identify MBA students who seek an intensive leadership experience and place them as guest members of nonprofit or economic development Boards of Directors. As part of LP’s Leadership on Boards program, MBA students will work with board members to complete a strategic leadership project while gaining experience solving real-world ethics and leadership issues outside the classroom. The fellows program provides an intense experience for MBA students to develop and

cultivate their leadership skills and knowledge based on real organizational challenges and dynamics. It also provides exposure for Katz MBA students and their value added to key stakeholders within the region as a way to highlight the expertise of the Katz MBA to business and civic leaders.

To provide additional curricular content to the Katz Leadership Fellows Program, an **Organizational Leadership Certificate** program for MBA students was created and implemented in 2009. In addition to participating in the Katz Leadership Fellows Program, students choose from a variety of related courses such as Social Entrepreneurship, Organizational Transformation, Cross Cultural Management, Business Ethics and Social Performance, and Managing the Natural Environment.

The **Global Business Project Consortium**, sponsored by the International Business Center (IBC), offers first-year MBA students an opportunity to work on an international business project in a foreign country. In the inaugural year of the program, there were projects in Brazil, China, and Japan. This multi-semester course required the students to work in virtual teams, to visit their project countries in the spring and to complete the projects the following fall term. In 2008, four University of Pittsburgh MBA students were accepted to participate in the project. Two of them did projects in China, one did a project in Japan, and one did a project in Brazil. Poland was added as a destination for 2009. Three University of Pittsburgh MBA students were accepted into the 2009 program, with two projects in Japan and one in Brazil.

Principle 3

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

Key Initiatives and Indicators of Progress

MBA Executive Leader Cabinet was formed this year is to provide a small group of Katz students, who are interested in developing their careers in the direction of corporate leadership, the opportunity to connect with and learn from leadership executives on issues of effective leadership, social responsibility, ethics and preparing oneself for executive leadership responsibility. Driven by students within the full- and part-time MBA program this effort allows a cabinet of highly interested and enthusiastic students to build their skills by working directly with top corporate executives to dialog about issues of ethics, social responsibility and leadership in today's complex global business environment.

Internships in Leadership and Social Responsibility. This year, the Dean's Office provided special funding to offer a series of summer internship opportunities to business undergraduate students to gain early exposure to ethical leadership in a variety of different organizations. The goal is to help students to understand the different issues that organizations face in the areas of ethics, social responsibility, and sustainability and to provide them with concrete experiences that help to develop their personal

leadership skills. These school-funded internships provide a unique opportunity to expose students early in their program to “best practice” organizations in the area of ethics, leadership and corporate social responsibility.

Intercollegiate Ethics Case Competition. Sponsored by the David Berg Center for Ethics and Leadership, an intercollegiate undergraduate business ethics and social responsibility case competition was held this year. Student teams from peer schools were invited to analyze a case prepared by one of the Pitt Business faculty on the topics of business ethics, international business, and corporate social responsibility. Together with our International Business Center and corporate sponsors, this annual event also provided ongoing workshops, speakers and recruitment activities focused on enhancing the awareness and experience of our students toward the critical need for ethical leadership in today’s business world.

The **Management and Leadership Program**, offered by the Center for Executive Education (CEE) in conjunction with the David Berg Center for Ethics and Leadership and the International Business Center (IBC), is a new two-week program designed for international undergraduate students. It gives the students an opportunity to develop as global citizens by traveling abroad and learning about American and Canadian companies. The program includes both classes and corporate visits. Class topics include leadership and communication, business ethics, strategic planning and development, and international finance. In its inaugural year, the program hosted eleven business and engineering undergraduate students from Mackenzie Presbyterian University (São Paulo, Brazil).

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.

Key Initiatives and Indicators of Progress

Endowed Chair in Leadership and Ethics. The Joseph M. Katz Graduate School of Business took affirmative steps to strengthen its capability in and commitment to leadership and ethics in business in launching the recruitment of an endowed chair professorship in leadership and ethics in 2010. This effort is in keeping with our recognition that ethics without leadership is ineffective and leadership without ethics can be misguided. Our goal is to advance teaching and research in leadership and ethics and promote interactions with both business and the non-profit sector. To enrich our research, teaching and outreach programs in leadership and ethics, we opened a new search for the H. J. Zoffer Chair in Leadership and Ethics. This newly created chair, honoring Dean Emeritus H.J. Zoffer, was initiated in the fall of 2010 and recruitment for a national scholar is underway.

The **Business of Humanity**SM research project under the leadership of University of Pittsburgh Professors John Camillus (Katz Graduate School of Business) and Bopaya Bidanda (Swanson School of Engineering), which seeks to develop improved strategic decision making that goes beyond a sole focus on economic profit and loss. The researchers argue that humanity encompasses both "humaneness" and "humankind." Humanity includes quality and environmental sustainability; ergonomics, safety and good design; diversity, integrity and social responsibility, and it means serving multiple economic strata and responding to the global economy. This ambitious research project is ongoing. Multiple case studies of corporations in the US, India, Czech Republic, Brazil, China, and Russia have been completed and analyzed, and the first Business of Humanity conference was held in 2010.

The **Center for Health and Care Work (CHCW)** has as its primary aim the development and dissemination of research addressing the unique opportunities and challenges of professionals who provide healthcare and other forms of direct care to others. Enhancing the quality, size, and stability of this workforce touches on many of the central economic and social issues of our time, ranking from off-shoring to immigration, national competitiveness to shared prosperity and reducing the ranks of the working poor.

The **International Business Center (IBC)** funds faculty research that enhances the international competitiveness of business practitioners and firms. As emerging markets become more integrated into the global economy, they present new competitive challenges for domestic businesses, and as technology continues to change the way business is conducted, they present new growth opportunities as well. But American business can deal effectively with neither international competition nor international opportunity unless it is globally competent, and managers in all fields have international training. The IBC provides support for examining regional economic markets and how they connect to established markets, to each other, and to the global economy.

A number of Katz faculty are engaging in research that is directly linked to corporate social responsibility and sustainability practices. A representative sample of research that Katz faculty has authored or co-authored includes:

Butler, B.B., C. Ridings, and J. Pike. "Growing Local Food Systems: Information Technology Use and Impacts in Geographically-embedded Markets," *31st International Conference on Information Systems*, 2009.

Calian, S. *The Spirit-Driven Leader: Seven Keys to Succeeding Under Pressure*, published by Westminster John Knox Press, 2010.

Frederick, W.C. *Corporation, Be Good! The Story of Corporate Social Responsibility*. Indianapolis, IN: Dog Ear Publishing, Inc., 2006

Frederick, W.C. "Denial and Leadership in Business Ethics Education." In *Business Ethics: New Challenges for Business Schools and Corporate Leaders*, R. A. Peterson & O. C. Ferrell (eds.) Armonk, NY: M. E. Sharpe, 2005. (Coauthor: Diane L. Swanson.)

Frieze, I.H., J.E. Olson, A.J. Murrell, and M.S. Selvan. "Work Values and their Effects on Work Behavior and Work Outcomes in Female and Male Managers," *Sex Roles*, 54, 2006, pp. 83-93.

Jones, R. and A.J. Murrell. "Signaling Positive Corporate Social Performance: An Event Study of Family-Friendly Firms," *Business and Society*, 40(1), 2001, pp. 59–78.

Kelley, P.C., B.R. Agle, and J. Demott. Mapping our Progress: Comparing the Development of Universities' Ethics Infrastructures to those of Businesses, *Journal of Academic Ethics*, 3, 2005, pp. 205-229.

Leana, C.R., E. Appelbaum, and I. Shevchuk. "Work Process and Quality of Care: Encouraging Positive Job Crafting in Childcare Classrooms," *Academy of Management Journal*, 2009, pp. 1169-1192.

Pil, F. and C. Leana. "Corrupt Organizations or Organizations of Corrupt Individuals? Two Models of Organizational Corruption," *Academy of Management Review*, 2008, pp. 685-709.

Venkatesh R., D. Kurt, and R. Gilbert. "Marketing of Green Products: A Study of Consumer Preferences for Hybrid Cards," *INFORMS Marketing Science Conference* presentation, 2009.

Weaver, G.R., L. Trevino, and B.R. Agle. "Somebody I Look Up To: Ethical Role Models in Organizations," *Organizational Dynamics*, 34(4), 2005, pp. 313-330.

Weaver, G.R. and B.R. Agle. "Religiosity as an Influence on Ethical Behavior in Organizations: A Theoretical Model and Research Agenda," *Academy of Management Review*, 27(1), 2002, pp. 77–97.

Zoffer, H.J. and E.H. Fram. "Are American Corporate Directors Still Ignoring the Signals?" *Corporate Governance: The International Journal of Business in Society*, 5(1), 2005.

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.

Key Initiatives and Indicators of Progress

The **Institute for Entrepreneurial Excellence (IEE)** helps entrepreneurs and business owners realize their dreams by nurturing and promoting new business creation, social entrepreneurship, new product commercialization, and innovative agricultural production.

The **Business of HumanitySM** research project works directly with corporations to better understand "humaneness" and "humankind" in the context of strategic decision making. Multiple case studies of corporations in the US, India, Czech Republic, Brazil, China, and Russia have been completed, recorded and analyzed. The case studies explore management philosophy, business identity (value, aspirations, and competencies), management systems (strategy, structure style, and systems), strategic decision

processes, and humanity-based decisions' links to economic performance. The approach to this research project promotes dialogue between academics and business managers.

The **Center for Health and Care Work (CHCW)** seeks to inform the broad discourse on healthcare and related industries. In recognizing major workforce issues in healthcare – including little opportunity for promotion and high turnover, the Center seeks to work with healthcare partners to encourage interdisciplinary research and influence scholarship, policy, and practice. Current initiatives are centered on “quality care through quality jobs” and “work discretion and job crafting in the childcare industry.”

The **International Business Center (IBC)** develops, operates, and supports programs designed to build international competence and expertise in business students, faculty, and practitioners, and help businesses enhance their international competitiveness.

The **Center for Executive Education (CEE)** offers several non-degree programs related to social and environmental responsibilities of managers. The Management and Leadership Program is designed to build awareness of social, cultural, and global issues for future managers. Another program, the Global Leadership Program, is designed for working professionals. This program provides managers with a global outlook on markets, strategy, and leadership, along with opportunities to build cultural competence in regions where their organizations currently operate or plan to conduct business. The program fosters a deeper awareness of critical business issues and practices in a global setting.

Principle 6

Dialogue: We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Key Initiatives and Indicators of Progress

The **International Business Center (IBC)**, founded in 1990 as a joint venture with the University Center for International Studies, develops, operates, and supports programs designed to build international competence and expertise in business students, faculty, and practitioners, and helps businesses enhance their international competitiveness. As part of Katz's strategy to expand programs in emerging markets, the IBC supports initiatives that focus on global issues surrounding ethics and corporate social responsibility.

Katz Leadership Fellows Program. In partnership with an external organization known as Leadership Pittsburgh, Inc. (LP), this new initiative is specially designed for full-time MBA students. The Katz Leadership Fellows Program will identify MBA students who seek an intensive leadership experience and place them as guest members of nonprofit or economic development Boards of Directors. As part of LP's Leadership on Boards program, MBA students will work with board members to complete a strategic leadership project while gaining experience solving real-world ethics and leadership issues outside the

classroom. The fellows program provides an intense experience for MBA students to develop and cultivate their leadership skills and knowledge based on real organizational challenges and dynamics. It also provides exposure for Katz MBA students and their value added to key stakeholders within the region as a way to highlight the expertise of the Katz MBA to business and civic leaders.

Annual Corporate Ethics Awards. The David Berg Center for Ethics as part of Pitt Business worked in partnership with the Pittsburgh Chapter of the Society of Financial Professionals (FSP) to co-host the Annual Pittsburgh Business Ethics Awards. Designed to honor companies that demonstrate a firm commitment to ethical practices in their everyday operations, philosophies, and responses to crises and challenges, the Business Ethics Awards engages teams of undergraduate business students together with corporate ethics officers who facilitate the process of identifying finalist companies and awardees. This effort is part of the overall focus on of Pitt Business on experience-based learning allowing students to have first-hand known of the activities of ethical companies within the local region.

We host the Sky Bank **Center for Economic Education**, which is affiliated with Economics Pennsylvania, a statewide nonprofit organization accredited by the National Council on Economic Education. The center promotes economic education in elementary and secondary schools, and its programs are designed to help students become entrepreneurial, productive members of the workforce, responsible voting citizens, prudent savers and investors, successful participants in the global economy, knowledgeable consumers, and lifelong decision makers equipped to make effective choices in an ever changing environment.

G-20 in Pittsburgh. To commemorate and capitalize on the historic meeting of world leaders in Pittsburgh in 2009, the Katz Graduate School of Business and the College of Business Administration at the University of Pittsburgh hosted a month-long celebration of the G-20 member countries with spotlights and forums on the role of the G-20 in our global economy. Nearly 500 students, alumni, and community members joined Pitt Business to learn more about the G-20 Leaders' Summit on Financial Markets and the World Economy. We hosted the following events:

Once a week for the four weeks leading up to the Pittsburgh Summit, Pitt Business hosted *World Wednesdays*, a program of distinguished speakers in a panel-forum discussion on a topic related to their region.

For-Media Monday, on September 21, four distinguished journalists provided insight on what happens behind the scenes during the G-20, a closed meeting.

On each of the 20 days preceding the summit, we featured a different G-20 country with PowerPoint presentations on the political, cultural and economic aspects of that country that ran in the lobbies of business school buildings on campus.

We hosted guest speakers from around the world. Each had expertise on different aspects of the G-20 countries they represented, and came from the world of politics, international business, national media or academia.

In all, about 500 students, alumni, and community members attended our G-20 events.

4. Upcoming Initiatives and Future Goals

Berg Center Advisory Board. Plans are currently underway to create an ongoing advisory Board comprised of dedicated scholars, business executives and alumni who help examine ways to enhance our curriculum, programs and student-orientated professional development activities within the area of ethics, leadership and social responsibility. The formation of a new advisory board is to bring unique knowledge and skills which complement the knowledge and skills within Pitt Business in order to more effectively meet and assess the impact of key strategic goals and priorities of the Berg Center for Ethics and Leadership within the business school.

Measuring Impact CSR Project. Currently underway is a major initiative to join the efforts of the WBCSD via the David Berg Center for Ethics and Leadership as a university partner in the implementation of the Measuring Impact Framework among a set of small and medium business enterprises (SMEs) within the Pittsburgh region. An additional goal is to engage MBA students in understanding and measuring the impact of corporate social responsibility as a core business value and best practice. This project also seeks to help build company capacity among regional SMEs, via their utilization of the Measuring Impact Framework and provide a regional network of small and medium size firms who are committed to issues of corporate social responsible as identified by the WBCSD. Lastly, these efforts should produce an ongoing dialog of strategies and innovation surrounding social responsibility among these SME participants and MBA students.

Annual Summit on Ethics & Leadership. In order to facilitate an ongoing dialog among business professionals, academics and corporate leaders, the first annual ethical leadership summit is planned for 2011. Each year a current topic will be selected and this one-day summit will bring together experts in this area for dialog, discussion, debate and potential action steps. The result of the annual summit will be a "briefing document" with essays, commentaries, etc. that can be distributed by the Berg Center to a broader audience than those attending the summit.