

# 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 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.

## CBPA FACULTY INTEGRATE PRME VALUES INTO RESEARCH & TEACHING...

**Professor Victoria Seitz, Chair, Marketing Department, incorporates Ethics, Values and Standards into her work**



Marketing and related firms are often blamed for the injustices in other countries as well as the scams preyed upon seniors – think Nike, Apple, and the numerous get-rich schemes. Marketing is NOT that. In fact, marketing is a profession, and like any profession it abides by a code of ethics. The American Marketing Association, the largest international association representing the industry, formulated a code of ethics that embraces three basic principles: 1) do not harm, 2) foster trust in the marketing system, and 3) embrace ethical values of honesty, responsibility,

fairness, respect, transparency, and citizenship. As a marketing professor, my role is to instill that code of ethics in all my dealings with students.

In the classroom I have the opportunity to work with students in developing marketing and advertising plans for clients. What an opportunity to learn about real-world opportunities and constraints! In developing strategies for the marketing mix, such as product improvements, pricing, advertising messages and/or distribution, students encounter on-going decisions that challenge them ethically. For example, when plans call for the introduction of a new product, students must evaluate the pricing strategy and price the product fairly.

In developing advertising campaign messages, students are asked to think of the implications of the message outside their peer group and strive to develop ones that are honest and respectful of diverse groups. Moreover, students are encouraged to create promotions that are fair and transparent, as well as, develop events that give back to the community.

When it comes to the marketing profession, I believe our purpose is to execute socially responsible marketing where we leave a place, a city and its residents, better than before. As an educator my role is to prepare students to do just that!

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### **Professor Kimberly Collins, Department of Public Administration makes Sustainability concepts real to her students from her Teaching & Research Efforts**



Professor Kimberly Collins brings the concepts of PRME to her classroom and in her research. As a result of her participation in the Teaching Resource Center and University Diversity Committee joint Course Re-design Institute in the summer of 2014, Professor Collins developed a diversity teaching module for PA611, Public Administration Theory and

Practice. This is the first class in the MPA program. She observes: “From my conversations with individuals at the institute and from what I learned, I set up a series of writing exercises and a final presentation that explored the theme of diversity. The writing assignments were based on the three primary books I use for PA611. The students were to select one topic or theory that ran through all three texts and wrote a memo to a superior on that topic. The first memo discussed how the topic/theory they chose impacted them (the student) directly. The second memo, which is based in the same theory but explored from a different perspective, and addressed how it directly impacted someone different than them. The third memo addressed the same topic but from the perspective of the third author, and this time the students had to explore how this

topic/theory impacted them and another person different from themselves. Finally, the students had to develop and present a poster for the last day of class that displayed the topic from the three different perspectives and how it impacted them and someone different from themselves. The other students in the class were the audience and critiqued the posters.”

In her research, Professor Collins has been working on issues of sustainable development policies in the U.S.-Mexican border region for the past 20 years. She is currently working with border researchers from across the globe on a border textbook. Professor Collins is editing the sustainable development section. Most recent publications have looked at water allocation in the Tijuana River Watershed, binational

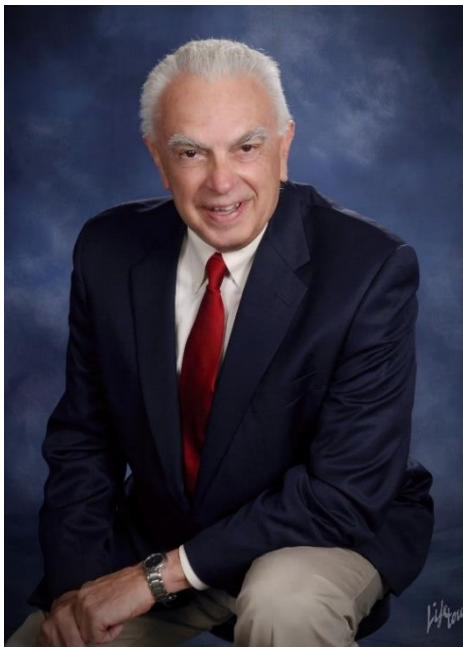
environmental treaties, and issues of marginalization and happiness for internal Mexican migrants.

Mumme, S.P., K. Collins, and J.L. Castro (2014, Spring). Strengthening Tijuana River Watershed Management. University of Denver Water Law Review 17(2): 329-357.

Mumme, S.P. and K. Collins. (2014). The La Paz Agreement 30 Years On. Journal of Environment and Development. 23(2): 1-28 Retrieved from: <http://jed.sagepub.com>

Collins, K. and J. Ley Garcia (2014). Happiness and Marginalization Rates for Internal Mexican Migrants and the Native-Born Population in Baja California, Mexico. Social Science Journal 51(4): 598-606.

## Professor Bill Donohoo Looks to Educate the “Whole” Person in Ethical Values and Standards



**Professor Bill Donohoo** educates the whole person in ethical values and standards, in addition to educating the management professional in what good

behavior looks like in a leader, and why leadership needs to address ethical issues. Here are his words:

“I believe that each of our young people is born with a built in moral compass. The world is a hard place and it easy for our kids to be seduced by the world’s lower moral standards. My calling is to keep my students in touch with that inborn moral compass. I begin each quarter by stating my course objective. I want to build men and women of character and integrity. I encourage each student to find his North Star. This is the personal moral standard he chooses for his life. I ask him to always aim toward it. If he strays (and in our complex world there are always challenges) I urge him to re-center on that North Star. Every day is a new day to change the direction of our life. I urge him

to move back onto the path which he knows to be right.

I know that each of my students will face challenges to the moral standards they were raised with. Most probably already have been. I explain to them that in the autumn of my life I can be self-righteous because I am beyond the age where I can be hurt. I realize that as they begin their careers they face a far different landscape. Their bank accounts are empty, their jobs are in jeopardy and their family needs cash to keep food on the table. The temptations they face are far greater than I now face. I tell them that, given their current situation, that they set the bar for the price of their honor as high as they can. Never sell out for less. And as they go through life consistently raise that bar to an ever higher standard.

Harvard Professor Clayton Christensen talks about marginal thinking in

ethical decision making. While people know what right behavior looks like, special cases arise where “just this once”, in this one special situation, you might relax your standards. It might seem that for this one case the marginal life cost will be low. The problem is that life is full of special situations. If you must agonize over every decision you make you waste a lot of time and energy. By always standing by our life commitments 100% of the time decision making becomes easy. It is far easier to maintain our commitments 100% of the time than to stand by them 98% of the time.

Our students will leave our college for major jobs in the private and public sector. They will face tough “right vs. right” decisions where there is no correct answer. If our young people remain focused on their North Star they will be able to deal successfully and honorably with those tough real life decisions.”

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## CBPA STUDENT WORK ON STRATEGIZING FOR CSR:

### Conflict Minerals in Supply Chains



**Robert Scudder**, MBA graduate student, examined Nintendo’s policies

regarding **conflict minerals**--columbite-tantalite (from which tantalum is derived); cassiterite (tin); gold; wolframite (tungsten); or their derivatives, for Mgmt 685-01, Spring 2015. Conflict minerals are generally sourced from the Democratic Republic of the Congo (DRC), Rwanda and Uganda. This region is embroiled in a bloody civil war, which is being funded by the trade in conflict minerals. These minerals are extracted by slave labor, under abusive working conditions. They are exported for use in electronics such as mobile phones, games, and the like. Nintendo has been criticized for failing to ensure that their



suppliers source responsible. Since then Nintendo has created an official CSR document, “CSR Procurement with Production Partners,” 2014 (updated), states that Nintendo requires production partners to substitute conflict minerals with other non-conflict sources of the material. The Dodd-Frank Wall Street Reform and Consumer Protection Act, 2010, specifically looks at auditing of supply

chains on the issue of conflict minerals from the DRC.

Robert Scudder’s paper and presentation provided insights to the class into how focal firms manage supply chain activities in responsible ways, and how this links to PRME values.

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## How Coca-Cola revamped some of its Supply Chain Failings

**Carlos Lopez**, MBA graduate student examined Coca-Cola’s strategy with respect to **sustainability** with particular emphasis on how their supply chain is integrated into environmental objectives in Mgmt 685-02, Sp. 2015. Having been criticized in the past for its heavy environmental footprint in several regional locations, “coke” now looks to produce a “zero defect” product, which leads to “zero waste”.

The use of water is integral to the new policy, whereby the firm is looking to replenish the water used in production, but also to clean up water sources in the areas where production takes place. Coke has been heavily criticized for **water pollution** the past. Coca Cola also uses less petroleum in its packaging and operations than in the past.

In Ghana Coca Cola partners with non-profit groups to reduce trash. They provide a

scorecard that measures environmental efforts against industry and international standards.



The influence of consumers, governments and non-profit groups have helped advance Coca Cola’s strategic changes on sustainability.

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## On Sharing the Biosphere with Other Life Forms...



**Eva Trufanova**, MBA graduate student is devoted to **volunteerism**—particularly in the area of animal rights. She notes that “CSR is a much more complex, elaborate phenomenon that includes so many aspects, areas and nuances of responsible corporate behaviors that it often becomes easy to overlook the almost invisible yet very important issues, such as animal welfare.

As someone who has a long experience volunteering for an animal shelter in Russia, I have seen and personally gone through the struggle of being unable to rescue as many

animals as I would love to, constant lack of funding, no government support, continuous efforts to secure pet food, and consequently no time to focus on doing what is supposed to be the main goal of an animal rescue shelter – finding new loving homes for homeless animals.”

She has noted that the problems with running an animal shelter are diverse, “fueled by actions of different agents. Improving one issue of the complex problem will not lead to a sustainable betterment of the situation; therefore, efforts should be made by all members – individuals, Government and businesses. In this regard it is helpful to elaborate on the initiatives that some well-known companies are taking as a part of their corporate social responsibility activities to ameliorate the problem and act as good corporate citizens of the planet.”

Eva’s efforts in the area of animal rights is an example of PRME values in action.

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## INTERNATIONAL EDUCATION: Three Amity University Campuses visit CSUSB

MBA and BBA students from Amity University campuses of New Delhi, and Dubai visited California State University in Spring 2015. The course was attended by 56 students. One of the courses taught related to PRME, was taught by **Professor Breena Coates**. It consisted of six modules of sustainability laws, business ethics, corporate social responsibility, and business and society interface.





Students were introduced to India's Companies' Law of 2013, that mandates CSR for multinational corporations doing

business in that nation; as well as the EU regulations on CSR.



Other CBPA faculty members who taught in the program were **Professors Kimberly Collins, Jake Zhu and Tapie Rohm.**

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### CBPA'S Eyeglass Project goes to Pacific Grove!



Donated eyeglasses from Faculty, Staff and Students are being delivered to The **"Pacific Grove SDA Health Fair"** in Monterey County. The Health Fair is being held on Sunday, September 20, 2015. This is an annual event to help those in need of free

health screenings, lifestyle education/counseling, medical massage, podiatric services, and basic dental services. Approximately 70 patients were treated in the dental clinic in the 2014 event.



**Dr. Irene Lou + Prof. B. Coates**

This year, optometry and free haircuts/hairstyling are being added to the services, all offered free-of-charge to the

needy in the surrounding communities. Dr. Irene Lou, Optometrist in San Bernardino, is one of the optometry providers/volunteers and has graciously agreed to serve as a liaison for this event for our CBPA eyeglasses and will be delivering them to the event's sponsors in Pacific Grove.

In the past CBPA has helped **The Latino Health Collaborative in Muscoy**, near our CSUSB campus, and has also donated eyeglasses to **Jaipur Rugs in India**.

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### *Video Recommendations:*

**Racing to Zero—in Pursuit of Zero Waste.** In the United States only one-third of the



waste is recycled or composted. Industry through its planned obsolescence plays a role in this. Our lives are dependent upon unrecyclable products. This film examines consumption, preparation, use and production, and discovers solutions in San Francisco. Other cities are introducing zero waste mandates of their own. 50 minutes

**Plastic Paradise: The Great Pacific Garbage Patch:**

The Midway Atoll is thousands of miles away from the United States, and is one of the most remote places on earth. Yet it is ground zero for the Great Pacific Garbage Patch, syphoning plastics from distant continents. Through interviews with scientists, researchers and management professionals in the field, the independent film maker Angela Sun, sheds light on the rabid consumption of plastic and the magnitude of the problem. 57 minutes





**DamNation:** This film explores the change in our national attitude from pride in big dams as engineering wonders of the world to the growing awareness that our future is bound to the life and health of our rivers. Dam removal is going mainstream. When obsolete dams are removed rivers bounce back to life giving salmon and other wild fish the right of return to primeval spawning grounds that have been blocked for decades. In this film our values metamorphose from conquest of nature to now being one with it. *87 minutes*



## Book Recommendations



# NEWS FROM THE UNITED NATIONS PRME SECRETARIAT:



## Global Compact Companies Send Clear Message in UN General Assembly: More Businesses Need to Take Responsibility for Achieving a Better World

*(New York, 25 June 2015)* – On the third and final day of the United Nations Global Compact’s 15<sup>th</sup> anniversary event, global business leaders met with Governments in the historic UN General Assembly Hall to demonstrate the growing, strategic role that the private sector plays in solving our world’s greatest challenges.

With the United Nations launching global Sustainable Development Goals (SDGs) in September, corporate leaders shared how businesses are operating and innovating in ways that support societal priorities, and also emphasized the need for Governments to enable and incentivize corporate sustainability, including through putting a price on carbon and calling for all public procurement to be transparent.

Addressing participants, **UN Secretary-General Ban Ki-moon** noted the growing role of business in advancing United Nations objectives stating that “by respecting and supporting universal principles in operations, and by pioneering new business models and forming innovative partnerships, enlightened business leaders are poised to make long-lasting contributions to the cause of global sustainability.” While marking important progress, the Secretary-General underscored that serious challenges remain for billions of people and our planet. He urged more companies to pick up the pace and deepen their commitment to sustainability.



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