

PRME Principles for Responsible Management Education

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CBPA, AACSB, & PRME

In Spring 2012, CBPA became a signatory to PRME—Principles for Responsible Management Education. These Principles for Responsible Management Education were launched in 2007 as an initiative of six academic institutions (including AACSB International) and the United Nations Global Compact. PRME seeks to establish a process of continuous improvement among institutions of management education in order to develop in our students a new generation of business leaders who view corporate strategy within a broader perspective of all stakeholders over traditional shareholder value. Guided by the PRME philosophy, CBPA’s mission is to inspire and champion ethical and responsible management education, research, and thinking for global leadership. At CBPA, we endorse conscious capitalism. We are continuously embedding PRME values into our Educational Value Chain. We highlight some of these endeavors in reports like this.

CSUSB & THE JACK BROWN COLLEGE LAUNCH A NEW JOINT VENTURE, “The Sustainability Show”

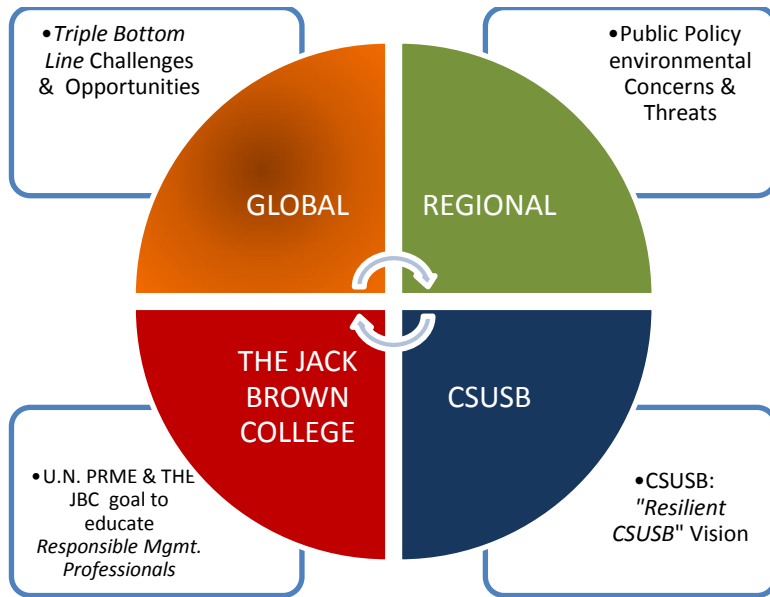


This is an informative radio talk show on Environmental Sustainability with an emphasis on conscious, responsible capitalism. This show brings together experts and other guests on associated topics. It has been created and hosted by **Professor**

Breena E. Coates. Ideas link back to strategic global sustainability issues, as well as CSUSB strategies, such as “Resilient CSUSB” and the campus motto “We Define the Future.” The monthly program includes The Jack Brown College’s commitment to PRME values in educating business students to be responsible future corporate leaders. The audience reaches out to the CSUSB campus, regional, and national stakeholders.



Design of the “Sustainability Show”



Faculty Focus:

Dr. Kevin Guo is a CFA (Chartered Financial Analyst) Charter holder and he has more than five-years of industry experience as a bank manager and senior financial consultant before he joined CSUSB as a finance faculty in 2013. Dr. Guo embeds **PRME** values throughout his teaching curriculum and brings his industry experience and knowledge into his classroom. He develops his course design along with real world projects and case study analysis as well as extracurricular activities in an effort to help students develop their own morality and conscience to be business professionals who define ethical corporate cultures.

In the lower division finance courses (e.g., FIN313 and FIN314), Dr. Guo integrates ethical real-world cases into the basic concepts of the course so students feel they are learning something

relevant. The real-world case study process allows students to analyze current financial issues that cause ethical dilemmas which will in turn help them in practical application of the concepts of the course.



For example, while introducing the roles of investment banking in the financial market, Dr. Guo brought the headline news “*The Failure of Facebook’s IPO*” to the class and initiated the discussion with students about the IPO procedures in detail as well as the potential ethical issues in the case of

Facebook's IPO. He also extensively uses business documentaries from television shows to relate financial ethical concepts to the visual resources. Using these types of active discussions and visual demonstrations better allows students to take ownership of business ethical issues and begin designing plans for their elucidation.

In the upper division finance courses, Dr. Guo extensively uses group debates and team presentation on the real-world ethical issues of the current financial markets. The teamwork projects are assigned to provide students with a chance to blend business strategy with ethical critical thinking in the decision-making process. In his FIN430 class, for example, each group of students are assigned to identify ethical and legal issues in a specific corporation/situation and find alternatives that demonstrate ethical values. Students are required to present with ethical issues such as agency problems, due diligence, insider trading concerns, etc., and how such problems have a detrimental effect in achieving financial objectives. In addition, Dr. Guo introduces the *CFA Institute Code of Ethics and Standards of Professional Conduct* in his FIN 435 (Investment Analysis) class in order to reinforce ethical behavior in the global investment management industry. The case study from CFA level in the curriculum provides students with a frame of reference for ethical behavior for investment professionals in the financial markets, raise students' awareness of how they recognize and respond to ethical dilemmas, and empower them to address ethical dilemmas in a professional manner. Dr. Guo also invites guest speaker and alumni into his classroom and encourages the students to consult with them on ethical challenges they face in the workplace. For example, Jonathan Perez who graduated from CSUSB in 2016 and is currently working at Goldman Sachs was invited to his summer class in 2017 to talk about his personal experience of the ethical issues working in the investment banking industry.

Professor Haakon T. Brown, Ph.D.

(Department of Marketing), incorporates PRME



values in both his courses and in his research. In MKTG 416 (Marketing Research) he instills a questioning mindset in his students by highlighting examples in the real world where information is presented to make a specific argument and

how that information can be misleading depending on how it is presented. He encourages his students to fully understand data before using it to make a decision by returning to the source of the data and probing how and why the data are collected. He also spends time talking about the role and importance of the Institutional Review Board (IRB) in the *ethical* collection of marketing research information.

A core component of his MKTG 410 (Consumer Behavior) course is persuasion. So Dr. Brown frames the discussion of persuasion from the perspective of the students as consumers. In this way students learn how companies use certain tactics to persuade consumers and thus gain an understanding of how to use these tactics responsibly as managers of the future. He also stresses how companies should strive to improve the life of consumers and how that in turn will lead to a successful and sustainable organization.

This carries forward in Dr. Brown's research as his primary area of interest is consumer self-control with a focus on improving *consumer welfare* outcomes. One current project demonstrates how restricting future opportunities to perform beneficial consumer behaviors (e.g. going to the gym) can actually increase the likelihood that consumers perform the behavior in the present. A second project is focused on improving nutritional label information presentation so that consumers can make more

informed food consumption decisions.

Professor Samantha Liu explains why ethics is important in accounting education. Accounting is a profession that adheres to rigorous code of ethical conducts. This is because when accountants deviate from the line of ethics, their trustworthiness and judgement will come into



question. Many professional organizations in the field such as the *Association of Certified Public Accountants (AICPA)*, the *Institute of Management Accountants (IMA)* and the *Institute of Internal Auditors (IIA)* publish their

own codes of ethics. All these codes of professional conduct share commonalities such as integrity, competence, independence and confidentiality. The educational requirements for CPA licensure in California require 10-semester units of ethics study in business, philosophy, religion and theology. According to CalCPA requirements, CSUSB has added the wording of *ethics* to the title of four accounting courses and created an upper division Accounting Ethics course. This also implies that instructors shall incorporate ethical study as a component in all accounting courses.

She says, “At CSUSB, her strategy of teaching is to first introduce to students the cases which describe certain practices conducted by managers and accountants and then lead students to think what ethical violations have happened if any. The accounting cases are heavily technical which requires students to understand the accounting concepts before they can evaluate whether there is

ethical violation. They are provided with a specific set of ethical guidelines issued by professional organizations to be used as benchmarks in evaluation. Finally, I share with them resources from the profession or the government about ethical counselling and whistleblowing in order to prepare them for future challenges on the job. It is important for students to abide by the ethical rules but it is even more important for them to know how to better handle such ethical challenges and protect their career. What students need is to be equipped with the knowledge and the skill to reason in a sophisticated way.

For example, in ACCT 347 the Cost Accounting course, I focus on the end of year manipulation in both accruals and real activities by managers aiming at meeting current year performance target. Managers not only manipulate accounting accruals such as backdating shipping documents and change depreciation methods but also take non-accounting business decisions such as channel stuffing and delay or cut discretionary expenses. Students need to analyze the negative consequence of such manipulation from shareholder’s perspective and understand why it will hurt the organization in the long run. Finally, students discuss together how they are going to resolve such ethical conflicts when being pressured by bosses and the steps taken to preserve their professional status and career. In ACCT 606 the Managerial Accounting course for MBA students, students choose to study from a list of practitioner journal articles including the ones on ethical issues. They prepare a five-minute talk introducing the main points of the article and open up the class discussion on the matters. It is amazing each time to hear about my students’ insightful comments on ethical matters and knowing their understanding becomes mature day by day.”

Student Focus:

Rachel Unruh, MBA Student in Spring 2017, introduced Mgmt. 685 students to an organic cosmetics firm in her final paper and presentation, as an example of corporate responsibility...



LUSH Fresh Handmade Cosmetics offers scented selections of ethical skin care hair care bath and body luxuries as well as off-beat gift ideas loaded with natural ingredients. A

self-appointed cosmetic deli LUSH makes effective products out of fresh organic fruits and vegetables the finest essential oils and ingredients that are ethically and sustainably sourced from around the world. Since LUSH arrived on the scene 17 years ago its philosophy has always been to have the *least possible impact on the environment* while still producing effective and innovative beauty products. In doing so LUSH products are 100% vegetarian 82% vegan 60% preservative-free and 38% free of wasteful packaging with absolutely no animal testing being done on LUSH products or ingredients. These ethics are at the heart of the brand and remains there with every new shop that opens globally.

The core of the LUSH philosophy is based on the highest levels of production standards with the lowest possible impact on the environment as their vision. Sustainability is a company-wide priority that flows through their operations So, environmental and social stewardship are critical elements in the business decisions that they make on a daily basis.

It is the responsibility of their *Ethical Buying Team* to get out there to show stakeholder how this happens. Their buyers travel worldwide, personally visiting their suppliers to trace the ingredients, to meet the growers and producers, and ensure care for the environment and fair conditions for workers.



Jimmy Ly, MBA student in Mgmt. 685, Spring 2017, brought to the attention of his classmates the implications of FISMA— The Federal

Information Security Management Act of 2002. It is a United States federal law enacted in 2002 as Title III of the **E-Government Act of 2002**. The act recognized the importance of information security to the economic and national security interests of the United States. The act requires each federal agency to develop, document, and implement an agency-wide program to provide information security for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency.



SPECIAL JHBCBPA ACTIVITIES RELATED TO PRME: *Cladea International Conference*

Chaired by **Dr. Kimberly Collins**, (Professor Jack H Brown College), the **CLADEA 52nd Annual Assembly** was held from October 17-19, 2017 in Riverside, California. The central theme of this year's Annual Assembly was "*Breaking the Mold: Anticipating the Challenges of Global Education*". Globalization, technology, and new perspectives in public finance management are challenging the old models of higher education.

CLADEA's 2017 Annual Assembly was a chance for scholars and educational leaders from across the globe to come together to discuss the pertinent issues of our time. Latin America, in particular, will play a large role in the future direction of global trade and the development of the Americas. How it plays out will depend on our ability to collaborate better



as societies.

Leaders and scholars in higher education have an important part in this collaboration as

they provide the data and analysis decision makers need, educate the next generation of leaders, and work to strengthen civil society. The future is unsure as institutions work to reframe their educational paradigms and business models. Questions of maintaining pedagogical standards and functioning more as a business will challenge the future of higher education institutions. CSUSB, particularly the Jack H. Brown College of Business and Public Administration, was honored to be able to host CLADEA 2017.



CSUSB WorkAbility IV: JBC MAKES ITS CONTRIBUTION



This Initiative of CSUSB involved a panel discussion in September 2017, on ideas and guidelines for work opportunities that exist in **Jack H. Brown College of Business and Public Administration** fields for the disabled. This was a specialized program that provided pre- and post-employment services for students with disabilities who are registered clients of the California Department of Rehabilitation. Program

services including: assistance in acquiring internships, volunteer opportunities or employment; mock interviews and coaching; resume and cover letter building; career and transferable skill assessments; one-on-one career counseling; assistance with job applications; targeted job development; connection to employers; specialized workshops; employment fairs; and assistance Success Initiative grant. The expanded services provides tailored activities that foster relationships between students, faculty, staff and professionals with disabilities through five interactive panel discussions that center on different majors of study: psychology and related fields, information systems and related fields, business and public administration, education and natural sciences. CSUSB faculty, staff and professionals with disabilities in these major fields of study followed to obtain their positions.

Panelists included:

- **Breana E. Coates**, professor of Corporate Strategy, Jack H. Brown College of Business and Public Administration (who showed how disabled students could foster responsible management education in their future jobs, following the values of the **PRME Initiative**).
- **David L. Baker**, professor, Jack H. Brown College of Business and Public Administration;;
- **Deborah Grijalva**, MBA graduate coordinator, adjunct instructor of management, Jack H. Brown College of Business and Public Administration; and
- **Susie Pryor**, associate director and associate professor of the Inland Empire Center for Entrepreneurship (IECE), associate professor of entrepreneurship-management department, Jack H. Brown College of Business and Public Administration

Professor Pelletier brings Leadership Concepts to Life in her Lessons on Responsible Leadership

Professor Kathie Pelletier's

expertise in responsible leadership and its opposite toxic leadership is covered in her course Mgmt. 655, in which she strongly emphasizes **PRME** values.

In order to give her students exposure to the most toxic forms of leadership, **Dr. Pelletier** arranges activities, such as a field trip to the **Museum of Tolerance** in Los Angeles, where her students take a breathtaking journey



through dramatic events in 20th century history. Via the unforgettable exhibits they learn what leads people to hate, and how ordinary people have



changed the world one ethical and extraordinary action at a time. Students met Ms. Elar Gellar, a Holocaust Survivor, who spoke on the subject of xenophobia and Racism

Recipient of the Global Peace and Tolerance Award from the Friends of the United Nations, the Museum of Tolerance is a human rights laboratory and educational center dedicated to challenging visitors to understand the Holocaust in both historic and contemporary contexts and confront all forms of prejudice and discrimination in our world today.



It is through the extra efforts of dedicated faculty dedicated to responsible management education and ethics, like **Professor Kathie Pelletier**, that students at CSUSB have an opportunity to learn how to become conscious, caring, corporate leaders.

FILMS

Triple Divide: This award-winning "bombshell" documentary covers the impact of fracking in one of the country's most



pristine watersheds. With exclusive interviews from oil and gas industry leaders, independent experts and impacted residents, TRIPLE DIVIDE covers five years (2011 - 2016) of cradle-to-grave investigations that reveal how regulators and industry keep water contamination covered up. The documentary's title pays homage to one of only four Triple Continental Divides in North America, a place that provides drinking water to millions of Americans, signaling to the audience that everything, and everyone, is downstream from shale gas extraction.

<http://www.bullfrogfilms.com/catalog/tripd.html>

Exposes the mishandling and cover-up of drinking water contamination related to unconventional natural gas extraction - aka fracking - in Pennsylvania.

CHESHIRE, OHIO: An American Coal story in 3 acts

This documentary follows a community devastated by coal, starting with American Electric Power's buyout and bulldozing of this Ohio River town, after exposing them to years of harmful emissions. gun toting 83-year old woman refuses to sell her house to the power plant next door but the plant has moved ahead with their 20 million dollar deal to buy out most of Cheshire and bulldoze all the homes. What happened in this Ohio River town overrun by one of the largest coal-fired power plants in the world?

CHESHIRE, OHIO makes us think twice about home. Filmed over a decade, this film follows a community devastated by coal, starting with American Electric Power's buyout and bulldozing of this Ohio River community after exposing them to harmful



emissions, and then returning several years later to the now

almost emptied town as we follow the case of 77 plaintiffs who have filed a lawsuit against American Electric Power for cancer and other diseases they developed from working unprotected at the plant's coal ash landfill site.

<http://www.bullfrogfilms.com/catalog/chesh.html>

A story of money, power and the increasingly difficult choices we face surrounding coal and the environment.

Tribal Justice

Documents an effective criminal justice reform movement in America: the efforts of tribal courts to return to traditional, community-healing concepts of justice.

Tribal Justice is a feature documentary



about a little known, underreported but effective criminal justice reform movement in America today: the efforts of tribal courts to create alternative justice systems based on their traditions. In California, the state with the largest number of Indian people and tribes, two formidable Native American women are among those leading the way. Abby Abinanti, Chief Judge of the Yurok Tribe on the northwest coast, and Claudette

White, Chief Judge of the Quechan Tribe in the southeastern desert, are creating innovative systems that focus on restoring rather than punishing offenders in order to keep tribal members out of prison, prevent children from being taken from their communities, and stop the school-to-prison pipeline that plagues their young people.

Abby Abinanti is a fierce, lean, elder. Claudette White is younger, and her courtroom style is more conventional in form; but like Abby, her goal is to provide culturally relevant justice to the people who come before her. Observational footage of these judges' lives and work provides the backbone of the documentary, while the heart of the film follows offenders as their stories unfold over time, in and out of court. These and other stories unfold.

Through the film, audiences will gain a new understanding of tribal courts and their role in the survival of Indian people. The film will also inspire those working in the mainstream legal field to consider new ways of implementing problem-solving and restorative justice, lowering our staggering incarceration rates and enabling offenders to make reparations and rebuild their lives.



CALL for SUBMISSIONS to the PRME
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Send to bcoates@csusb.edu
