



UNIVERSITY OF  
**NOTRE DAME**

**Mendoza College of Business**

# Communication on Progress Report 2007-2008



United Nations Global Compact

**PRME** Principles for Responsible  
Management Education



## A WORD FROM THE DEAN

In 2007, I had the honor of joining an international task force of 60 deans, university presidents and official representatives of leading business schools under the United Nations Global Compact. We were charged with the mission of creating a set of principles to advance the broader cause of corporate social responsibility within our academic institutions. At the United Nations Global Compact Leaders Summit in July 2007, these principles, gathered under the title of PRME (Principles for Responsible Management Education), were unveiled to scholars and leading academic organizations.

Through the commitment of its supporters, PRME quickly became an integral counterpoint to the direction that business education has taken over the last 60 years. Although the mission of the University of Notre Dame's Mendoza College of Business has always emphasized corporate social responsibility and business ethics in its research and curricula, PRME soon generated, in our students, faculty and administration, a renewed commitment to the advocacy of CSR. Mendoza College of Business recognizes the necessity of supporting business models that seek to promote the well-being of all humans, regardless of background. In my speech at the first Global Forum for Responsible Management Education, held at the United Nations headquarters in New York City on December 4 and 5, 2008, I reflected this mindset when stating that, "First, human rights take precedence over all other interests. As such, economic enterprises must serve people and uphold these rights, not the other way around. Second, as a community, by definition, we flourish and advance collectively, not individually." We must understand that sustainable business has as much to do with business ethics as it does with bottom line numbers. This requires a balance between what a person or organization takes and what is given back.

This Communication on Progress report captures some of the efforts within our school, from 2007-2008, to execute and live out PRME through a variety of mediums, including research, student activity and coursework.

A handwritten signature in cursive script that reads "Carolyn Y. Woo".

Carolyn Y. Woo

*Martin J. Gillen Dean and Ray and Milann Siegfried Chair in Entrepreneurial Studies  
Mendoza College of Business*

## THE MISSION OF MENDOZA COLLEGE OF BUSINESS

At the Mendoza College of Business, its deeply rooted mission of service and concern for the common good is finding new vibrancy in today's complex global business world. Led by Dean Carolyn Woo and supported by faculty, the Mendoza College continues to emphasize leadership grounded in ethics and social responsibility, with a view as to how business can solve some of society's most intractable problems.

## MENDOZA'S HISTORY WITH PRME

Under the leadership of Carolyn Woo, Martin J. Gillen Dean and Ray and Milann Siegfried Chair in Entrepreneurial Studies, Mendoza College of Business has long served as an advocate of the United Nations Global Compact, launched in 2000, which serves as a forum in which multinational businesses work to promote human rights, prevent violent conflict, and contribute to more peaceful societies. The U.N. Global Compact advances the critical issue that business leaders need to develop new policies and practices aimed at promoting responsible corporate citizenship and peace through commerce.

Rev. Oliver Williams, C.S.C., director of the Center for Ethics and Religious Values in Business at Mendoza College of Business, also played an integral role in Mendoza's relationship with the U.N. and was one of the earliest supporters of PRME. Father Williams serves as one of four directors who oversee the Global Compact Foundation and has researched and published widely on this topic. In April 2002, Father Williams hosted the first U.S. meeting devoted to the discussion of the U.N. Global Compact and also published a study revealing that the four-year-old initiative has been "relatively successful", signing up more than 1,100 companies worldwide, including more than 200 of the largest multinational firms.

In 2007, Mendoza College of Business advanced the Global Compact cause further when Carolyn Woo represented AACSB to engage an international task force of 60 deans, university presidents and official representatives of leading business schools to develop the Principles for Responsible Management (PRME). This U.N.-backed global initiative established six principles designed to promote corporate responsibility and sustainability in business education and was launched under the patronage of U.N. Secretary-General Ban Ki-moon in July 2007.

In January 2008, Mendoza College of Business became a signatory institution of PRME. In doing so, Mendoza joined hundreds of business schools and academic associations worldwide in committing to align its mission and strategy, as well as its core competencies – education, research and thought leadership – with U.N. values embodied by the six PRME principles.

Most recently, Carolyn Woo presented at the first Global Forum for Responsible Management Education held December 4-5 at the United Nations headquarters in New York City. The forum in particular centered on the Principles for Responsible Management Education (PRME). Woo addressed the U.N. Secretary-General Ban Ki-moon and urged attendees to focus business education away from an overly narrow agenda of wealth-creation for owners only to a broader perspective considering the role of business in solving the pressing global issues of poverty, disease and conflict. Attended by senior administrators from more than 150 academic institutions around the world, the forum provided a platform to advance the concept of corporate responsibility and sustainability in management education. At the close of her address, Woo also requested of the secretary-general two hours of programming time to further engage business school deans on this message and, immediately after the conference, Ban sent word to the dean that her request was granted.

## INTRODUCTION TO THE COMMUNICATION ON PROGRESS REPORT

As a signatory institute of United Nation's Principle of Responsible Management (PRME), Mendoza College of Business agrees to provide an annual Communication on Progress Report to all stakeholders outlining the actions it has taken to support, abide by and promote the six principles of PRME.

The following report provides an overview of how Mendoza College of Business incorporates and inspires business responsibility in its school. The report is categorized by the six principles of PRME along with specific examples of how Mendoza supports each respective principle through multiple avenues.

## 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.

Mendoza College of Business at the University of Notre Dame aims to create an informed environment to inspire a genuine concern for social responsibility in students. Through multiple avenues, we encourage students to develop powerful identities as future leaders of the business world, instilling within them an understanding of how their actions and decisions directly affect the health and sustainability of our growing economy. Through this learning experience, Mendoza College of Business students are inspired to consider and to create solutions for critical issues such as poverty, peace and business for good as responsible leaders.

There is a consistent effort to integrate classroom learning with real-life experiences, which not only adds relevancy but instills a deeper understanding and appreciation for the power of business in action. The Mendoza College of Business campus is rich with opportunities to learn about, serve and lead initiatives on social responsibility. Following are a few key examples of how the Mendoza campus supports the mission of PRME to develop and engage our students as agents of change towards social, ethical and business responsibility.

### INTERNSHIPS

#### **Catholic Parliamentary Liaison Office Internship**

From June to July 2008, an MBA student intern served as a policy consultant to the Catholic Parliamentary Liaison Office in Cape Town, South Africa. The internship involved publishing a white paper on South Africa's small business environment for use by Catholic leadership in advocating parliament on forward-thinking economic development policy and initiatives.

#### **Gigot Center for Entrepreneurial Studies Summer Internships**

The Gigot Center for Entrepreneurial Studies Summer Internships provide select students with the opportunity to experience developing countries first hand and gives them the chance to make a significant difference in the lives of the people they encounter and work with. Students accepted into the summer internship program spend 8 weeks in one of four areas working with internationally known organizations and/or local agencies to help empower the people. Students have the opportunity not only to develop their business skills, but also to immerse themselves in the community and the culture. They have the unique opportunity to examine first hand the challenges presented to a country that has experienced dramatic political and social change. The Gigot Center for Entrepreneurial Studies Summer Internships are offered in four locations:

- *South Africa Intern Program* – A select group of interns (4 MBA students and 4 undergraduate students in the MicroVenturing Certificate Program) had the opportunity to spend eight weeks working with notable organizations in Cape Town, South Africa. Partnering with organizations such as Catholic Welfare and Development, Ikamva Labantu, the Catholic Parliamentary Liaison Office, and The Business Place, interns created marketing strategies and financial models, implemented accounting systems, and improved operational strategies for micro-businesses. This internship provided the unique chance to develop business skills while working for a worthwhile

organization. All six interns lived together at Self-Service Apartments near the University of Cape Town Graduate School of Business and Victoria and Albert Waterfront, Cape Town.

- *Jamaica Intern Program* – With this unique internship, 3 MBA students in 2008 were given the opportunity to teach a senior-level course, *Entrepreneurship and New Venture Development*, to students at the University of West Indies in Kingston, Jamaica for eight weeks. The goal was to empower students to use entrepreneurial skills and basic knowledge of business plans in order to make a difference in their community. Interns also worked with NGOs on strategic initiatives, bolstering economic development opportunities for low income entrepreneurs. Notre Dame MBAs have this opportunity to use apply their MBA coursework in a service environment.
- *Guatemala Microventuring Program Internships* – this eight week internship, open to students enrolled in the MicroVenturing Certificate Program, is offered through a partnership with the Social Entrepreneur Corps, an organization created by experienced field professionals and social entrepreneurs working in Guatemala. In 2008, students were given the opportunity to experience the holistic Spanish language, international development, cultural and hands on field work through classes, case studies, discussions, analysis, living with the local population, as well as through visits and active participation with NGO's, local organizations and local social entrepreneurs. Interns also achieved success from a rural economic development/ social entrepreneurship, cultural and Spanish language perspective.

#### **Bon Secours Health System Internship**

In 2008, five MBA students served as interns for Bon Secours Health System, a \$2.4 billion not-for-profit Catholic health system headquartered in Marriottsville, MD. Each performed different tasks for the health system, but some of the duties included restructuring \$100 million in wrapped derivatives, establishing a reporting procedure regarding the uses of capital raised from tax-exempt bond issuances, and designing and implementing a new companywide cash flow forecast system.

#### **Families USA Internship**

In the academic year 2007-2008, an MBA intern for Families USA worked as an online advocate for the Washington, D.C.-based nonprofit organization, which is a non-partisan group dedicated to the achievement of high-quality affordable health care for all Americans. The duties included developing and implementing online campaigns that targeted health-care advocates nationwide, and improving the organization's use of the Internet when conducting policy research and communicating with the media and legislators. The internship also involved assisting in advocating a children's health insurance bill that subsequently was approved by Congress.

#### **U.S. – Mexico Training, Internships, Exchanges and Scholarships (TIES) Program**

In the academic year 2007-2008, through a partnership between the University of Guadalajara and the University of Notre Dame, the TIES program sought to take advantage of the opportunities created by NAFTA to train and advise small agricultural producers and their association on how to benefit from the new trade regime. As part of the program, MBA students participated in a summer internship for 8 weeks, during which they worked with Mexican counterparts tackling specific projects such as completing a feasibility study about bottling and selling coconut water for a small agricultural business in Cihautlan.

### **BUSINESS SIMULATIONS AND TEAM PROJECTS**

#### **Economic Empowerment in Strategic Regions (EESR)**

EESR is a new inter-agency initiative led by the U.S. Department of State to help combat religious extremism in isolated, impoverished regions of the world by cultivating private sector job-creation and economic empowerment. EESR solicited business proposals from entrepreneurs in Iraq and Afghanistan.

Notre Dame MBA students volunteered to analyze the plans, with the aim of producing business proposals marketable to Western audiences. The State Department subsequently posted the proposals to a dedicated Web site with the hope of drawing investors. Among the plans submitted for 2008 were a medical testing laboratory, a cotton-ginning operation and a tomato-processing facility. Notre Dame is just one of two schools nationwide invited to participate in the project, which started in the spring of 2008.

## CASE AND BUSINESS PLAN COMPETITIONS

Case competitions provide students with another opportunity to develop problem-solving and presentation skills under pressure, using real-world scenarios.

- Baylor University Case Competition in Ethical Leadership – A team of MBA students from the Mendoza College of Business competed in the three-day Baylor competition during which the team was given an ethical business dilemma and presented its solution before a panel of judges. In 2008, Michael Burns earned the honor of one of three best presenters and with Heather Burns awarded one of three awards for best Q&A.
- Kellogg Biotechnology Case Competition at Northwestern University – A team of 5 MBA students from Mendoza College of Business won this competition, an annual event centered on issues affecting biotechnology, in 2008. The case, based on a real-life scenario from several years ago, required the participants to act as consultants to a company seeking to bring a treatment for Pompe disease to market in the fastest way possible. The team’s solution combined financial analysis, shareholder interest and ethical implications.
- Social Venture Business Plan Competition – in this annual business plan competition, members of the Notre Dame community submit and present business proposals that identify and pursue innovative solutions to systematic social problems. It includes business ideas related to innovative public/private partnerships, as well as for-profit business models focused on social missions. In addition, the competition also accepts submissions related to creative ideas for spurring more socially-oriented entrepreneurial activity within the private sector for greater social/environmental impact. With the help and guidance of Notre Dame alumni, students learn how to create effective, sustainable responses to social problems. MBAs are involved with planning, marketing and implementing the event. Initial event deadlines begin in October and culminate in April.
- Invention Convention Youth Business Plan Competition – a program co-hosted by the Mendoza College of Business and the Robinson Community Learning Center located in South Bend, Indiana. Throughout the year, Mendoza’s Gigot Center for Entrepreneurial Studies and the Learning Center work with young people from South Bend high schools to enhance their business, academic and life skills through an entrepreneurship curriculum provided by the National Foundation for Teaching Entrepreneurship (NFTE). The program seeks to cultivate a spirit of entrepreneurialism by providing innovative learning experiences, both within and outside of the classroom, relevant to the entrepreneurial world. At year-end, participants take part in this annual business plan competition, where prizes are awarded to the top entries. Community MBA students act as mentors and competition judges. The event culminates with judging in April. Ideas from the eight 2008’s finalists include “Creative Concierge Services”, “Nite and Day Getaway”, “Good Times Restaurant & Arcade”, “Straight Faded”, “Dancin’ Diamonds”, “Trauma Records”, “Planned Partyhood” and “Rodriguez Audio Specialists”.

## STUDENT CLUBS

**Net Impact:** The 2008 Net Impact MBA Guide ranked the Notre Dame club in the top five schools in two of three categories. The club matches current MBA students with socially responsible opportunities on campus and in the local community. This allows students to make a positive difference in society while gaining experience that will transfer to future careers. Projects have included:

- Sponsoring Mark Albion, co-founder of Net Impact, scholar, *New York Times* best selling author and popular speaker on many topics involving socially responsible business
- Hosting a Coca-Cola Campus Greening discussion
- Participating in the Habitat for Humanity/Whirlpool house-build project and more than 20 other Service Corps projects with local community organizations
- School, Inc. represents a partnership between the South Bend Community School Corporation and the Graduate Programs at the University of Notre Dame, which gives MBA and Law School students the opportunity to enhance their leadership skills and contribute to youth and family development through on-going teaching and mentoring of underprivileged children and direct consulting work with South Bend School Corporation faculty and administration. In 2008, members also worked towards organizing La Familia Extendida Program, which is aimed at increasing student achievement at a local Catholic primal school where Hispanic enrollment is more than 70 percent.

### **MBA Entrepreneurship Society and Undergraduate Entrepreneurship Society (Gigot Center):** (<http://www.ndclub.org/>)

The Entrepreneurship Club aims to build a sustaining and flourishing organization reflective of the entrepreneurial spirit - innovative, nimble, adaptive, productive, and personal. The Entrepreneurship Club is dedicated to uniting the Notre Dame entrepreneurial community in the future. It strives to establish a network whereby undergraduate students, graduate students, faculty, Irish Angels, employers, the surrounding community, and other leaders can continually interact to learn from each other while building mutually beneficial and enduring relationships.

- Social Entrepreneurship and Consulting – In the Spring of 2008, the Entrepreneurship Society Social Entrepreneurship and Consulting wing continued its work in providing service to the citizens of the greater South Bend area, and partnered with South Bend Small Business Development Center to provide local entrepreneurs with professional consulting services, applying concepts learned in the classroom and engaging in high-level industry research.
- El Campito – In 2008, two members of the Entrepreneurship Society, Jaime Urquijo and Nicholas Walker, began an initiative to help provide Hispanic workers in South Bend with basic financial education. This project began at El Campito, a day care center, and involved partnerships with Chase Bank and the National Endowment for Financial Education to provide information to the Hispanic workers on anything from how to open a bank account to the type of taxes they should be paying in particular circumstances.

**Community Partners and Community Based Learning Initiatives:** Community Partners is a distinct club that operates similarly to the “Service Corps” model of Net Impact nationally. As a club, Community Partners applies project execution to the community development context and familiarizes students with opportunities for any leveraged contributions they will make as executives. Students facilitate communication and innovative partnership between local corporations and nonprofits by working with executives from both. During the period of Fall 2007 to Fall 2008, the program delivered 37 community projects.

**MBAA School, Inc. Committee:** 2008 marks the 8<sup>th</sup> year that Notre Dame MBA students work with Muessel Elementary School in South Bend, IN. Notre Dame MBAs, MNAs and other graduate students combine to contribute over 250 hours of community service at Muessel, some as part of the Business Ethics Field Project course taught by Jessica McManus Warnell. Opportunities with School, Inc. include one-on-one tutoring, classroom aids, business consulting, and youth entrepreneurship to contribute to the sustainability of the future leaders of America.

**MSAA Committee:** In 2008, MSAA supplied food for Thanksgiving dinner for three families with children enrolled at Perley Elementary School. They also adopted two adults from the Center for Homeless at Christmas and purchased for them much needed items, such as a winter coat and gloves. At Christmas, students in MSAA also participated in the MCOB Giving Tree, supplying YWCA Women and Children's Shelter of St. Joseph County, Women Care Center, and St. Margaret's House with items on each charity's wish list. In addition, members participated in the "Turning Over a New Leaf" project at Robinson Center. On November 15<sup>th</sup>, students went out into the community to the elderly and disabled to rake leaves and, throughout the school year, members also mentored young students at the Robinson Center. MSAA also challenged its members to raise \$3,000 for Relay for Life in Spring of 2008.

## INTERNATIONAL IMMERSIONS

Through international immersions, Notre Dame MBA students are exposed to financially and culturally burgeoning markets and challenged regions in need of business acumen for destinations such as: Kingston, Jamaica; Santiago, Chile/South America; Sarajevo, Bosnia-Herzegovina; Beirut, Lebanon; Beijing and Shanghai, China; Cape Town, Africa.

Examples of Projects:

- *Kingston, Jamaica* – MBA students tackled projects from teaching entrepreneurship to senior undergraduate students to conducting a financial assessment of local hospital to working with a nonprofit agency to reduce poverty and increase quality of life
- *Sarajevo, Bosnia-Herzegovina/Beirut, Lebanon* – Through *Business on the Frontlines*, a six-month elective course, MBA students examined the role of business in rebuilding war-torn societies. After taking class studies of developmental economics and topics related to peace-through-commerce efforts, students then traveled to the frontlines to see first-hand the impact of local and international businesses in post-war reconstruction societies.
- *Cape Town, Africa* – This immersion experience provided the opportunity for a select group of students to work with internationally known organizations to help empower the people of Africa through projects such as marketing strategies and financial models, implementing accounting systems and improved operational strategies for both micro-businesses and non-governmental business support organizations.

## OUTREACH/RESEARCH

### **MBA Values Statement**

In 2007, a group of MBA students created a values statement that exemplifies the program's mission and ethical ideals. The purpose was to affirm the program's commitment to the vision of Notre Dame founder, Father Edward Sorin, that business leaders graduating from the University should become a force for good in the world. The students conducted extensive research, including surveys, in order to come up with the values. Patrick Murphy, marketing professor and co-director of the Institute for Ethical Business

Worldwide, helped guide the project. The MBA Values Statement includes a total of 15 specific affirmations under the broad categories of community and responsibility, excellence, integrity, leadership and spirituality. The statement prominently hangs in every MBA classroom. In addition, MBA students review the statement each year and find new ways to distribute it throughout the College. This includes placing framed copies on faculty members' desks, creating a key chain listing the values and creating a Web site. (<http://www.nd.edu/~mba/mbavalues>)

### **MBA Orientation**

Each year, including in 2008, MBA students are introduced to the mission of the Mendoza College of Business that emphasizes a commitment to integrity and to giving back to the community from the start of orientation. Included in the event is an hour-long session where each student is given the opportunity to sign a written pledge to contribute a minimum of five hours of community service arranged by the Net Impact Club during their stay at Notre Dame. The students pledge at a rate of more than 95 percent per class. Also during the orientation, speaker Joe Holt, director for Executive Ethics in Notre Dame's Executive Education program, reminds students of the "truer measure of success" that focuses on the values dimensions of traditional business courses. Also, Associate Dean Ed Conlon presents "The Learning Environment", a talk that discusses the critical component of the academic environment of Mendoza, which is its approach to ethics as a cross-functional theme in the coursework. Students are advised that ethical and social impact considerations will be woven into the core curriculum and can also be explored in various ethics and elective courses. Orientation also features two-day workshops in accountancy and statistics that focus on ethics issues.

### **MSA Orientation**

In 2008, the students were introduced to their peers through four days of administrative, information and teambuilding activities. During the administrative session of orientation, the students had an opportunity to hear Dean Woo speak and view her movie on the subjects of "Catholic Identity of Notre Dame" and "Principles of Responsible Management Education".

### **Ethics Assessment Project**

This project analyzes the outcomes associated with a required undergraduate course in ethics titled "Introduction to Business Ethics" and also studies results from the Business Education Survey (BES) over three years in Mendoza as well as case study responses from all students. This project aims to determine factors such as whether, by the end of the business ethics course, students can identify ethical issues, including key facts, considerations and concepts, and display aptitude in identifying the appropriate resolution of ethical dilemmas and proclivity toward ethical decision-making. Responses to an ethics case-study given at the beginning of orientation and at the end of the course will also be analyzed. A survey, given during students' sophomore and senior years, will also research student attitudes toward and conceptions of business, business and society, and business education.

### **Center for Social Concern – Undergraduate Involvement**

Each year, the Center for Social Concern offers seminars to the students at the University of Notre Dame based on a variety of topics related to its mission. In 2008, several Mendoza College of Business undergraduate students applied to and participated in the following seminars:

- "Youth, Violence and Society" – 2 undergraduate students
- "Organizing Power and Hope" – 1 undergraduate student
- "Children and Poverty" – 2 undergraduate students
- "Environmental Justice and Human Rights" – 1 undergraduate student
- "Cultural Diversity" – 3 undergraduate students

## 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 States Global Compact.

### INTERTERM INTENSIVES

In one week each spring and fall, Interterm Intensives provide MBA students with opportunities to test-drive their new problem-solving skills, enrich their core tracks with electives that dive deep into important niche business topics, and learn from some of the business community's brightest. With corporate cases, a company brings Notre Dame a business problem, and the MBA students develop the solution and pitch the idea to the executives for feedback.

In 2008, one new offering during Interterm was a course in which Mendoza partnered with Ogilvy & Mather, a world-class advertising agency. In this course students were given exposure to the Ad Agency space and were taught many methodologies that are used in developing non-traditional advertising campaigns. The students were then charged with applying this new learning towards a not-for-profit organization, the International Rett Syndrome Foundation to help that organization raise awareness about the disease, to raise funds to support research for a cure, and to provide other support for children and families afflicted with this disease.

In addition, a second course in 2008, one in which all first-year Mendoza MBA students were enrolled, was conducted as a "case-competition". Mendoza partnered with the Coca-Cola Company on the development of the current Corporate Social Responsibility type challenges for which the students investigated, framed the problem, developed solutions, and presented their recommendations to a panel of judges. The three categories of case studies were based on the survival of an endangered species, human health, and utilization of natural resources.

### ASPEN INSTITUTE'S "BEYOND GREY PINSTRIPE" SURVEY

In 2008, the master of business administration (MBA) program in the Mendoza College of Business ranked No. 5 worldwide in the Aspen Institute's new "Beyond Grey Pinstripes" survey. The biennial survey, rates the top 30 business schools from among 600 full-time MBA programs. The ranking is based on how effectively the program and faculty prepare students in business issues related to social and environmental stewardship. Among the information it provided in the survey, Mendoza's MBA program listed 97 electives and 15 core classes that related to these topics.

### COURSES

In their academic experiences, Notre Dame students learn skills they can use to solve some of the toughest problems in business, and do so with a consciousness of how their actions impact their larger communities. Social responsibility is in the DNA of Notre Dame's learning community.

#### **MBA Program**

In the MBA program at Notre Dame, students are constantly reminded of why integrity must be at the heart of every business decision. The intersection of Notre Dame's values and every day judgments sparks rich dialogue in the classrooms where right is not always black and white. A new curriculum

launched in 2005 focuses on problem-solving opportunities in the context of individual ethics, organizational effectiveness and promoting the greater good. All 14 required courses and a notable 93 electives integrate social, ethical or environmental issues. Two new courses, “Issues in Sustainability” and “Ethics in Investing”, are dedicated to examining the rising importance of ESG investment criteria.

Ethical decision making is far from knowing right and wrong and involves the application of theories – philosophy, theology and psychology – as well as rational reasoning. Through both required and elective courses, students are encouraged to hone their ethical judgment in real-life situations. Notre Dame seeks to sensitise its students to the ethical dimensions of professional situations, domestically and globally, by equipping them with various frameworks to identify and examine options. Students are also encouraged to reflect on their own personal values and how those values map to organizations.

Notre Dame MBA students learn leadership skills they can use to solve some of the toughest problems in business, and do so with a consciousness of how their actions impact their larger communities. Social responsibility is in the DNA of Notre Dame’s learning community.

### **MNA Program**

Rooted in the Notre Dame tradition of academic excellence, the Mendoza College of Business MNA degree's mission is to develop exemplary leaders serving non-profit organizations. The Master of Nonprofit Administration Program develops the administrative leadership skills of people in non-profit organizations. The MNA Program design offers a flexible structure with on-site courses held in the summer and electives offered via e-learning during the fall and spring. Accommodating the full-time work schedules of participants, the program enables degree completion between 14 - 50 months. The program is part of the Mendoza College of Business, ranked #1 by Business Week in business ethics. It is also part of the University of Notre Dame, a top twenty university, richly rooted in the tradition of social service.

### **MSA Program**

The University of Notre Dame’s M.S. in Accountancy Program is a two-semester program designed to help students develop the skills and knowledge necessary to excel in careers involving, financial reporting, consulting, or taxation. The accounting curriculum requires students to not only learn specific rules and techniques, but also to research and analyze issues and communicate their findings. In addition, the role of the accountant in global society and the importance of professional conduct are emphasized throughout the curriculum. The Notre Dame MSA curriculum also broadens student abilities through finance, management and communication courses taken with MBA students. Its graduates tell report that the M.S. in Accountancy Program has greatly enhanced their professional and personal lives. They have developed not only valuable accounting skills, but also the ethical awareness required to maintain integrity in business. Furthermore, they believe the case -study approach used in the graduate program allows them to connect theory with practice.

### **Executive Education**

Founded in 1980, Notre Dame Executive Education offers executive, non-degree and degree programs, awarding about 120 degrees annually and delivering programs on and off campus, throughout the United States and abroad. In 2008, approximately 230 students are enrolled in the 17-month Executive MBA program in Chicago, the 21-month South Bend program and an off-site classroom in Cincinnati. More than 1,100 leaders have participated in the innovative open-enrollment Executive Integral Leadership (EIL) program. A cornerstone of Notre Dame’s Executive Education, the integral approach incorporates moral, spiritual and ethical strengths as well as other personal dimensions into leadership training.

Examples of Business Ethics and Social Responsibility Courses at Mendoza College of Business in 2008:

- **MBET60340:** “Foundations of Ethical Business Conduct” – Professors Patrick Murphy and Joseph Holt – This course, required for all MBA and EMBA students, argues that the foundations of business conduct should be based not on mere avoidance of wrongdoing but on excellence with respect to financial and ethical performance. In the course, students are required to submit “front line ethics” cases in which they describe concrete dilemmas they have experienced in the workplace. The last session of the course is devoted to an interactive discussion of select dilemmas from the class. By way of expanding the moral/mentoring community, EMBA students discuss the front line ethics cases they submitted in the required MBA ethics course and the effect is a positive one with moral examples being set by older brothers/sisters in the college.
- **MBET70500:** “Globalization and Multinational Corporate Responsibility” – Professor Lee Tavis – This course is one of several that fulfills the required second course in business ethics. The objective of this course is to enhance the awareness and understanding of future business executives, multilateral and national governmental officials, and managers of nongovernmental organizations about the evolving role of the multinational enterprise and how that role should be managed.
- **MBET60380:** “Ethical Dimensions of Leadership” – Professor Robert Audi – This course considers both what is required for ethical leadership in business and what it takes to achieve something more: leadership in ethics.
- **MBET60330:** “International Business Ethics” – Professor Georges Enderle – This course focuses on the international dimension of business ethics at all levels of business: personal, organizational and systemic.
- **MBGR60210:** “Ten Years Hence” – Professor Jim O’Rourke and Dean Woo – This course explores ideas, issues and trends likely to affect business and society over the next decade. In 2008, planning took place for the 2009 lectures that will focus on the topic of sustainability.
- **MBET60320:** “Marketing Ethics” – Professor Pat Murphy – This course engages students in becoming familiar with and apply the major ethical theories to marketing problems. Students in this course are also required to nominate one individual for the Theodore M. Hesburgh Award. This award, given each Spring by the Institute for Ethical Business Worldwide and the Center for Ethics and Religious Values in Business, is given to a distinguished recipient for ethical leadership in business. In 2008, the Hesburgh Award was presented to Ron Grzywinski, chairman and co-founder, and Mary Houghton, president and co-founder, of ShoreBank Corp., America’s first regulated community development and environmental bank holding company.
- **MGT76030:** “Business On the Frontlines” – Viva Bartkus – This new course, introduced in 2008, has three objectives: 1) to introduce basic concepts in developmental economics and peace through commerce; 2) to delve more deeply into the specific political, cultural, economic and business challenges of a specific war-torn country; and 3) to investigate, based on a field visit, both the activities of local and /or international business in a war-torn region and the positive/negative impact of those business activities. In 2008, students in this class were sent in teams to Sarajevo in Bosnia-Herzegovina and Beirut, Lebanon.
- **BAET30300:** “Giving Voice to Values” – Jessica McManus Warnell – This course allows students the opportunity to develop a “toolkit” of specific steps toward ethical decision making

and personal response to ethical challenges and explores the “post decision-making” stage. The course will explore case studies and “scripts” – through individual and role-playing exercises, students will practice ethical decision making and action. Students will design their own scenarios and plans to teach ethical action. The course includes a special focus on relevant applications – entry level positions after graduation, job and other experiences students have already encountered or will soon encounter, and other practical contexts. This course was developed in consultation with and based on the model of the Giving Voice to Values curriculum developed by Mary Gentile and the Aspen Institute’s Center for Business Education. Several top schools are piloting the curriculum, including Yale, Duke and Stanford.

- **BAET 30520: “Topics in Sustainable Business”** – Jessica McManus Warnell - The course provides an introduction to relevant terms and concepts in the areas of social and environmental sustainability. The course enhances awareness of corporate sustainability and “triple bottom line” (economic, environmental and social) concepts, explore the role of stakeholders in business decisions, and allow students to learn from “best practices” in these areas, featuring top companies including GE Corporation, PricewaterhouseCoopers, and others. Other relevant initiatives are included, for example, discussion with the Director of the University of Notre Dame Sustainability program. Core sustainability terms and concepts will be explored, along with a close look at companies that have successfully incorporated such approaches. Tactics such as “green-washing” that overstate the benefits of corporate actions are explored. Frameworks and metrics of sustainability are a focus of the course to allow an understanding of the importance of practical application of sustainability goals. Considerations of the relevance of Catholic Social Teaching to sustainability concerns are incorporated. The course runs concurrent with the MBA-level course in sustainability; shared speakers and opportunities for cross-cultivation are possible.
- **BAET 40300: “Business Ethics Field Project”** – Jessica McManus Warnell - Applying business skills to meaningful community-based work allows for experiential learning and the opportunity to develop abilities while examining issues of social justice. The course operates from the recognition that the business sector offers tremendous potential to impact social issues. Students will apply their skills through projects with local agencies, supervisors, and clients by volunteering with a not-for-profit organization for a period of five weeks. An overview of ethical theory will be discussed as we begin to examine the ethical dimensions of social issues. Frequent interaction between the instructor and student will consist of several dimensions: class discussions, individual one-on-one meetings and reflecting on the service learning experience through a handwritten journal. The class will meet as a group three times per week for five weeks. Service hours are completed on the student’s own time according to a schedule established with the instructor and site contact.
- **MBCM-70450: “Corporate Communication”** – James O’Rourke – As part of this course, Notre Dame MBA and MS Accountancy candidates are required to write a case study focused on Corporate Communication issues and actions. In 2008, the Fanning Center at Notre Dame published 13 case studies of these case studies, all of which dealt in some way with ethical business practices.

### **Additional Courses Include:**

- MBET70600: “Spirituality and Religion in the Workplace” –Joseph Holt
- MBGR70209: “Corporate Citizenship and Sustainability” –Patrick Murphy
- MBET 60320: “Marketing Ethics” –Patrick Murphy
- MBET70610: “Spirituality and Work” – Rev. Oliver Williams, C.S.C.
- MBCM70500: “Conflict Management” –Sandra Collins
- MGT70570: “Leadership in Action: Stewardship Through Community Partners” – Jessica McManus Warnell
- MBGR60210: “Ten Years Hence” –James O’Rourke and Dean Carolyn Woo
- MBCM70450: “Corporate Communication” –James O’Rourke
- MBCM60100: “Introduction to Communication” – James O’Rourke
- MBCM60420: “Management Writing” –James O’Rourke and Sondra Byrnes
- MGT70540: “Entrepreneurship in Developing Countries” –Melissa Paulsen
- BAET 20300: “Introduction to Business Ethics” (undergrad sophomores course) – Jessica McManus Warnell
- BAMG 30505: “Microventuring I for Business Students” – Melissa Paulsen
- MBET70501: “The UN Global Compact and the Future of the Economy” – Rev. Oliver Williams, C.S.C
- ACCT70570: Accounting Fraud Examination” – Thomas Frecka
- MBET70520: “Sustainability in Business” – Patrick Murphy
- MBGR70211: “Corporate Citizenship and Sustainability” – Patrick Murphy
- MGT70430: “Management Negotiation” – Ann Tenbrunsel
- MBET60370: “Ethics in Finance and Banking” – Georges Enderle
- MNA70410: “Ethics Theory” – Patrick Murphy
- MBET70530: “Shareholder ESG (Ethical, Social and Governance) Ethical issues – Elizabeth Snyderwine
- MBET60390: “Ethics in Investing” – Elizabeth Snyderwine
- FIN70920: “Issues of Sustainability in Investments” – Elizabeth Snyderwine
- ACCT70752: “Ethics In Accounting” – Kevin Misiewicz

## Principle 3

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

### EDUCATIONAL FRAMEWORKS/MATERIALS

- Value Lines - “Value Lines” is a newsletter published monthly during the academic year by Accountancy Professor Ken Milani for more than 30 years. The publication highlights ethical concepts and considerations from a variety of sources, both from within Notre Dame and national. “Value Lines” focuses on ethics from both the academic, corporate and popular culture levels. It is distributed to each MBA student and to the Mendoza College in general.
- 15 Challenges DVD - This video was created by the Mendoza College of Business to illustrate the 15 greatest challenges facing the world population as described in the “State of the Future” report published annually as part of the United Nations’ Millennium Project. The 20-minute video contains illustrative scenes explaining each of the challenges, such as clean water shortages, the status of women and transnational organized crime. The evocative presentation gives viewers a broader perspective of the complexity of the problems, the stakes involved, and ideas about possible solutions. “15 Global Challenges” was shown to students in all programs of Mendoza College of Business, introduced with a talk by Mendoza College Dean Carolyn Woo about the global challenges and the students’ responsibilities as future leaders, and continues to be used in the classrooms. Students also have borrowed copies of the video to show in various meetings.
- “Peace through Commerce: Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact” – (published in 2008) This new book edited by Rev. Oliver F. Williams, C.S.C., associate professor of management and director of the Center for Ethics and Religious Values in Business at the University of Notre Dame, addresses the global corporate role in promoting more peaceful societies. The book includes essays by major business leaders and scholars who discuss the issues presented by the United Nations Global Compact, including the impact of commerce in promoting peace and the benefits of global economic development through voluntary corporate policies and actions.
- “Values-Based Multinational Management: Achieving Enterprise Sustainability Through a Human Rights Strategy” – (in progress 2008) This book, written by Professor Lee A. Tavis and Timothy M. Tavis, focuses specifically on the issues addressed in the six principles of PRME, including business for good and corporate responsibility. The book has been with the press throughout 2008 and is now in the final editing stages, due for publication in early Fall 2009.
- Ethics Case Studies Publications – In 2008, MBA and MNA students in the Corporate Communications classes at Mendoza College of Business each wrote a case study based on corporate communication issues and actions. 13 of these case studies, all of which dealt in some way with ethical business practices, were chosen for publication. In addition, MBA candidates in Professor Pat Murphy’s Business Ethics course also composed a case study in 2008 (with a 2009 copyright) that focuses exclusively on ethics and managerial actions.

- Personal Ethical Dilemmas – EMBA students will be asked to go through an exercise to help them identify and develop the competencies necessary to work on aligning their personal values and purpose to the conflicting ones of their boss, co-workers, direct reports or firm. Students will reflect on their previous experiences, successful and less so, at effectively voicing and acting on their values in the workplace. They then work in teams to discover which conditions and problem definitions empower them to effectively voice their values, and which tend to inhibit that action.

## ACADEMIC CENTERS

Mendoza College of Business' academic centers enable students and faculty to delve deeply into areas of interest and to impact the public debate on vital business issues.

- Institute for Ethical Business Worldwide seeks to promote positive illustrations of ethical and socially responsible business conduct throughout the world. The institute stresses the importance of ethical leadership as a cornerstone to building a stronger sense of integrity and values into all business firms.
- Center for Ethics and Religious Values seeks to strengthen ethical foundations in business and public policy decisions by fostering dialogue among academic and corporate leaders, as well as by research and publications. The center's ethics curriculum is integrated through Notre Dame's business coursework.
- Gigot Center for Entrepreneurial Studies encourages innovation among current and aspiring entrepreneurs. Through a unique curriculum, business plan competitions, and mentoring opportunities with Notre Dame alumni, students gain vital experience and the skills necessary to build successful businesses. The undergraduate entrepreneurship program was ranked 19<sup>th</sup> in the 2009 U.S. News & World Report, America's Best Colleges.
- Fanning Center for Business Communication provides coursework in all facets of human communication, from writing and speaking to listening and group interaction. In addition to classroom success, Fanning Center faculty also has earned an international reputation for its research and publications.
- Service Learning and Community Outreach at Mendoza coordinates applied, community-based learning initiatives for our faculty, students and programs. Mendoza connects its students to the local, national and international community to work towards realizing a fundamental tenet of our University's mission that states, in part, "to create a sense of human solidarity" and concern for the common good that will bear fruit as learning becomes service to justice."
- Center for Social Concern is a service and community-based learning center outside of Mendoza but part of the Notre Dame community that provides educational experiences in social concerns inspired by Gospel values and Catholic social traditions. Undergraduate students at Mendoza College of Business can enroll in a variety of courses in the following three categories:
  - Experiential Learning (EL) – classes that put students in direct contact with some aspect of the issue being studied in their coursework. The off-campus area offers sites for learning, but students don't necessarily engage in service.
  - Community-Based Learning (CBL) – courses where students contribute to the community beyond the campus.

- Community-Based Research (CBR) – classes that involve students in an investigation of a question of concern to a non-profit community organization. The results of the study are intended to assist the organization.

## 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.

The Mendoza College of Business faculty is a great force behind the mission of the school to expanding awareness of and passion for ethics in business. Faculty members commit to unearthing the realities behind how our decisions impact the sustainability of business. The Mendoza faculty continually drives the message of social responsibility through its teaching, scholarship and organized events. Recent faculty research has explored topics including plagiarizing ethics codes and lying in the sales cycle. A fall ethics conference convenes leading scholars in core business disciplines to identify contemporary ethics questions, with the papers being published in the *Journal of Business Ethics*.

As the intellectual and inspirational power behind Mendoza's renowned programs, the faculty at Mendoza is unquestionably its principal resource. They are recognized internationally, publishing more management communication case studies than any other school in the world. The faculty at Mendoza is also integral to transferring the core values of the school to its students through courses that teach students to become the kind of critical thinkers, problem solvers and leaders that contribute to global sustainability and business for good.

### 2008 PUBLISHED FACULTY RESEARCH ABSTRACTS (EXAMPLES)

Audi, Robert. "Some Dimensions of Trust in Business Practices: From Financial and Product Representation to Licensure and Voting." *Journal of Business Ethics* 80 (2008): 97-102

*TRUST AND ETHICS: This paper is an examination of the role of trust in the previous seven papers in this issue of the Journal. Trust and trustworthiness are briefly characterized; their importance in business itself and in business ethics is briefly described; and each paper is discussed in relation to how trust figures in the ethical issues it raises. The overall discussion brings out the need for further work on the nature of trust and on the elements in business, such as transparency, that apparently help to sustain it.*

Murphy, Patrick E. "Marking With Integrity: Ethics and the Service Dominant Logic for Marketing." *Journal of the Academy of Marketing Science* 36 (March 2008): 39-53

*MARKETING ETHICS: This paper examines a tendency within existing marketing scholarship to compartmentalize ethical issues. It also shows how this tendency can cause ethical tensions and conflicts in marketing practice. Specific recommendations are made for improving the ethical climate in marketing using marketing performance measurement theory and practice.*

Frecka, Thomas J. "Is Intentional Structuring of Lease Contracts to Avoid Capitalization Unethical?" *Journal of Business Ethics* 80 (2008): 45-59

*ETHICS IN CONTRACTS: Under present accounting rules, lessees frequently structure contracts for leased assets, in situations where they enjoy benefits similar to outright ownership, in a way that keeps both the leased assets and related liabilities off their books. This method of accounting creates off-balance sheet financing and is called operating lease accounting. The paper debates the ethicality of intentionally structuring lease contracts to avoid disclosing leased asset and liability amounts and describes the "slippery slope" of rule-based accounting for synthetic leases and special purpose entities, that, in the author's opinion, led to the accounting debacles at*

*Enron and other companies. The ethical intent that is implicit in the Securities and Exchange Commission and Financial Accounting Standards Board regulations is discussed and suggestions for improving the ethicality of financial reporting are provided.*

Sherry, John F. Jr. "Ethnography Goes to Market." American Anthropologist 110 (2008): 73-76

*ETHICS OF MARKET RESEARCH: Anthropologists have long wrestled with their impact upon the people they study. Historically, the discipline has served and subverted colonial agendas, but views itself traditionally as an advocate for the disempowered and as an instrument of public policy. Marketing is now among the pre-eminent institutions of cultural stability and change at work on the planet. The ethical consequences of market-oriented ethnography are explored in this essay.*

Tenbrunsel, Ann E. "Ethical Decision-making: Where We've Been and Where We're Going." Academy of Management Annals 2 (2008): 545-607

*BUSINESS ETHICS: Research on ethical decision making, or behavioral ethics, in organizations has developed from a small niche area to a burgeoning stand-alone field, one that has gained not only in number of articles written but in the legitimacy of the topic and the field. Our review motivated us to first try and summarize the field, not by comparing it to existing theoretical paradigms, but rather by observing what the data were telling us. In looking to the future and how the field can enhance the former and mitigate the latter, we identify several areas in which meaningful progress can be made, including defining what is "ethical", revisiting unsubstantiated assumptions, focusing on the processes of ethical decision making, fixing methodological issues, and disentangling the outcomes of ethical decisions.*

## ADDITIONAL 2008 PUBLISHED FACULTY RESEARCH RELATING TO ETHICS AND THE CREATION OF SUSTAINABLE, ENVIRONMENTAL AND ECONOMIC VALUE

- Angst, Corey. "Wireless Communication Role in Patient Response Time: A Study of Vocera Integration with a Nurse Call System." Computers, Informatics, Nursing (CIN) (26) 2008: 159-166
- Audi, Robert. "Belief, Faith and Acceptance." International Journal of Philosophy of Religion (63) 2008: 87-102
- Audi, Robert. "The Ethics of Belief: Doxastic Self-Control and Intellectual Virtue." Synthese (161) 2008: 403-418
- Audi, Robert. "Testimony as an A Priori Basis of Acceptance: Problems and Prospects." Philosophica (78) 2008: 85-104
- Badertscher, Brad A. "Calibrating the Reliability of Publicly Available Nonprofit Taxable Activity Disclosures: Comparing IRS 990 and IRS 990-T Data." NonProfit & Voluntary Sector Quarterly 2008
- Bartkus, Viva Ona. "International Business Dynamics: Drivers of MNC In-Country Economic Returns." Business and Society (online) 2008
- Bergstrand, Jeffrey H. "Do Economic Integration Agreements Actually Work? Issues in Understanding the Causes and Consequences of the Growth of Regionalism." The World Economy (31) 2008
- Bloom, Matt. "Investor Activism, Managerial Responsiveness, and Corporate Social Performance." Strategic Management Journal (28) 2008: 91-100
- Bradford, Kevin. "Creativity in Buyer-Seller Relationships: The Role of Governance." International Journal of Research in Marketing (25) 2008: 109-118
- Bradford, Tonya W. "Intergenerationally Gifted Assets Dispositions." Journal of Consumer Research (online) 2008
- D'Arcy, John P. "Does One Size Fit All? Examining the Differential Effects of IS Security Countermeasures." Journal of Business Ethics (online) 2008
- D'Arcy, John P. "User Awareness of Security Countermeasures and Its Impact on Information Systems Misuse: A Deterrence Perspective." Information Systems Research (online) 2008
- Davis, James H. "Trust: An intercultural comparison of consumer perceptions." International Journal of Commerce and Management (18) 2008: 150-165
- Devaraj, Sarv. "The Role of Quality in E-procurement Performance - An Empirical Analysis." Journal of Operations Management (26) 407-425

(continued on next page)

- Gaski, John F. "The Index of Consumer Sentiment toward Marketing: Validation, Updated Results, and Demographic Analysis." Journal of Consumer Policy (31) 2008: 191-216
- Guiltinan, Joseph P. "Creative Destruction and Destructive Creation: Environmental Ethics and Planned Obsolescence." Journal of Business Ethics (online) 2008
- Murphy, Tonia Hap. "Michael Novak's Business as a Calling as a Vehicle for Addressing Ethical and Policy Concerns in a Business Law Course." Journal of Legal Studies Education (25) 2008: 17-49
- Hartvigsen, David. "The Manipulation of Voting Systems." Journal of Business Ethics (80) 2008: 13-21
- Huang, Roger. "A Functional Approach to the Price Impact of Stock Trades and the Implied True Price." Journal of Empirical Finance (15) 2008: 1-16
- Kelley, Ken. "Patterns of clinical functioning over time for young people served in a system of care." Journal of Emotional and Behavioral Disorders (16) 2008: 90-104
- Kelley, Ken. "The development of conceptual interests in young children." Cognitive Development (23) 2008: 324-334
- Liu, Chao-Shin. "Further Evidence on Financial Analysts' Reaction to Enterprise Resource Planning (ERP) Implementation Announcements." Review of Accounting and Finance (7) 2008: 213-234
- Loughran, Timothy J. "Does Payment for Order Flow to Your Broker Help or Help You?" Journal of Business Ethics (80) 2008: 37-44
- Mannor II, Michael J. "Life in the Organizational Sciences: Achieving Consensus on What is Reasonable, What is Possible, and What is Absolutely Required." Journal of Organizational Behavior (29) 2008: 725-729
- Murphy, Patrick E. "Distributive Justice: Pressing Questions, Emerging Directions and the Promise of Rawlsian Analysis." Journal of Macromarketing (28) 2008: 5-11
- Porter, Constance E. "Building Trust in US-Japanese Business Relationships: Mediating Role of Cultural Sensitivity." Industrial Marketing Management (online) 2008
- Queenan, Carrie C. "The Killer Application of Revenue Management: Harrah's Cherokee Casino & Hotel." Interfaces (38) 2008: 161-15
- Sherry Jr., John F. "The Ethnographer's Apprentice: Trying Consumer Culture from the Outside In." Journal of Business Ethics (80) 2008: 85-95
- Stober, Thomas L. "Response by the Financial Reporting Policy Committee of the Financial Accounting and Reporting Section of the American Accounting Association to the SEC Release: Acceptance from Foreign Private Issuers of Financial Statements Prepared in Accordance with International Financial Reporting Standards Without Reconciliation to U.S. GAAP." Accounting Horizons 2008: 241-247
- Stober, Thomas L. "A Perspective on the SEC's Proposal to Accept Financial Statements Prepared in Accordance with International Financial Reporting Standards (IFRS) Without Reconciliation to U.S. GAAP." Accounting Horizons 2008: 241-248
- Tenbrunsel, Ann E. "When Sacred Issues Are at Stake." Negotiation Journal (24) 2008: 113-117
- Tenbrunsel, Ann E. "Ethics in today's business world: Reflections from scholars." Journal of Business Ethics (80) 2008: 1-4
- Urbany, Joel E. "Confirmation and the Effects of Valenced Political Advertising: A Field Study." Journal of Consumer Research (34) 2008
- Urbany, Joel E. "Choice Under Restrictions." Marketing Letters (19) 2008: 183-199
- Vecchio, Robert P. "The utility of transactional and transformational leadership for predicting performance and satisfaction within a path-goal theory framework." Journal of Occupational and Organizational Psychology (81) 2008: 71-82
- Vera-Munoz, Sandra C. "Corporate governance reforms: Redefined expectations of audit committee responsibilities and effectiveness." Fundamentals of Corporate Governance, SAGE Publications (2) 2008: 353
- Wood, Charles A. "The Sound of Silence in Online Feedback: Estimating Trading Risks in the Presence of Reporting Bias." Management Science (54) 2008: 460-476
- Yun, Hayong. "The Choice of Corporate Liquidity and Corporate Governance." Review of Financial Studies (online) 2008

## 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.

### BUSINESS ADVISORY COUNCIL

The Business Advisory Council (BAC) of Mendoza College of Business advances the college mission and offers counsel to Dean Carolyn Woo and the administration of the college. The BAC meets annually on campus and items on the agenda include college updates, financial budget reviews and insights into new courses and events within the college. In the October 2008 meeting of the Business Advisory Council, members were shown the 15 Challenges DVD and were encouraged to discuss their roles as executive leaders in contributing to the environmental and ethical sustainability of the world.

### NATRI & LRCR 2008 NATIONAL CONFERENCE

In 2008, Dean Carolyn Woo attended the annual NATRI (National Association for Treasurers of Religious Institutes) & LRCR National Conference as a keynote speaker, giving a speech titled “Preparing Lay Leadership for Religious Service Organizations: Challenges to the transition to lay leadership of religious education, social service and healthcare organizations”. The speech focused on the movement of the global corporate sector towards an increased commitment to a broader social agenda with accountability and a positive impact. Dean Woo also addressed how this trend presents significant opportunities for authentic partnerships with the social sector for progress on transector global problems.

### ALUMNI RELATIONS

Ten Years Hence – Notre Dame alumni have access to video recordings of all Ten Years Hence lectures from 2005 to present on the Ten Years Hence website at [www.nd.edu/~cba/tenyearshence/](http://www.nd.edu/~cba/tenyearshence/). Examples of lecture titles on the website include “Long Range Global Challenges and Their Implications for Business”, “America in 2017: Making Tough Choices Today Can Help Save our Future”, “Globalization and Finance: The Future of Islamic Finance as an Ethical Investment”, and “Green is the ‘New Black’ But Will it Stay in Style?”.

“Getting It Right” Alumni Seminar – On September 12 and October 3, 2008, Mendoza faculty Viva Bartkus, associate professor of management, and Ed Conlon, the Sorin Society Chair in Management, provided a seminar on business values and judgment for all Mendoza College of Business alumni. Their seminar served to help participants tackle their biggest professional challenges by discovering problem-specific solutions, including ethical decision making, moving from analysis to action, and driving solutions through the organization. They led participants through thoughtful analyses of real-life case studies to demonstrate how problem-solving has become an under-rated leadership skill and the critical role of well-examined values an under-emphasized one.

### EXECUTIVE EDUCATION - EMBA

The Weave: Values Integration Course (Spring 2008) – In the final session of the South Bend and Chicago EMBA Weave courses, students discuss the general desirability of the whole person being

integrally involved in his or her work and the challenges and possibilities of living out one's faith, whatever it is, in and through the work of a business leader. Students in the Weave course also discuss the desirability of seeing their business leadership as a calling, and to enable those they lead to experience a calling by emphasizing positive purpose beyond business. In the Weave course, students also read and prepared a response to "UBS and Climate Change – Warming Up to Global Action?", a Harvard Business School Publishing case requiring leaders in UBS to grapple with the importance of the challenge represented by global climate change. The exercise surfaced the importance of global warming, challenging participants to think of how to operationalize a response to that challenge in a financial institution, and sensitized students to the perspective of other groups relevant to a sound decision in the matter.

Foundations of Principled Business Conduct – This course, taught by Professor Joseph Holt, is a required MBA and EMBA ethics course that concludes with a section on sustainability. Students read chapters of *Business, Ethics, and the Environment*, by Joseph DesJardins, reflect on the meaning and importance of sustainability to the long-term shared prosperity of business and society, and read and discuss a HBSP case that requires business leaders grappling with the concrete, particular, detailed business challenges (involving research and development, production, supply chain management, marketing, finance, etc.) of adopting a cradle-to-cradle rather than cradle-to-grave approach with respect to a new chair, the Mirra chair.

## EXECUTIVE EDUCATION – CUSTOM PROGRAMS

Banco Crédito e Inversiones – In May 2008, Professor Holt provided two two-day workshops for mid-to-senior level managers at Banco Crédito e Inversiones in Santiago, Chile. During the workshops, participants discussed, among other topics, the social responsibility reflected in part of the BCI Mission Statement, and the significance of that statement to values-based leadership that has a purpose including but going beyond profits to include having a positive impact on the lives of their employees and the communities in which they operate. In the same workshops, participants, led by Professor Holt, conducted a leadership legacy exercise with the result that most participants wanted to be remembered for having a positive impact on the lives of those they served as leaders and that many wanted to have an impact on society and the natural environment as well. The workshops also included another exercise that helped participants identify concrete ways to foster the well-being of employees and so benefit their teams in the workplace, and their families and communities beyond the workplace.

Sisters of the Holy Cross – In 2008, the Sisters of the Holy Cross participated in a custom program aimed to strengthen its leadership and vision. This program provided leadership training centered on the concept that leadership and mentorship are intertwined and that leadership involved mobilizing others so that they want to make an effort and achieve shared aspirations and objectives. The program facilitated responsible leadership, with respect in particular to the work the sisters did with regard to human rights and social justice more generally in the developing world and elsewhere.

Bayer – In May 2008, Bayer executives participated in a session on the "Goals and Challenges of Values-Based Leadership", led by Professor Joseph Holt, as part of a residency program Executive Education holds for Bayer each year. Participants discussed increasing societal expectations that business concern itself with more than profit maximization and a McKinsey Quarterly survey that showed that 84% of the 238 executives from 116 countries surveyed believed that business should balance high returns to investors with contributions to the public good. The goal of this program was in part to identify and encourage a trend toward a more responsible and positive role for business in light of various social challenges and needs.

Volunteers of America Executive Development Program – In November 2008, Professor Joseph Holt gave a full day workshop in the Volunteers of America Executive Development Program, put together by Tom Harvey of the MNA department, on “Developing a Sustainable Approach to Inspired Leadership.” Participants explored the examples of inspired leadership provided by Moses and Jesus in the Judeo-Christian beliefs in which both Volunteers of America and Notre Dame stand. The goal of this workshop was to help VOA executives more fully accomplish their mission to strengthen individuals and communities in need according to their mission and to enable more responsible leadership of a sustainable variety in work that strengthens society by helping those in need.

## EXECUTIVE EDUCATION – OPEN ENROLLMENT

The Language of Business – In April 2008, Professor Joseph Holt recorded modules for an online open enrollment course on the topic of CSR. The course also centered on issues of ethics in business, personal core values, and corporate social responsibility.

## EXAMPLES OF PRESENTATIONS AND OUTREACH TO EXECUTIVES & MANAGERS

- Speech to managers and academics in Cape Town, South Africa (July 2008- George Enderle)
- Speech to managers at leadership seminar at Notre Dame (September 2008 – George Enderle)
- Speech to managers and academics in Antalya, Turkey (October 2008 – George Enderle)
- Speech to managers at EGADE, Monterrey, Mexico (October 2008 – George Enderle)
- Speech to managers and academics in Shanghai (December 2008 – George Enderle)
- “The Global Compact: Is Peace Through Commerce Feasible?”, Conference on Globalisation and Economic Justice (February 2008 – Rev. Oliver Williams)
- Speech to the Anglo-Cold Executive Development Program on Global Corporate Social Responsibility, UCT (February 2008 – Rev. Oliver Williams)
- Speech to the AIM Program at UCT in Business Government and Society on the Changing Role of Business in Society (April 2008 – Rev. Oliver Williams)
- Presented “The United Nations Millennium Village Concept” to the conference on The Global Compact in Africa convened by the National Business Initiative (NBI) Johannesburg (April 2008 – Rev. Oliver Williams)
- World Economic on Africa, Invited Participant, Cape Town (June 2008 – Rev. Oliver Williams)
- Guest lecturer in Ethics and Corporate Governance at Nelson Mandela University in Port Elizabeth - Executive MBA (June 2008 – Rev. Oliver Williams)
- “The UN Global Compact: Can it Provide an Answer to Critics of Globalization?”, presented at a plenary session of the International Society of Business, Economics and Ethics (ISBEE), Cape Town (July 2008 – Rev. Oliver Williams)
- Presented “The Challenge: To Avoid Checking Our Spiritual Values at the Office Door”, Johannesburg Country, Auckland Park, Johannesburg (July 2008 – Rev. Oliver Williams)
- Presented “Honor and Heroes: Guides for Moral Excellence in Business,” Princeton Club, New York City (October 2008 – Rev. Oliver Williams)
- Chaired a session of the conference, “Global Forum for Responsible Management Education,” United Nations Global Compact and PRME, New York City (December 2008 – Rev. Oliver Williams)
- Presented “Implications of the Financial Crisis for Peace and Conflict Issues,” at the Kroc Institute for International Peace Studies (December 2008 – Rev. Oliver Williams)
- Presented “Can You Do Well By Doing Good”, Harry Wilkinson Centre, Johannesburg (July 2008 – Rev. Oliver Williams)
- Presented “Restoring Public Trust in Business: The Crucial Role of the King Report” to the Association of Corporate Treasurers, Cape Town, Africa (June 2008 – Rev. Oliver Williams)

## 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.

We understand that our own organizational practices should serve as an example of the values and attitudes we convey to our students.

Mendoza College of Business recognizes the importance of providing opportunities for members of its community to learn from and exchange ideas with speakers who share expertise in areas of important concern. In addition, Mendoza works proactively to create events for interested attendees to participate in conferences and panel discussions in an effort to bring concerted awareness to the issue of global social responsibility and sustainability.

### LECTURES AND LECTURE SERIES

Mendoza College of Business works in conjunction with its students, faculty members and community to offer a wide array of lecture series that address the critical issues of global social responsibility and sustainability. The lecture series serve as a catalyst for meaningful discussion and thoughtful reflection on these critical issues. Lecture series in the year 2008 included the following:

- Ten Years Hence is a signature lecture series that brings in internationally renowned experts to discuss some of the most vital trends and issues facing the current age. Ten Years Hence gives students a sense of the near future and the possibilities and challenges that lie ahead in society, business and government. In 2008, planning took place for the 2009 lectures that will focus on the topic of sustainability.
- Donnelly Lecture Series in Participatory Management brings experts in the area of participatory management to Notre Dame. In 2008, Howard P. Behar, former president of Starbucks Coffee International, spoke about his book and the “people-centered” Starbucks philosophy which includes building trust, listening for the truth and taking responsibility.

#### Additional Lectures and Lecture Series include:

- “Business as a Calling” – September 2008  
Michael Novak, director of Social and Political Studies and George Frederick Jewett Chair in Religion, Philosophy and Public Policy at the American Enterprise Institute
  - “The Growth of Foreign Direct Investment and the Role of Outsourcing” – September 2008,  
Jeffrey Bergstrand, Finance Professor for MBA and undergraduates at Notre Dame
  - “Never Too Poor to Save: The Other Side of Microfinance” (Gigot Center) - November 2008,  
Guy Vanmeenen of Catholic Relief Services (CRS)
  - “Community Enterprise Solutions MicroConsignment Model” (Gigot Center) – 2008, Greg Van Kirk of Community Enterprise
- John A. Berges Lecture Series in Business Ethics features an opening faculty panel discussion followed by a series of lectures delivered by senior executives from major corporations addressing current ethical issues in business. This year’s series focused on the technical and ethical dimensions of climate change.
  - Ethics Week was established in 1997 to encourage the discussion of ethical matters in undergraduate and graduate business classes at Notre Dame. Each year, accountancy professor Ken Milani hosts four lectures over the course of a week. In 2008, speakers included Notre Dame head basketball coach Digger Phelps, who is

## PANEL DISCUSSIONS, FORUMS AND CONFERENCES

Mendoza College of Business also offered a variety of panel discussions, forums and conferences that enabled students and other members of the community to engage in discussion and to contribute their personal ideas and reactions to the issues discussed. In addition, panel discussions, forums and conferences also allow for multiple perspectives to be shared and heard simultaneously. The events listed below were offered in 2008 by Mendoza College of Business and centered on issues relating to the principles of PRME:

- Notre Dame Forum is an annual University-wide effort to focus on critical moral, ethical and humanitarian challenges facing our world. The 2008 Forum explored how charting pathways to a sustainable energy future is emerging as one of the world's great challenges, examining social justice and ethical considerations. Presentations were given by a distinguished panel that included: Majora Carter, founder of Sustainable South Bronx; Jeff Immelt, chairman and CEO of General Electric Co.; Ernest Moniz, director of the Laboratory for Energy and Environment; and Bill Ritter Jr., governor of Colorado. Alumna Anne Thompson, NBC chief environmental affairs correspondent, served as moderator. All MBA students were invited to the event by the ND president.
- Notre Dame Energy Week is held in conjunction with the Notre Dame Forum. Each day of Energy Week 2008 featured energy education and awareness activities, including participation from major energy companies, a display of hybrid vehicles, carbon dioxide footprint calculators that students can use to measure their impact on climate change, the information on renewable energy sources, tours of the Notre Dame power plant, and screenings of documentaries and energy-focused movies, such as "Who Killed the Electric Car?" and "An Inconvenient Truth". The Notre Dame Net Impact chapter took a leadership role in the event's planning and execution, with the Student Advisory Board of the Notre Dame Energy Center responsible for overall planning.
- Ethical Dimensions in Business Conference is an annual conference that encourages provocative dialogue about ethical issues in business within the academic community. Top scholars in the business disciplines discuss their research and the ethical issues that should be considered within
- "Making a Living, Making a Difference: Careers for Social Change", an annual event, this year featuring keynote speaker Sean Litton, vice president of field operations at International Justice Mission, followed by a panel discussion on how individuals can change career paths in order to serve a philanthropic or humanitarian mission. This event was partially sponsored by the Master of Nonprofit Administration at Mendoza.
- MBA Leadership Conference, an annual event held this year in April 2008, is organized and hosted by the Irish Leaders, a committee of MBA students, to develop leadership in today's world by inviting alumni and other executives who have illustrated values-based leadership. The three-day conference, attended by MBA and EMBA students, alumni and guests, features talks by prominent business leaders as well as break-out sessions and a panel discussion.
- GE Faculty Sustainability Workshop and Seminar is a two-day workshop, held this year in October 2008, during which directors from General Electric's corporate citizenship and global programs presented industry best-practices in areas of energy and climate change (including the large sector of ecoimagination), merging markets, governance and environmental health and safety. Participants included Mendoza College of Business faculty and MBA students, as well as key sustainability personnel from across the University of Notre Dame campus. The event features presentations by GE, group discussions and a case review about an ethical situation currently facing GE. The workshop and seminar also provided the company with an opportunity gather effective teaching methodologies to broaden its relationship with other academic organizations. This is an annual event with

- PricewaterhouseCooper Faculty Workshop and Seminar is a two-day workshop for faculty members during which PricewaterhouseCooper partners with the College to present on the issue of climate change. The workshop provides an opportunity to gain an appreciation for the implications of climate change and an understanding of the financial aspects of climate change. Workshop sessions will be facilitated by PWC professionals and corporate representatives and is an efficient way to get acquainted with the topic and the corporate reporting trends. Session topics will include: dimensions of climate change; responsibility framework/regulation; corporate responses; and global reporting and the information environment. The planning for this workshop occurred in 2008 and the event is scheduled for April 2-3, 2009. This is an annual event with various corporate partners.
  
- MBA Diversity Conference is a two-day annual event for all Notre Dame students, organized in 2008 by the Black Graduates in Management members, which addresses the need to respect the value of each student's circumstances and contributions. Panel topics included issues such as identifying and breaking stereotypes and diversity in global assignments.
  
- Credit Crisis Panel Discussion was organized this year by the Notre Dame Finance Department to examine the causes of the financial crisis in October 2008. Panelists discussed ethical issues involved, such as the role of trust in the financial markets. This event was open to all MBA and undergraduate students as well as to the public.
  
- Second Annual Non-Profit Roundtable is an annual event, co-sponsored by the MNA and MBA Programs at Mendoza that brings in experts from the non-profit sector to define and discuss the landscape of non-profit organizations and any other topics related to the non-profit sector. In 2008, roundtable speakers included Mary Dunbar (Executive Director of the Pokagon Fund and Founder of Make A Difference Michiana), John Pinter (Executive Director, The American Red Cross, St. Joseph Co.) and experts from the Gigot Center and the MNA program at Notre Dame.