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**Sharing Information on Progress:**

**United Nations Principles of Responsible Management Education**

**2009-2010**

**I. Renewal of Commitment**

January 24, 2011

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, USA

**Commitment to the Principles for Responsible Management Education**

As an institution of higher learning involved in the education of current and future managers, the University of Dayton School of Business Administration is committed to engaging in a continuous process of improvement in the application of the Principles for Responsible Management Education, reporting on progress to all stake­holders and exchanging effective practices with other academic institutions.

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

We encourage other academic institutions and associations to adopt and support these Principles.

Matthew D. Shank, Ph.D.

Dean and Professor

**II. Activities that seek to support the Principles of PRME**

The Principles of PRME promote education that strives to create responsible business leaders who seek the common good, use resources in a sustainable manner, respect all people and cultures and make ethical decisions. At the University of Dayton School of Business Administration, our mission is to educate the whole person in the Marianist tradition, connecting learning and scholarship with leadership and service to prepare students for successful careers in the contemporary business environment. The University’s commitment to Catholic social teaching is a commitment to respect for all persons and our environment and to working for social justice. Because our Catholic and Marianist mission is so closely aligned with the Principles of PRME, educational programs that support one will naturally support the other.

The activities discussed below represent some of the new or ongoing programs at the University of Datyon that prepare our students and faculty for responsible business leadership.

**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.

* **Business and Marianist Values Learning and Living Community**

Learning and Living Communities (LLCs) at the University of Dayton are cohorts of first year students who live together, take at least one class together, and participate in activities planned for their cohort to advance the theme of the LLC. The new Business Learning and Living Community, Business and Marianist Values, began in fall 2010 with a cohort of 25 first year students. With this LLC we hope to create a forum in which high achieving first-year students from the SBA and other units of the University can explore the role that Marianist values play in business decision making and in ensuring that business promotes the common good of society. The students attend events related to ethics and social responsibility in business and they will do a group service project designed by the students. At mid-year, it appears that the new LLC has been quite successful in creating a cohesive group of students and in encouraging them to consider issues related to business and society that many student do not address until later In their college experience. We plan to continue with a new group of first year students next year and also involve the cohort from this year in additional activities.

**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.

* **Required course in the MBA program revision: The Principled Organization: Integrating Faith, Ethics and Work**

The newly revised MBA program, which will begin Fall 2011, includes a required three-credit course on The Principled Organization. This course has been taught as an elective in the past, but we feel that the topics covered are important for all of our MBA students. Readings, presentations by and discussion with guest business executives, and class discussions help students to reflect on how they can live out their values in their work lives and use business as a vehicle to promote the common good of society.

* **Required business ethics course in the undergraduate business core curriculum**

Although this is not a new requirement, it continues to be an important feature of our undergraduate business curriculum. There is an ongoing effort to ensure that the selection of courses to fill this requirement include real application to business situations. Business faculty meet with faculty from Philosophy and Religion who teach these courses to discuss course content and strategies.

* **Flyer Consulting**

Flyer Enterprises provides experiential business education to our students through the operation of profitable, ethically-focused businesses that serve the needs of their stakeholders. Starting in 2001 with two divisions, Flyer Enterprises now has seven retail operations and, in 2009, added Flyer Consulting. Flyer Consulting is nonprofit and provides business solutions to Dayton area nonprofits, helping them to make the most of their limited resources. Student consultants both serve society and get a tremendous learning experience. Flyer Consulting plans to launch its Consultant Development Program in the spring of 2011 to increase underclassmen involvement and to teach them the roles within the organization.

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

* **Center for Integration of Faith and Work**

The Center for the Integration of Faith and Work, launched in October 2009, is designed to help business students find the deeper meaning in their life's work, using their gifts and talents, not only as a means of income and career advancement, but as an integral part of our responsibility to do good for society. The Center creates a focal point to help students explore the value and meaning of their chosen life's work. The center is believed to be the only program of its kind in the country to link faith and values with personal fulfillment and business success, building on the University's Catholic, Marianist heritage as well as a growing interest in spirituality in the business sector. The University's Catholic, Marianist heritage emphasizes the education of the whole person, the role and dignity of work and the responsibility of each individual to contribute to the common good. This Center serves as a coordinating structure for efforts in the School of Business Administration related to ethics and social responsibility. The Director of the Center also chairs our Committee on Catholic and Marianist Identity.

**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.

* **Faculty research 2008-2010 related to PRME Principles**

Beginning in 2009-10, the Center for the Integration of Faith and Work has made funding available for faculty research related to the Center. Although we have had no applications for that funding yet, faculty do continue to do work that has tangential application to the principles of PRME. Research that faculty indicate has such application includes:

Sullivan, D.M. & Marvel, M.R. (forthcoming). How Entrepreneurs' Knowledge and Network Ties Relate to the Number of Employees in New SMEs. *Journal of Small Business Management.*

*Excerpt relating to PRME Principles:* On a broader level, this study highlights the importance of knowledge and networks to young SMEs. The findings suggest new venture founders can promote economic development though job creation by leveraging a comprehensive business related knowledge set and their network ties. Job creation is vital to economic development and our findings provide actionable advice as to how individual knowledge resources and network tie characteristics can enhance this critical outcome. Previous job creation research has suggested that it is a relatively small number of fast-growing, innovative, “gazelles” or second-stage companies that contribute disproportionately to job creation (Birch, 1987; Kirchoff, 1994). Researchers have coined these ventures “high-impact firms” as they are thought to have a significant impact on the economies within which they reside because of their significant revenue growth and their abilities to expand employment (Acs, Parsons and Tracy, 2008). The present research builds and extends upon the findings from this research by demonstrating that new, SME, firms may also be important for economic development. That is, SMEs and not just specialized high-impact firms provide for new employment opportunities. This finding underscores the importance of SME research and the SME’s role in job creation across regional and national economies.

Gorman, Michael F, Evaluating the Public Investment Mix in US Freight Transportation Infrastructure, *Transportation Research Part A*, *42 (2008), pp. 1-14.*

*Abstract:* This research empirically evaluates the public sector investment in the US freight transportation infrastructure. In particular, the infrastructures to support the two most comparable modes of freight transportation – highway and intermodal rail – are examined as alternatives for public fund allocation. Indicators for public sector transportation infrastructure investment mix are established based on financial analysis of both private and social costs and benefits, as well as the propensity of freight shippers to utilize such infrastructures. The research results in recommendations for aggregate allocation of public funds in the US based on these indicators. We find that approximately a quarter of truck freight could be handled at a 25% lower cost if rail infrastructure to support it existed. Because an additional 80% reduction in social costs could be achieved through this modal conversion, the public sector is a critical participant in creating a more efficient transportation infrastructure.

Donna Street and Leroy Rogero have organized roundtable discussions on climate change and the CFO at the University of Dayton RISE Symposium and also at ACCA events in Sydney. Summaries of the roundtables will be published in *Accounting and Business* and in *Accountancy Futures.*

Meek, William R., Desiree F. Pachcco, and Jeffrey G. York, The impact of social norms on entrepreneurial action: Evidence from the environmental entrepreneurship context, *Journal of Business Venturing*, 25(5), September 2010

**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.

* **Annual Business As a Calling Symposium**

The Business as a Calling Symposium is held annually and co-sponsored by the SBA Center for the Integration of Faith and Work and the Jacob Program for Professional Ethics in the College of Arts and Sciences. The symposium brings to campus a business executive who has integrated his/her faith and work. The executive discusses methods for creating a culture of integrity and social responsibility in an organization and challenges he or she has faced. This event is attended by all SBA first year students as well as upperclass students in the SBA and the College. Invitations are also extended to all UD faculty, staff, and students as well as to members of the business community.

* **Walk the Talk**

Luncheon sessions are held 6-7 times per semester during which business persons and students discuss case studies that include ethical dilemmas encountered in business. All seniors are required to participate and the sessions are open to all business students and faculty.

**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.

* **Center for Leadership and Executive Development (CLED)**

CLED was a division of the School of Business Administration until its 2010 administrative move to the School of Graduate, Professional and Continuing Education. CLED provides programs for business executives presented by the nation’s top thought leaders in executive development. Topics vary each year but generally include issues related to responsible corporate leadership, sustainability and business ethics. University faculty have the opportunity to interact with business leaders at these events.

* **2010-11 Seminar on Ethics and the Business Profession in a Catholic and Marianist University**

Five business faculty and five humanities faculty participate in this year-long seminar that works on innovative ways to structure learning for students who will enter the business profession so that they are more fully able to engage in responsible action. Discussion includes ways that business faculty can enrich the business ethics courses offered in philosophy and religion and ways that humanities faculty can enrich business courses.

* **ETHOS (Engineers in Technical, Humanitarian Opportunities of Service-learning) involvement of Business students**

Since the summer of 2008, business students have accompanied engineering students on the ETHOS summer service-learning trips. While the engineers have developed technology to solve the challenges in the host countries, the business students have worked on developing business plans to allow these new products to be delivered in ways that will employ the local work force. An example is a project to create and produce solar ovens and autoclaves in Nicaragua. This project also won the University of Dayton Business Plan Competition in 2008 and students who worked on it continue to be involved in developing a business to produce the ovens in Nicaragua.

The ETHOS vision statement describes the program goals:

ETHOS seeks to provide experiential learning through service-learning internships, student organization activities, collaborative research and hands-on classroom projects that support the development of appropriate technologies for the developing world, locally and globally. Such experiences expose students to alternative, non-traditional technologies that are based on fundamental science and engineering principles, but have tangible and immediate impacts on improving the lives of those who use them. ETHOS maintains as its educational objective to challenge students to think creatively and independently, to work as a team and communicate effectively, and address issues of appropriate technology, environmental ethics, social responsibility, and cultural sensitivity. Such exposure, both inside and outside the classroom, allows students to recognize the far-reaching effects, positive and negative, of engineering and technology and thus the responsibilities of being an engineer in our ever-increasing global society.

**III. Future objectives**

* **International Symposium on Catholic Social Thought and Management Education to be hosted by University of Dayton**

University of Dayton faculty participated in the 7th International Symposium on Catholic Social Thought and Management Education which was held at the University of Notre Dame on the topic The Role of Mission-Driven Catholic Business Schools. The University of Dayton is scheduled to host the next symposium in this series.

* **MBA 2011 Summer Study Abroad Program: Peace Through Commerce**

**Message to MBA students to advertise this trip:**

As China's President Hu Jintao wraps up his state visit to the United States this week, we are greeted with news that China's economy grew unexpectedly in the fourth quarter of 2010, to 9.8%. These numbers make it all but certain that China will become the world's second largest economy in 2011, a position Japan had occupied for 42 years. At a time when the U.S. is desperately trying to stimulate the economy, China is trying to do the opposite to slow growth and inflation, while simultaneously trying to shift from an export-driven manufacturing economy reliant on an undervalued currency to a domestic-driven consumer-based economy. Against this complicated picture, China remains the world's number one destination for FDI, including from a myriad of American companies of all sizes and across multiple industry sectors. Whether as a market to sell their goods or as the source of low-cost, high-quality manufactured goods, U.S. businesses interests are more intertwined with China than at any other period of history.  
  
If you've ever wanted to witness this economic miracle first-hand, to see for yourself how globalization and trade have lifted millions out of poverty, now is your chance. The University of Dayton MBA program is now accepting applications for the 2011 MBA Summer Study Abroad program, "Peace Through Commerce." This year's program departs on Saturday, May 28, and travels first to Hong Kong, to discover how Hong Kong is consistently ranked the world's most competitive economy. The program then travels to Beijing, to discover China's capital city, home to centuries of tradition and empires, and now a modern metropolis and China's cultural center. Walk along the Great Wall, explore the Forbidden City, and mingle with local citizens on Tiananmen Square. The program will also travel to Chong Qing, one of China's largest cities with 30 million people, and visit Ford's largest manufacturing plant in China. All along the way, take MBA 656 and explore how economic development can affect peace and prosperity throughout the world. The program returns to Dayton on Monday, June 6.

* **Global Learning Opportunities through Business Experiences (GLOBE) Program**

A new study abroad program for our undergraduate students is in the planning stages and that program is constructed around the Principles of PRME. The program plans two weeks in Europe, two weeks in China/Japan and two weeks in Southeast Asia and the themes are described below:

The Program will directly subscribe to four of the Six Principles of PRME:

*Principle 1: 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.*

Through assigned readings, exercises, reflective writing, group work, and projects/research, students will be challenged to explore how globalization and the rise of the multinational company has affected indigenous cultures and lifestyles, and their future role as managers in influencing these affects. While courses and types of students (SBA at first, others to follow) will vary across years, these learning methods will likely remain in place.

*Principle 2: 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.*

The “Ten Principles” of the Global Compact (broadly addressing human rights, labor standards, the environment, and anti-corruption) will be the guiding framework for class discussions, company and embassy visits, and class projects.

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

Through the research and execution of a student-led team, students in the Program will identify and deliver a high-impact community project that illustrates the PRME principles.

*Principle 5: 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.*

During visits to business enterprises in each Program stop, students will focus on best practices currently being used by a firm in corporate social responsibility. Where appropriate and by invitation, student teams may deliver material they author to executives or other targets of interest. The results of these studies may include a competitive analysis, a set of best practices in regard to the Ten Principles of the Global Compact, and some concrete suggestions for how their hosts can become part of the commitment demonstrated by membership in the Global Compact.