In today’s global economy, businesses behaving as responsible global citizens is not only the right thing to do, it is plain smart business. That was the essential message of Mr. Georg Kell, Executive Head of The UN Global Compact (GC), during his inspiring speech to a diverse and enthusiastic group of about one hundred participants at the ISE/CHRMS breakfast seminar on November 18, 2005. The UN Global Compact initiative was launched by Secretary-General Kofi Annan in July 2000 as a principle-based change process to promote the aspirational goals of good corporate citizenship and responsible globalization through public-private partnership. It has grown into a multi-stakeholder network in which some 2,400 firms from more than 80 countries are partnering with governmental, non-profit, and academic organizations to advance ten universal principles in the areas of human rights, labor standards, the environment and the fight against corruption. UN GC signatories include such firms with local operations as Aventis, BASF, Citibank, Glaxo, Horizon, KPMG, Merck, Pfizer, PWG, P&G, Ricoh, Schindler and Siemens. GC members monitor their own performance on the basis of these 10 principles and report back to the community at large.

Kell opened his remarks by focusing on the inherent connectivity of societies, markets and corporations. “As technology increasingly interconnects the world, we have no choice but to learn how economies can serve a broader societal purpose.” A healthy balance is needed between economic, social and environmental needs. For example, pharmaceutical companies are increasingly expected to provide life-saving drugs to those who can ill afford them. Corporations are now expected to be an essential part of solutions to such issues as health, poverty, and environmental degradation, and “it is in their self-enlightened interest to do so because helping to build more stable social, environmental, legal, and economic pillars makes world markets stronger.”

Corporations that understand this interdependence between their own and the world’s prosperity are better equipped to take advantage of economic and market forces, said Kell. He noted growing evidence that “social, environmental, and governance issues are no longer merely ‘soft issues’ for business but increasingly are becoming material to their long-term viability and shareholder performance.” He noted that the “investment community (led by Goldman Sachs and the reinsurer sector) is ‘waking up’ to this linkage and is adjusting corporate risk profiles and ratings accordingly” - a shift sure to influence the mindsets of corporate executives and boards.

(Continued on page 5)
Firstly, I thank all of you for your support and enthusiasm as we move forward to fulfill our mission. I thank Director Emeritus Dan Twomey for his years of leadership of CHRMS and his continued active involvement, support and leadership as we move forward with building the Institute for Sustainable Enterprise.

2005 has been a year of action, thought and learning. In action terms we have reached out to friends and advisors within the Silberman College of Business, FDU and outside the university (Please see page 3 article, “Welcome ISE Founding Members”). We have received generous and enthusiastic support as well as useful feedback. These interactions with people both within and outside the university have led us to refine our mission and become more focused.

Our purpose is to educate current and future leaders of business, government, non-profit, and educational institutions about managing sustainably by focusing on products, processes, and services that add value to the organizations, and are beneficial to people and the planet. We are committed to research that will enable us to learn more about managing sustainably and to bringing that learning to our partners, our students and our collaborators.

So what does it mean to manage sustainably?

Some years ago, I was observing team meetings of shop floor employees of a very well known manufacturing company. At one point during a meeting, they began a discussion on recycling. One of the employees indicated that the paper to be recycled often had tape stuck to it. She wanted to know if the tape should be removed from the paper before it is assigned to the recycling bin. At one level, this example demonstrates the person’s attention to detail. However, at another level, it demonstrates her commitment to the higher level objective of not only doing the right things, but also doing them effectively. It is also relevant to note here that these were empowered employees who operated in self-directed work teams with minimal supervision. The key question here is… would the person have cared if she was not empowered? I believe the conditions had been created in this company where people cared about what they did and the impact of their actions on others. This was coupled with the power to change things if appropriate. Embedded within this is a sense of purpose and values that are pervasive. This company is highly successful financially. It has paid careful attention to its financial performance, its employees and its environment. I would argue that this company is managed sustainably.

We often hear arguments that there is no proof of the link between good social/environmental/governance practices and financial performance. First, empirical evidence is growing stronger (thanks to research by Innovest and others), even to the point that the investment community is beginning to change its thinking. Second, as debate rages, inaction risks the future from both a social and environmental perspective. I think we have a choice of two potential errors. We can manage recklessly as if our actions (or inaction) will cause no harm, and be wrong, or we can manage hopefully as if our actions can make an important difference, and be wrong. Given the possibility that either choice may be an error, which error would you rather commit?
The Power of Question Thinking

Inquiring leaders use questions as a primary strategy for producing powerful results. They know the difference between when it's time to ask and when it's time to tell. Inquiring leaders are intentional and skillful with the questions they ask themselves as well as the ones they ask others. They recognize that the origin of their results is usually in the questions that led to those results; that is, the questions at the source of thinking, speaking, and listening. These leaders are also alert to missed opportunities and potential dangers of questions not asked, both at the tactical and strategic level.

The success of leadership, at every level of organizational life, depends on asking effective questions across a broad range of functions ranging from setting policy and strategic direction to running meetings. Ultimately, leaders ask questions in service of their commitment to deliver on promises to customers, stakeholders, and the marketplace.

Inquiring leaders share many characteristics of the leaders whom Jim Collins described in Good-to-Great when he said, “The good-to-great leaders are more like Lincoln and Socrates than Patton and Caesar.” In other words, the greatness of these leaders depends, in part, on their ability and willingness to ask questions. They operate from curiosity, question assumptions, model questioning, and ask for real information and data, even if what they hear is not good news. They basically operate out of what is termed the Learner mindset rather than a judgmental one.

Operating out of the Learner mindset basically means being open-minded, flexible, questioning assumptions, looking from the viewpoint of others, and welcoming feedback (whatever it is).

From this Learner mindset, inquiring leaders ask questions such as: “What works? What am I responsible for? What can I learn? What are my choices? What’s best to do now? and What’s possible?”

Inquiring leaders are able to self observe when they are being judgmental, inflexible, or defensive; for example, about receiving troublesome information or feedback. They recognize that the operating questions of a Judger stance, such as “Who’s to blame? What’s wrong with that person? How can I prove I’m right?” or “Why bother?” are shortsighted and may compromise potential positive long-term or win-win results. The skill is to reframe their questions in a Learner mindset.

Welcome ISE Founding Members!

Welcome to the ISE founding members Phillips, Interface, New Jersey Higher Education Partnership for Sustainability (NJHEPS) and Ricoh Corporation. We thank you for your support and look forward to a mutually beneficial partnership in the future.

E+Co—Energy for the World’s Poor

ISE has begun work on a very interesting research project. We are writing a case study on E+Co, whose mission is “to deliver services and invest in developing country enterprises that deliver modern, reliable sustainable energy in order to create economic opportunity, improve quality of life and preserve the environment.” E+Co serves as an “intermediary financing” organization that assembles money from a blend of foundations, governments and private investors, lends it to entrepreneurs in Latin America, Asia, Africa, and Eastern Europe while providing them specialized professional and administrative services to help them start and grow their businesses. These local businesses then deliver solar, hydroelectric, and other forms of clean energy to people currently without modern energy services.

INSTITUTE FOR SUSTAINABLE ENTERPRISE
CENTER FOR HUMAN RESOURCE MANAGEMENT STUDIES

Winter 2006 Newsletter

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Gerard Farias, Executive Director
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As part of the formation of the Institute for Sustainable Enterprise (ISE), we researched the Top 30 Schools demonstrating leadership in the area of Sustainability based on a biennial survey called "Beyond Grey Pinstripes 2005", sponsored by the World Resources Institute and the Aspen Institute. The survey analyzes and ranks universities worldwide with regard to promoting, teaching, researching, and implementing sustainable practices. Comparisons are made using the following four criteria: student opportunity (measures the number of courses dealing with environmental and social issues); student exposure (measures percentage of course time dedicated to sustainable practices); course content (shows the value of content in demonstrating how important integration of social and environmental concepts are used in business decisions) and faculty research (number of important articles published in management journals). Each criterion was rated equally at 25%.

Many of the universities in the Top 30 were American schools, including Stanford (#1), Notre Dame (#5), George Washington (#6), Michigan (#7), UNC (#8), Cornell (#9), and Wake Forest (#10). The best schools have separate centers or institutions dedicated to environmental and social sustainability development as well as student clubs and numerous courses in management, economics, and strategy dealing with sustainable business decisions and practices.

For example, Stanford University, whose program is ranked first, has two Centers, The Center for Global Business and the Economy (20 faculty members) and The Stanford Institute for the Environment (50 faculty members). Both were established in 2004. The Centers create and work with global business partnerships and conduct various research projects dealing with the economies of the world, effects of markets on standards of living, impact of corporations as change agents, and ways to bring benefits of economic growth to poorer nations. They also bring students, faculty, business managers, and the community together to promote environmentally-safe business practices and create sustainable corporations. In addition to this, Stanford has two student organizations, the Social Venture Club and the Environmental Management Club, which, combined with courses such as “Strategy and Organization in the Global Economy” and “Growth & Stabilization in the Global Economy,” provide MBA students with the knowledge to promote change in the corporate world.

Other schools have similar programs that promote triple bottom line management stressing “people, planet and profits.” Noteworthy organizations include Net Impact Student Clubs and Global Business Practice Centers.

Based on our extensive report on the Beyond Grey Pinstripes survey, there is a major shift in emphasis towards sustainable management among the world’s business schools. This is a welcome change in the right direction. We at ISE plan to play a leading role in this effort.

The complete survey by Beyond Grey Pinstripes 2005 can be found at their web site, www.beyondgreypinstripes.org.

- Jasmine Sheth & Bill Melick
CHRMS Graduate Assistants, fall 2005
CHRMS Graduate Assistants Transition

CHRMS said hello to one graduate assistant, Bill Melick, and goodbye to another, Jasmine Sheth, during the fall semester.

Bill Melick earned an Associate’s Degree in Business Administration and graduated with High Honors at Sussex County Community College. He then transferred to Fairleigh Dickinson and graduated magna cum laude with a Bachelor’s Degree in Management.

Currently, Bill is pursuing an MBA in Finance. He hopes to work for a large firm in either the pharmaceutical or financial industries such as Merrill Lynch where he had a prior summer internship.

Bill is very excited to join CHRMS as he takes over as Project Manager for the Executive Scholars Program. Last year, Bill was a student participant in the program, and is very eager to make this year another success with some new ideas and innovations. He also organizes the Books and Films Discussion Groups, in addition to assisting in the formation of the Institute for Sustainable Enterprise.

Bill hopes to gain experience from working at CHRMS and is looking forward to networking with local business executives through the Executive Scholars Program and beyond. In addition, he enjoys writing and in his leisure time, working out, playing sports, and traveling.

Jasmine Sheth graduated in December 2005 with a joint MBA/MA in Human Resources and Industrial Psychology. She is looking forward to investigating employment opportunities in the field of Human Resources with the hope of attaining a position in a major consulting firm. Jasmine is interested in Diversity Training and Change Management in addition to Strategic Management.

Because of her superior academic achievements, Jasmine has been inducted into Beta Gamma Sigma, the highest recognition awarded to students in business programs accredited by AACSB International.

During her time at CHRMS, Jasmine was project manager for the Breakfast Seminar series and also helped recruit undergraduate business students for this year’s Executive Scholars Program. She also assisted with the formation of the Institute for Sustainable Enterprise.

Her experiences during the past two years have made Jasmine a more confident individual and helped her improve her interpersonal and networking skills. She hopes to use the experiences and the relationships developed with local business executives to enhance her professional career.

(Continued from page 1)

UN Global Compact Comes to ISE (continued)

One of the most significant challenges facing the UN GC is to understand how the ten GC principles operate across many different cultural contexts worldwide. Each country and culture faces its own unique issues. Creating opportunities for dialogue and “common space” where both public and private stakeholders seek common solutions is leading to positive results. Kell gave examples of successes, citing case studies from Novartis and Pfizer.

Mr. Kell spoke excitedly of an upcoming Global Compact Summit in Shanghai, China [held two weeks after his ISE speech]. The Summit was supported by the Government of the People’s Republic of China, co-sponsored by the Shanghai Municipal People’s Government, and included about 500 business leaders and representatives of government, civil society, labour and academia from around the world—the largest event ever held in China on the topic of corporate citizenship. The successful results of the Summit were reported in the UN GC Quarterly in January 2006:

“Importantly, the Summit offered Chinese leaders the opportunity to discuss the emerging corporate responsibility movement in China and how the Global Compact’s ten principles can be used to contribute to sustainable development and poverty alleviation, in addition to their value in further integrating Chinese enterprise into the global economy.”

Responding to audience questions, Kell stressed the critical role that academic institutions can play in helping to create sustainable enterprises: as knowledge-sharing platforms for companies, sources of fresh thinking from young people, and hubs for local dialogue/action networks. He talked about the value of the case study approach and the more than 100 case studies of sustainability-enhancing projects by corporations currently archived on the UN GC website (www.unglobalcompact.org).

ISE particularly welcomes collaborative opportunities with the UN Global Compact because both are committed to action-based learning about how leaders of business, government, nonprofit, and educational institutions can manage sustainably by focusing on products, processes, and services that add value to their organizations, and are beneficial to people and the planet. As the closest of only four US academic institutions with NGO status at the UN, ISE is in the process of planning a joint ISE-GC conference and several research projects that will examine sustainability-enhancing projects by GC members to glean a “roadmap” for managing cross-sector collaborative challenges and illuminate how HR can develop new roles and competencies for themselves and others that will enhance sustainable management. Anyone interested in collaborating on joint ISE/GC research or conference planning can contact ISE Executive Director Gerard Farias (973-443-8879), gfarias@fdu.edu. 

- Jean Wirtzberg, PhD &
Joel Harmon, Ph.D
The Chinese Moon Festival is held each year on the 15th of the 8th lunar month. As significant as Thanksgiving is to Americans, the “Moon”, or “Mid-Autumn” Festival is one of the most important holidays in the Chinese calendar and its traditions are rich in Chinese culture. What a coincidence it was that this year’s Annual CHRMS Picnic celebrating “The Wonder of China” was held just as the Chinese Moon Festival was about to begin!

Dining on tables decorated in the red and yellow colors of the Chinese flag, guests including FDU President Michael Adams enjoyed an array of Chinese treats, including stir fried chicken, spring rolls, fried rice and moon cakes. A display of large posters of famous sites in China was graciously donated by the Chinese National Tourist Board and colorful banners adorned the tent. Melodious Chinese music was played by our D.J. as picnic goers were treated to the beautiful singing voice of Jenny Hong Jin.

The highlight of the evening was an acknowledgement of Dr. Dan Twomey and his years of FDU service as he was honored with the title of “CHRMS Director Emeritus”. Dan has recently stepped down as Director of CHRMS handing over his responsibilities to Dr. Gerard Farias. Praise for Dan came from the FDU administration, faculty, business community and CHRMS alumni as proof of Dan’s tireless work of collaboration across sectors. Presenting tributes were SCB Interim Dean Dick Ottaway and faculty members Joel Harmon, Gerard Farias, Bob Wang and Kaveh Naficy, former PSEG Corporate Partner and current ISE Executive Liaison and Research Associate, Jeana Wittenberg, graduate assistant alumnus Thereze Ovid, and CHRMS assistant, Maura Pniewski. Described as “inclusive”, “innovative”, “collaborative”, “unpretentious” and “supportive”, Dan was the modest recipient of praise long overdue.

Dan was feted by members of his family—his sons Mike, Matt, and Luke and his wife Rose, professor in FDU’s Taxation and Law Department, and in absentia by his daughter, Teresa and his three granddaughters.

So to Dan, we say …………

“谢谢” (thank you)

and

“無官一身輕.”

(free from office, free from care).
CHRMS Picnic
“The Wonder of China”
September 11, 2005

Jenny Hong Jin
Sings Chinese Melody

Dr. Gerard Farias paying
tribute to Dan Twomey

A Tribute to Dan Twomey
(L-R) R. Twomey, B. Wang, G. Farias, T. Ovid, M. Pniewski, Dan,
K. Naficy, J. Wirtenberg, J. Harmon, D. Ottaway

Good Food, Good Company

Happy Picnic Goers