2010

The 6th Bentley Global Business Ethics Symposium

Sponsored by the State Street Foundation

The 2010 Bentley-State Street Global Business Ethics Symposium, the sixth in a multi-year partnership, was held on May 17th on the Bentley University campus in Waltham, Massachusetts. The program continues in its objective to unite business and higher education in the common goal of building a strong ethical foundation from which to serve our many stakeholders and communities. Once again, this year's event brought together international experts and thought leaders from the academic, corporate, government and non-government organization (NGO) worlds for in-depth discussions of current practices and challenges in business ethics and corporate responsibility. The purpose of the day-long event was to both learn and inform by:

- exploring current practices in other institutions, countries and cultures;
- identifying ways to enhance issues of ethics and corporate responsibility in business education and in outreach to the corporate community; and
- disseminating this experience throughout the academic and practitioner worlds.

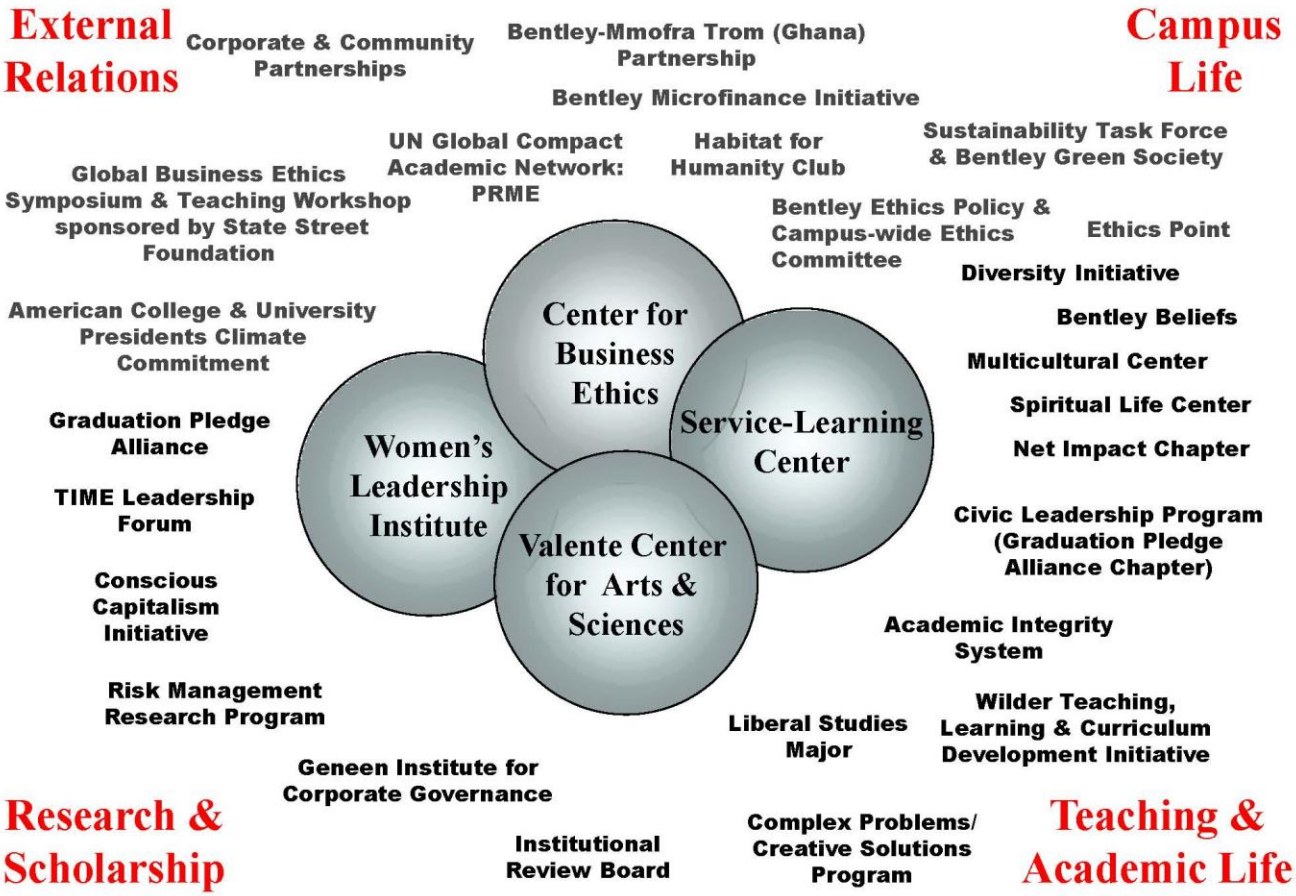
With over 30 speakers and panelists and an audience of approximately 120 academic, civil society and corporate participants, the program provided the opportunity to explore a wide range of issues related to questions of sustainability and sustainable business practice. The Symposium series is hosted by the Bentley Alliance for Ethics and Social Responsibility (BAESR). Formally launched in January 2004, the Alliance's mission is to *amplify and extend the work of the autonomous centers and initiatives on the Bentley campus, supporting and encouraging greater awareness of, respect for, and commitment to ethics, service, social responsibility and sustainability in faculty research, curricula and campus culture*. Coordinated by **Anthony F. Buono**, *Professor of Management and Sociology at Bentley*, a unique feature of the Alliance is its integrative focus on ethics, social responsibility, civic engagement and sustainability.

In pursuit of its mission, BAESR's efforts focus on:

- supporting and encouraging collaborative and applied transdisciplinary ***research*** that has the potential to significantly affect current practice;
- influencing ***curriculum*** development and pedagogical innovations intended to make our students more ethically sensitive and socially aware;
- ensuring a broad application of these principles and ideals in ***campus life***;

- attempting to foster life-long ***civic engagement*** among our students; and

- seeking to work closely with external organizations – ***partnering*** with academic and professional associations, corporations and not-for-profit organizations and NGOs in pursuit of these goals.



THE AY 2009-10 BENTLEY ALLIANCE FOR ETHICS & SOCIAL RESPONSIBILITY

This collaborative effort is dependent on the commitment of a broad range of stakeholders, including Bentley faculty, staff, students and alumni, as well as business executives, corporate partners, and other relevant associations and colleges and universities.

As it has evolved over the years, the BAESR initiative is currently built on four "core pillars" in the Bentley community that continue to operate as autonomous entities, but collaborate under

the aegis of the Alliance:

- ***Center for Business Ethics***: Founded in 1976, the Center for Business Ethics is an internationally recognized Center that promotes ethical leadership, conduct and cultures as critical to an effective and legitimate role for business. (www.bentley.edu/cbe/)

- ***Service-Learning Center***: Established in 1990, the Bentley Service-Learning Center seeks to promote academic learning, to develop socially responsible working professionals, and to assist community partners in serving the human needs and interests of their constituencies. (www.bentley.edu/service-learning/)

- ***Valente Center for Arts & Sciences****:* Created in 2006, the Center's mission is to help make the arts and sciences a vital, integral and challenging aspect of undergraduate and graduate education at Bentley, promoting research at the intersection of arts, sciences and business. (www.bentley.edu/arts-sciences-center)

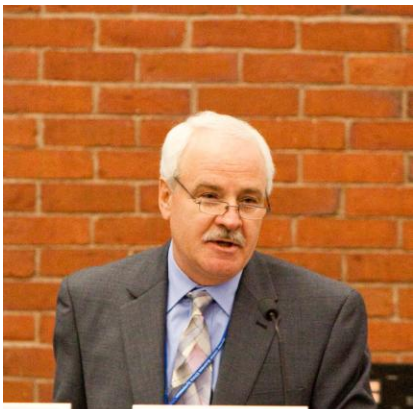
- ***Women's Leadership Institute:*** Founded in 2003, the Institute focuses on strengthening the presence of women in society and fostering partnerships with the business community that highlight and address issues on women in leadership. (www.bentley.edu/wli)

Combined with a series of programs and activities across the institution, this initiative has led to a four-part approach that attempts to shape and influence a sense of ethics, service, responsibility and sustainability throughout (1) the curriculum, (2) campus life, (3) the university's research agenda, and (4) in outreach to the academic, corporate and not-for-profit worlds.

SYMPOSIUM HIGHLIGHTS:

WHAT IS SUSTAINABILITY?
DIFFERING PERSPECTIVES ON SUSTAINABLE BUSINESS PRACTICE IN THE GLOBAL CONTEXT

Anthony F. Buono, *Executive Director of the Bentley Alliance for Ethics and Social Responsibility*, began the program by noting Bentley's long-term partnership with State Street. The Symposium series is held in memory of Tim Harbert, a Bentley alumnus and trustee and Chairman and Chief Executive Officer of State Street Global Advisors. Reflecting on Tim's role with State Street, he observed, "as his colleagues at State Street have noted, under Tim's leadership, State Street Global Advisors became one of the world's premier asset managers, significantly expanding its portfolio of Socially Responsible Investment Funds… throughout his tenure with State Street, Tim was a major supporter of the firm's community outreach programs… and he would be very proud of this Symposium and the focus of our discussion today." After laying out the agenda for the day, and thanking State Street for its ongoing support and commitment to these ideals, he introduced Bentley's President, **Gloria Larson**.



Tony Buono
Bentley University

As part of her opening comments and introduction of the morning keynote speaker, **Larson** welcomed the participants, noting "over the years, our Global Business Ethics Symposium has justifiably earned the reputation as one of Bentley's signature events, one that continues to sharpen our focus on emerging issues that bring new definition to the study and practice of business ethics, corporate social responsibility and sustainability in a global context."

"Today's focus on sustainability reflects many of the core challenges we are facing today. The inter-connection between the concepts you will explore throughout the day, as global markets, global problems and global opportunities increasingly align, underscore the reality that the question is no longer whether they are connected but rather what is the nature of that connection and how we should best respond." Noting that climate change continues to be a central – and critical – focus of the sustainability movement, Larson emphasized that "we have also painfully witnessed how unsustainable practices – from Wall Street to Main Street, from conflicts around the globe to outdated models of the

Gloria Larson
Bentley University

corporation – have created an increasingly unstable world… today's program and its focus could not be more timely."

The opening keynote address was given by **Tracy Atkinson**, *Executive Vice President and Chief Compliance Officer at State Street*. She began by underscoring Tim Harbert's legacy at State Street. "State Street is proud to be the sponsor of this sixth Global Business Ethics Symposium, in memory of Tim Harbert, a former trustee and alumnus of Bentley University. Under his able leadership, State Street Global Advisors (SSgA) grew to become one of the world's largest investment managers and significantly expanded its portfolio of products – and reflecting Tim's values, the expansion of offerings of Socially Responsible Investment Funds, which have now evolved into environmental, social and governance (ESG) investments. In addition to his business leadership role, Tim was also an active participant on two important corporate risk management committees at State Street. The company's current risk and compliance organizations look very different than they did under Tim's tenure, but I believe he would be very proud of State Street's continued commitment to strong corporate governance and ethics."

Tracy Atkinson
State Street

Turning to the focus of the day's program, she noted that the theme "is one of ever increasing importance, particularly in the financial services industry. For quite some time now – since the onset of the real estate mortgage crisis – our industry has been experiencing extraordinary levels of scrutiny… for reasons well documented … which are currently being considered and debated by regulators around the world. The news is filled daily with headlines about allegations of misconduct and ethical lapses and the waves of regulation that are looming on the horizon. Regulators around the world are getting tougher and more focused. The SEC and other U.S. regulators have certainly followed through on their stated intention to be more aggressive. The same is true in Europe." Noting that State Street operates in 27 countries, she pointed out that "we have roughly 130 different regulatory agencies overseeing some aspect of our business… We are most definitely feeling the effects of this increased scrutiny."

Atkinson explained that in addition to the typical formal examinations of State Street's regulated businesses, "we are responding to a significant number of informal inquiries and participating in a number of thematic reviews that regulators all over the world are engaged in to educate themselves on current industry and market practices. These inquiries and reviews have extended into our *unregulated* businesses as well." As she continued, "At the same time we're responding to these increased demands, we are also assessing the impact to our clients and to State Street of new and pending regulatory and legislative proposals, which in the U.S. run the gamut from hedge fund registration and credit-rating agencies, to compensation, consumer protection, derivatives and payment, and clearing and settlement systems, to regulatory consolidation, money market funds, dark pools, pay to play and short selling. The list goes on."

Looking to the global situation, Atkinson noted that in Europe, the Alternative Investment Funds Manager Directive has been drafted and additional legislation is "in the works" around exchange-traded and clearing OTC derivatives. She continued that the story is "slightly different" in Asia. "While reform is certainly ongoing, countries in this region seem to be waiting to see what the U.S. and Europe do before making any big moves."

Noting that the full implications of this intense scrutiny are not yet fully known, she argued that "it is abundantly clear that the dramatic change in the regulatory landscape demands that *all* companies commit to a renewed emphasis on strong and vibrant corporate governance programs, which includes compliance, risk and ethics management." She shared a quote by Warren Buffett about compliance, which she underscored as especially salient in today's context, "The spirit about compliance is as important, or more so, than words about compliance. I want the right words and I want the full range of internal controls. I then want employees to ask themselves whether they are willing to have any contemplated act appear the next day on the front page of their local paper, to be read by their spouses, children and friends, with the reporting done by an informed and critical reporter. If they follow this test, they need not fear my other message to them – lose money for the firm and I will be understanding. Lose a shred of reputation for the firm and I will be ruthless."

Returning to Warren Buffett, who she noted has been quoted in the press recently about his views on the issues surrounding Goldman Sachs, she pointed out that the quote she mentioned wasn't about that case. As she explained, "They were given in testimony to a Congressional subcommittee following the Salomon Brothers treasury auction scandal nearly 20 years ago. But what Mr. Buffett said then is just as true today – maybe even more so. It shows that issues of compliance and ethics, while never easy, are always central to our business."

"As fiduciaries, our clients endow us with not just their assets, but also their trust. They trust that we will not only act responsibly and comply with laws, but they also expect that we will be ruthless in our commitment to ethical behavior. If we can do this well, then we also ensure the trust of our shareholders that we can produce a return on their investment and build safeguards against major risks." Continuing, she cautioned, "this sounds very simple, but in practice ethics and good governance can become very complex. At its core, however, the concepts are as basic as the trust we would expect from any mutually beneficial relationship."

Since the onset of the recent financial crisis, Atkinson noted that "Wall Street, Main Street and regulators are asking, 'What happened? What can we do to prevent it from happening again?' Was it due to unethical – and possibly illegal – behavior or can it be blamed on other factors, such

as poor business judgment, weak risk management practices, flawed monetary policies, investor 'groupthink' or herd mentality, or was it due to natural business and economic cycles? As much as we'd like to boil the global financial crisis down to one, simple reason, the truth is that all of these factors – and more – were probably at play."

Atkinson then turned to the underlying complexity and interconnectivity of the marketplace and regulatory environment. "The industry has experienced significant deregulation, beginning with the repeal of the Glass-Steagall Act in 1999… coupled with the prolonged low interest rate environment that had investors pursuing yield… these changes contributed to the rise of complex and often opaque financial instruments that may not have been fully understood by investors, even relatively sophisticated ones, rating agencies or regulators." As she continued, "Financial services firms have also become a larger and more integral part of the world's economic system, such that the failure of one of these firms has compounding effects – so called systemic risk. This multiplier effect is even greater when you factor in the growing globalization of the industry. Though the sub-prime market was largely confined to mortgage loans in the U.S., financial services firms across Europe were tied to these investments through an interconnected system of financial instruments. These circumstances – and others – helped create an atmosphere in which, in some cases, aggressive risk taking was rewarded with high profits – at least in the short term."

"Issues of ethical misconduct in business, of course, are not confined to the past five years and they are certainly not confined to the financial services industry. Unfortunately history is littered with numerous examples of ethical misconduct in every industry and in every region. So again the questions linger – what accounts for this and how do we prevent it?" Drawing on research by Ronald Duska and James Mitchell, senior fellows at the Center for Ethical Business Cultures, Atkinson offered several reasons for how and why this behavior can occur. As she argued, there are a number of precipitating factors, including "A company's 'unchecked' self-interest that leads to a single focus on short-term profit maximization with little to no regard for ethical considerations… a rationalization that as long as it's not illegal, it's OK… following the letter of the law but not the spirit of the law… and the push – real or perceived – from customers to act unethically."

Given these tendencies, she turned to various ways in which we can help to ensure that our firms and employees identify issues of concern and make the "right decisions – particularly in areas that are filled with inherent conflicts of interest." Reflecting on State Street, she argued, "Promoting, fostering and enforcing a culture of ethics and compliance throughout the organization is essential to ensuring our employees are equipped to make good decisions and managing these inherent conflicts of interest... [within this context] compliance is a key piece in the framework of our corporate governance, which, in turn, is part of our overall emphasis on corporate social responsibility." As she continued, "It starts with senior management's active articulation and demonstration of ethical values, the 'tone at the top'… and the corporate or institutional culture which imbues all employees with the firm's core values, what it stands for, and, most importantly, clearly defines acceptable and unacceptable behavior." The next component is "the governance structure itself consisting of management oversight and supervisory structure, as well as policies and procedures such as standards of conduct, which lay

out the rules of the road for ethical behavior in the firm, which are enforced in an unequivocal and consistent manner. Finally, there is an internal control environment which seeks to ensure, as much as possible, that employees are indeed doing the right thing. Examples of this are: (1) a comprehensive, independent compliance monitoring and testing program, which includes on-going forensic testing that identifies unusual activity or anomalies for investigation; (2) a whistleblower hotline; and (3) independent risk management and internal audit functions. All of these are important elements in State Street's compliance program."

"We recently implemented two new elements to further reinforce the importance of ethical conduct throughout the organization. We launched a new Compliance and Ethics Committee, comprised of some of our most senior leaders whose mission is to advance State Street's compliance programs and initiatives and to foster the corporation's culture of compliance and high standards of ethical behavior by providing guidance, executive support and visibility to compliance issues affecting State Street. The visibility mandate is especially important because – to be effective – the imperative of ethical behavior must be consistently reinforced by top management."

"This year we also created the role of Ethics Officer, who reports directly to me, and is charged with leveraging the compliance staff embedded within business units to ensure that ethics-related policies and standards are appropriately and consistently administered throughout the company. The Ethics Officer's mandate is to support employees in making the right decisions when faced with conflicts of interest or client demands."

Turning to State Street's internal control environment, Atkinson pointed to related initiatives that are currently underway, including improved compliance reporting to the Board of Directors and leveraging technology for enhanced monitoring and control of employee personal securities trading and other conduct policies. As she underscored, "And since State Street operates all over the world, our program needs to be mindful of the global context in which we work, and that regulations vary from region to region, country to country, and here in the U.S., from state to state."

"Our global mindset also informs how we approach Corporate Social Responsibility (CSR), in which compliance and ethics are an essential strand. Europe was an early trendsetter in CSR best practices, particularly on the environmental front. As a US-headquartered corporation competing in a global market, State Street understood the need to be a leader in this area. We benchmarked ourselves – not against our U.S. peers – but against our European and Australian-based counterparts."

Focusing on the three main pillars of CSR – environment, social concerns and governance (ESG) – she noted that "as a financial services company, there is an obvious emphasis on the Governance component, but our 'license to operate' as a global company is also dependent on having a strong and coherent approach to the other two pillars. It was the environmental area that we concentrated on the most during the past decade, because from a social standpoint we had

very strong employee support and benefit programs, supplier diversity programs, and a history of leadership in community support activities such as philanthropy and volunteerism."

Noting that although State Street's direct impact on the environment is relatively small compared to other industries, Atkinson pointed out that "we quickly learned that we needed to monitor and track our performance in several key areas. In 2003, State Street introduced its first environmental policy and reported environmental data from operations in Massachusetts, which consisted of carbon emissions from oil usage and white paper recycling. Since then, we have revamped our environmental policy twice, introduced an environmental sustainability strategy statement, and completed the multi-year rollout of our environmental management system to all regions worldwide. Last year, we established our Office of Environmental Sustainability as well as an executive-level committee dedicated to this issue. The committee reports annually to the board of directors—a key step in integrating the environmental component of CSR into our larger corporate governance structure."

"Our corporate-wide CSR Working Group is another critical component of building accountability into our CSR commitments. The working group consists of 50 members from across business units, corporate functions and geographical regions that discuss internal and external CSR trends material to our business. The working group acts as a sounding board for management on a number of issues, such as sustainable supply chain management, human rights and proxy voting. The Ethics Officer recently joined the working group to lend his perspective to the team."

Simultaneous with these efforts, SSgA and State Street's asset servicing business expanded its ESG product offerings as client demand increased. As Atkinson continued, "We currently manage nearly $100 billion in assets along ESG investment guidelines, representing 5% of our assets under management. Underpinning State Street's CSR work is our commitment to reporting our performance and being *transparent* with our stakeholders. We have released an annual CSR Report since 2004 and for the past three years, our report has been verified by an independent assurance provider. The new report will be issued later this week at our annual shareholder meeting. Our commitment to reporting and transparency goes a long way in building trust, and shows how seriously we take these issues."

"In times of uncertainty, clients and shareholders want stability and brands they can trust. Governance is the key to building that trust. An ongoing commitment to acting responsibly with *all* your stakeholders—employees, communities and the environment included—reinforces it. No matter how the financial services industry is ultimately changed by the new regulations on the horizon, the fact that our reputation and our integrity – both as individual firms and as an industry – will always be imperative, remains unchanged. Symposiums like this are critical to reinforcing that fact."

"In conclusion, I think it's appropriate to go back to Tim Harbert, the man whose memory we honor by sponsoring the Bentley Symposium series. *Global Investor Magazine* published a tribute to Tim after his passing in 2004. The author recounted a story Tim had told about his time

spent in London setting up SSgA's office, struggling to win even one mandate, as the 'new kid on the block' competing against large, established players. After Tim finished his presentation on SSgA's capabilities to a large target company, the chairman of the company told Tim that he was impressed but had decided to stay with his existing asset manager, who had – quoting him – 'been in existence for longer than the United States has been a country.' That asset manager turned out to be Barings, and when it collapsed, Tim sent a note to the chairman of the target company saying, 'SSgA is still here!' The chairman responded simply, 'Touché!' To Tim's great satisfaction, SSgA ultimately won that company's business." Reflecting on the story Atkinson continued, "I think this a great story. For me, it reinforces that for SSgA and State Street to 'still be here' we must always conduct our business with the utmost integrity, and in the most ethical manner… continuing to serve our internal and external stakeholders in a manner that clearly demonstrates our strong commitment to operating in an environmentally sound and sustainable manner."

DEFINING SUSTAINABILITY

The opening plenary panel, moderated by **W. Michael Hoffman**, *Executive Director of the Center for Business Ethics and Hieken Professor of Business and Professional Ethics at Bentley University*, laid the general foundation for the program's panels. **S. Prakash Sethi**, *University Distinguished Professor and President, Sethi International Center for Corporate Accountability at Baruch College, City University of New York*, began the discussion by emphasizing the multifaceted nature of sustainability. As he argued, "… a company cannot truly sustain itself and grow unless it operates in ways that are physically, economically, socially and politically sustainable." Drawing on the definition of sustainability from the 1987 Brundland Report of the World Commission on Environment and Development – *Our Common Future* – he described it as

Mike Hoffman
Bentley University

"Meeting the needs of the present generation without compromising the ability of the future generations to meet theirs."

Using Fabio Barboza, CEO of Banco Santander in Brazil, as an example, Sethi noted that for Barboza "Sustainable business means that whatever you can do today can also be done tomorrow, the day after tomorrow, and 5 to10 years from now, until the new realities come into being and make us change our conduct." As he continued, with respect to financial services, Barboza believes that when making loans "banks must care more than simply whether they will be paid back. For example, if a bank provides loans to a profitable company that practices deforestation, it may be fine for five years or so, but eventually the company will not have any more trees to cut down and the banks will lose." Sethi's final point from Barboza's perspective is that in Western countries corporate leaders place corporate interests well above community interests in the pursuit of maximizing profit, promising to give back to the community at a later date. Quoting Barboza, he noted, "… the most important thing is to conduct business in a manner that maximizes social good… simultaneously congruent with generating healthy profits for the company in real time. This is possible only when business is conducted in a sustainable manner… otherwise doing 'good' at a later stage may not remedy the harm that has already been done."

Sethi concluded his remarks by focusing on three modes of corporate conduct. The first approach, the Social Obligation Mode, focuses on complying with regulations rather than fighting them, as seen in companies like Johnson & Johnson, Hewlett-Packard and Goldman Sachs. The second approach, the Social Responsibility Mode, represents an "incremental step toward better practices in cooperation with external parties." As he emphasized, this approach is like using "…band-aids to support an unsustainable business model… and is often little more than 'greenwashing' or 'bluewashing.'" The last approach, the Social Responsiveness Mode, which he believes is the best, reflects a re-examination of the corporation's role in society. Its underlying assumption is that fundamental change is needed, looking at business as an integral part of society that needs to play a proactive role of positive change rather than the type of reactive response in the other two modes. As he argued, "…profits would not be the rationale for doing business but the reward for engaging in the right business for the right reasons. Otherwise, these short-term profits and their underlying business model would not be sustainable." He closed by noting that external, rather than internal, needs should drive business actions. "Why don't we look outside and see what is it that society expects of us… how we should change our businesses to mange those expectations. Until the day comes when we get to that point—when external expectations are just as legitimate as internal expectations, we will have a long way to go to becoming a sustainable business in a sustainable society."

Prakash Sethi
Baruch College, CUNY

Blair Feltmate, *Professor and Director of Sustainability Practice at the University of Waterloo* in Ontario, Canada, continued the discussion, by starting with some "simple" issues before focusing on "more challenging" ones. Feltmate believes it is simple for companies to come up with a sustainability statement. In these statements, companies typically roll three areas together – a focus on the environment and economy, the societal needs of current and future generations, and identifying a few key stakeholders that are important to operations. Based on his examination of over 50 corporate sustainability statements, he noted that they were basically "all the same besides some differences in their stakeholders." He criticized these companies are being "too narrow in their approach to dealing with sustainability… as they just focus on the environment… sustainability is more than just the environment… as it involves community outreach and diversity in the workplace among other foci… It is not just about fossil fuel use and recycling."

As another "simple" reality, Feltmate argued that there are three factors that must be taken into consideration when practicing sustainability – the need to be "practical, meaningful and cost effective." As he argued, "…any measure or focus that you are going to have that doesn't share these three factors in common … won't get done. People have so much work they are already expected to do that they cannot focus on additional things unless they are practical, meaningful and cost effective."

Blair Feltmate
University of Waterloo

Turning to issues he referred to as "challenging," he focused on the underlying question of why sustainability is good for business. He noted that "… there are roughly 12 categories or reasons why sustainability is good for business and it tends to be that two or three of these exist within each business sector… gaining access to markets, ease of operational start-ups, lower insurance premiums, being attractive to new employees, being included in sustainable development type funds…" He argued that it is imperative to understand the business case for a company when trying to convince its executives to participate in sustainable practices. As he continued, sustainable development (SD) reports "typically fall well short of representing these factors … in making the business case." The current focus of such reports "discourages institutional or retail money managers from investing in companies that may be sustainable because they will not dig into reports looking for these measures." Feltmate emphasized that the business case for sustainability must be on the front page of the SD report so that the institutional and retail money managers can "quickly put them into valuation equations."

In conclusion, he noted that we have a major opportunity to change the way in which we undertake sustainability reporting. As an example, he described his work with the Canadian Electricity Association to create a SD Index that will have a single number rating performance. "To get this measure, they have come up with 15 variables that go into an equation, and on an annual basis they can plot them and create a best fit line. If they do this for five years and create

a best fit line for that five-year period, they will be able to measure against themselves to see if they are improving – or not." Additionally, companies will also be able to tell, based on these data points, exactly what is helping or hindering their performance. As he argued, similar models can be developed in other industries. "Companies measuring improvement against themselves will be integral in the success of the sustainability movement as it will allow them to know whether they are improving and to focus on those areas where they are underperforming."

Allen White, *Vice President and Senior Fellow at the Tellus Institute,* focused his comments on three main themes – how sustainability is "… inherently and profoundly an ethical concept, how internal corporate behavior and external regulations must apply a systemic approach that overcomes our current siloed thinking, and how we need to transform our economic models and business institutions." Drawing on the Brundland definition of sustainability noted earlier by Professor Sethi, he argued, "One cannot talk about future generations without imputing the moral value of stewardship and trusteeship to those generations yet unborn."

Continuing his arguments, White suggested there are problems with how we define economics. As he underscored, "neoclassical economic terms, such as utility maximization and the economic person motivated dominantly by self-interest, run counter to the intergenerational responsibility essential to ethical behavior in the 21st century… If we are in the business of creating well-being, we are in a very different business than the business of growth… the two simply do not correlate… we know from many research studies that people do not experience greater well-being with additional income above a certain level… Instead, community, family and social networks become the principal source of well-being beyond the point where basic needs are met."

Allen White
Tellus Institute

White argued that the metrics companies use "are myopically driven by one dimension of value creation, one that is associated with returns to capital providers… Government metrics as well are narrowly construed in the form of national accounts that capture the value of market transactions to the exclusion of equally, or more significant, indicators of well-being such as job security, stable communities and intergenerational protection of natural capital." "Sustainability," he concluded, "is deeply ethical… we need to think about the institutions and models we use and the nature of their alignment or misalignment with the corporate, national and global sustainability agenda."

THE BUSINESS OF PEACE:
THE GLOBAL CHALLENGE

Bob McNulty
Bentley University

Session moderator **Robert E. McNulty,** *Bentley University's Director of Programs for the Center of Business Ethics,* introduced the panel, focusing on the unsustainable nature of the conflict in the Middle East, especially the ongoing tensions between Israel and the Palestinian Territories. **Eugene Jaffe**, *Professor and Head of the MBA program at the Ruppin Academic Center* (Israel), began the discussion by quoting from Claude Salhani's (2010) *While the Arab World Slept*, "Imagine a Middle East without strife – and imagine what the people of the region could achieve if conflict were not omnipresent." As he noted, most countries have a choice between "guns and butter," but unfortunately in some cases "the option of a gun over butter has been selected." As a result, Jaffe argued that individuals withhold their investments based on the resultant political and economic instability, which is heightened by the lack of effort to create a sound understanding between countries.

Eugene Jaffe
Ruppin Academic Center

Jaffe emphasized that the dependency of countries on each other is a key factor in the foundation for economic stability and, ultimately, peace. Referring to the present case between Israel and the Palestine Authority, he explained that there have been past examples where warring nations concluded a peace agreement among them. Co-dependency is one of the necessary conditions for peace. He explained that if Israel outsourced more work to, for example, talented Palestinian engineers there would be greater co-dependency between the two entities. He cited examples that occurred after World War II, such as Japan needing oil from South Korea and South Korea needing financial assistance to grow its economy. Similarly, he noted that Japan obtained raw materials from the Philippines and, in turn, Japan provided economic assistance to the Philippines. In the latter two cases, political conflict was reduced as the countries involved capitalized on the strengths of the other.

Jaffe's final comments underscored the urgency and necessity of economic collaboration, but with a lingering concern. As he concluded, "Economic cooperation is necessary. It is necessary, but it is not sufficient. To be sufficient such cooperation has to be in tandem with underlying political processes… without a supportive political process, unfortunately peace will not be achieved between us and our neighbors."

Samir Abuznaid
Hebron University

The next panelist, **Samir Abuznaid,** *Deputy Governor of Hebron and Dean of the School of Finance and Management at Hebron University*, expressed concern that the Palestinian nation has become a "shrinking nation." Referring to Palestine as a "shrinking man, a dying man, getting sick, getting small," he attributed much of the trouble Palestine is facing to the control that Israel has over them. He argued that there are three influential areas that have contributed to these problems. "First 'Area A,' which is under Palestinian administrative and security control, focuses on the civil gatherings in major cities. 'Area B,' under Palestinian civil control and Israeli security control, includes communities around cities and towns. Finally, 'Area C' is under full Israeli control, state land, outside the inhabited area, about 70% of which is under full Israeli control (mainly the West Bank)."

Abuznaid then turned to additional obstacles Palestinians are facing in their attempts to create their own state. The separation wall, for example, impedes access to land, enterprises and places of work. He questioned the reasoning behind the wall, noting "in Israel it's betahon, betahon, betahon – security, security, security." This mentality, he argued, continues to be a major obstacle to forming the groundwork for lasting peace. In fact, Palestinians view these acts of restrictions on freedom of movement as obstacles to peace and sustainability.

As he continued, "[Israeli Prime Minister Binyamin] Netanyahu speaks about the idea of an 'economic peace' as opposed to 'peace economy.'" Abuznaid believes that Netanyahu sees economic peace as an alternative to a political solution. In contrast, he argued that the Palestinian view is that peace should always come before anything else. As he concluded, "the speed at which the Palestinian political situation will be resolved is directly related to the speed at which the Palestinians can gain their own independent state. Economic progress is crucial to the political forces that favor peace," however, "in order for peace to be reached, restrictions must be lifted and a Palestinian state must be established in a way that is secure for everyone."

Liora Katzenstein
ISEMI-Entrepreneurship Israel

As part of her response to Abuznaid's comments, **Liora Katzenstein**, *Founder and President of ISEMI-Entrepreneurship Israel,* focused on the Israeli government's current economic peace plan, noting that this plan is "aiding in the creation of peace." As she underscored, since 2008 roughly two thousand new companies have registered with the Palestinian

authorities; and since 2009 the West Bank has gotten over 6,000 new jobs and an 82% increase in trade with Israel." Katzenstein argued that "the plan calls for an initiative to establish 25 economic enterprises in the West Bank through foreign funding – and Samir has alluded to some of these, advancing joint ventures, establishing employment centers, and easing restrictions in border crossings."

Katzenstein then turned to some of the specific steps Israel has taken to create this economic plan. Examples include the creation and implementation of the Joint Projects Directorate, the Ministry of Regional Cooperation, removal of roadblocks, laying a new diesel fuel and gas pipeline to Gaza, and the re-evaluation of the economic restraints placed upon the Gaza Strip. She noted that the sources of her information come directly from Israel and, reflecting on Abuznaid's comments, said she was sorry to hear "that the situation in Palestine is not as positive as it is portrayed by reports from Israel."

Concluding her remarks, Katzenstein pointed to the Internet as "the next big step in economic progress." As she argued, "I strongly believe in the Internet as an enabler… there are over 300 million Arab speakers in the world today and the rate of internet penetration in Arab speaking countries is one of the highest in the world. Yet, I was amazed to discover that the content in Arabic (on the Internet) is only 1%. Obviously, developing Arabic content may help us to bridge the cultural gap, creating a globalized world and bridging the gap that may be created because of physical embodiments."

Mohammad Bader
Al-Quds University

The last presenter on the panel, **Mohammad Bader,** *Assistant Professor and Head of the Department of Banking and Finance at Al-Quds University,* underscored that there were a lot of mistakes in the past, which "make it difficult for both parties to understand each other. And people now are wasting time… how long this struggle needs to come to an end! " As he continued, "The most important thing now is the future because as this distress continues a third world war is more likely." Both parties are in a difficult struggle because "it's not a traditional occupation, like when France occupied Algeria or when Great Britain occupied India. In the Israeli-Palestinian case, each side believes that the land is historically theirs… The Jewish people believe that this land is their promised land and, historically, we believe that we were there before them."

As he continued, "it seems that there are no real efforts to enforce a resolution… we need a stronger party to push us, to force us to make peace, because we will not make it ourselves. The Palestinian expectation is that we must have an independent state, whereas the main concern of Israel is security." A problem, Bader reflected, is that Palestine is not independent and it is only recognized as a territory. He argued that this reality is "daily brought to Palestinians' minds, when filling out forms Palestine is mentioned separately as a territory or not listed at all in lists

such as Amazon.com and many others…. The first solution is to have a single state, but after the separation war this became too difficult and Israelis didn't accept this solution as they didn't want to become minority as Palestinians are larger demographically... A second solution would be to have two independent states – Israel and Palestine. A third solution is to have no state at all."

Bader noted that it is the responsibility of political leaders, businesses, academia and religious leaders as well as the international community to help push towards a peaceful life. Reflecting on the underlying economic reality, he noted that while the utility prices faced by Palestinians are the same as for Israelis, as a professor he only makes 1/8th or 1/9th the salary of an Israeli professor. As he noted, "the economy will not help businesses until pay is more equal for Palestinians." Concluding, he argued that "peace is possible, but we need integrated efforts from all parties, integrating efforts from politicians, businesses, academic and religious leaders and the international community."

STRATEGIES FOR SUSTAINABLE BUSINESS PRACTICE

Will O'Brien
Clark University

Session moderator **Will O'Brien,** *Visiting Professor at the Graduate School of Management at Clark University,* structured the discussion around a series of questions he posed to the panel. Beginning with a focus on the panelists' experiences with companies and their sustainability practices, **Olivier Corvez,** *Senior Sustainability Consultant for Environmental Resources Management,* began by reflecting on his work on environmental auditing and report verification as a consultant with Shell from 1998-2003. He noted that "As Shell was trying to improve its reputation and brand, the company focused on their environmental sustainability. The management team utilized an Environmental Management Information System and engaged in life cycle assessment, which captured the environmental footprint of the firm. Referring to Cisco Systems, he explained that Cisco's main focus was to help other companies improve their sustainability efforts by focusing on climate change. "Cisco, for example, has helped with the Turkish environmental movement by aiding in their technology and networking capacity."

Olivier Corvez
Environmental Resources Management

Duane Windsor, *Lynette S Autrey Professor of Management at the Jesse H. Jones Graduate School of Business at Rice University,* continued the discussion by noting that although many companies have adopted a green strategy, such as BP, many have had still their

difficulties. As he argued, it is critical to delve beneath the surface and examine "the differences between surface appearance and actual adherence to such policies." Similarly, **Anil Chopra**, a *former Senior Consultant in Enterprise Governance and Business Ethics to Tata Sons (India),* pointed to the necessity of fully understanding a company's code of conduct and its role in ensuring sustainable practices. As he argued, "if a company has such a document it must be used … it must be a document that employees believe in… [that it] ultimately identifies who is responsible."

Corvez noted that one of the ways these concerns can be dealt with is through measurement. As he argued, however, there is a large number of companies that have not attempted to measure their sustainability efforts. "Companies will have to evolve," noting that even companies that have been measuring their initiatives have only been "tracking these data for 15-20 years at best. Increasing pressure from regulators, clients and other institutions will continue to increase and, as a result, data collection, analysis and reporting will continue to improve."

O'Brien shifted the discussion to the UN Global Compact and its potential role in newly industrialized countries. **Deniz Ozturk**, *Secretariat to the U.N. Global Compact in Turkey,* explained that the UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. The Global Compact Office is collaborating closely with the United Nations Development Programme (UNDP), which is "on the ground in 166 countries and operates as the development arm of the United Nations. The UNDP "plays an integral role in advancing these universal principles cohesively for more collective action in reaching the Millennium Development Goals."

Deniz Ozturk
UN Global Compact - Turkey

Noting that the UN Global compact network "is now the largest corporate voluntary initiative with 8,000 signatures," she pointed out that Turkey is one of the largest global compact networks around the world with nearly 200 signatories, mainly small- and medium-sized enterprises (SMEs). As she explained, "Turkey is an important newly industrializing economy that has the 60th largest economy in the World and has had 7% GDP growth over the last 7 years (2009 data) with SMEs representing 97% of private sector businesses in Turkey. Like many other newly industrializing economies, this growth that we are witnessing is important, yet we should also bear in mind that SMEs' ability to compete in international markets will require that they have the necessary sustainable business strategies defined and have the necessary mechanisms in place to support such strategies. When we look at the Global Compact Turkey Network we see that the majority of SMEs that have such systems in place have international partners mainly in the European Union. According to a recent Global Compact survey of signatories globally,

however, only one third of respondents from such SMEs have the necessary systems in place to tackle environmental sustainability challenges."

Duane Windsor
Rice University

Windsor then questioned whether companies would be de-listed from the Compact if they are not making positive contributions. As **Ozturk** responded, the Compact is voluntary and not legally binding, noting that "essentially the UN Global Compact is a leadership platform. There are, however, minimum requirements and a Communication on Progress (COP) is mandatory for business signatories to remain active in status." As she further explained, "The COP is often embedded in annual sustainability reports and it must measure how much progress is occurring within these four areas. Also, it is encouraged that the COP be linked if possible to the Global Reporting Initiative methodology. If a company becomes inactive for two years, they are de-listed..." Turning to the issue of the need for mandatory standards, **Windsor** pointed out some of the underlying difficulties. "We still do not have a good way to agree on certification requirements. We do have ISO 26000 as a social responsibility standard, but this still falls well short of certification," even though "it is mandatory that companies do report."

Turning to the general issue about the underlying relationship between sustainability and ethics, social consciousness and behavior, **Windsor** argued that there are three main points to consider. "First, if you're a business manager and believe that making as much profit as possible is an overriding consideration, then there is something wrong with what you value. Secondly, in the wake of the recent ecological disasters and economic failures, transparency remains highly desirable. Even when we may be unsure about what to do, at least there will be data to examine, even if the public index is not improving." In making his third point, Windsor drew on Adam Smith's volume on *Moral Sentiment*, the book written as a precursor to Smith's more famous *Wealth of Nations.* As he argued, "Smith refers to Level 1 and Level 2 duties. Level 1 speaks to compliance with respect to rules and regulations and Level 2 is concerned with the welfare of your fellow citizens… if a company's executives have other motives, there is something wrong with their intentions."

Anil Chopra
Tata Sons
(Former Senior Consultant)

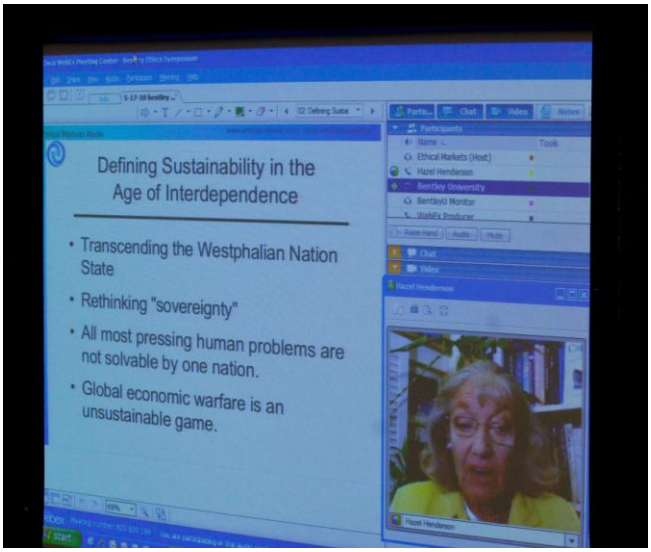
Chopra continued the discussion, highlighting the Nestlé Company and its operations in India. He pointed out that Nestlé began its operations in India in 1962 within the boundaries of an economically deprived farm area. "The company was told by the government that they had to be there. There was no electricity, healthcare, transportation or telephones. At that time, farmers had less than five acres, and it was poor land. Although their headquarters in Switzerland normally depended upon established localized sources of milk, this did not exist.

In 1962 there were 180 local farmers who supplied milk, and now in 2010 there are over 100,000 farmers. In effect, the community has prospered, but so has Nestlé." Underscoring the mutually beneficial outcome, Chopra added that based on the firm's annual report over the last decade (2000-2010), "Nestlé has also reduced its water consumption per ton by 58%, energy consumption per ton by 49%, waste water generation by 70%, greenhouse gasses by 60%, and has developed environmental performance indicators to manage its use of natural resources in the firm's manufacturing facilities." Noting that business can be a force for good, Chopra argued that unfortunately over the past few years society has lost faith in business because business has let its short-term profit overshadow its long-term interests. Pointing to the faculty in the audience, he reflected on discussions taking place at many business schools, "… we have been trying to get our students to understand this. They have to see their careers are a marathon, not a sprint, as a means to contribute to the world not just to one's own life."

Building on the discussion, O'Brien closed the panel by focusing on ways to monitor companies, industries and countries, pressing the panelists to focus on how we could best audit and verify these practices. **Corvez** began, once again, by reflecting on his consulting work with Shell while at KPMG. He pointed out that "teams were literally dropped in all parts of the world to evaluate projects. There were many CPA and environmentalist experts on these teams … providing greater credibility to their assessments and annual reporting." He also noted that two accounting standards emerged along the way – the AA1000 (AccountAbility) and the ISAE3000 (International Standard on Assurance Engagements). Forty percent of the *Financial Times* 250 companies now have third party verification on such data. "While this doesn't mean that these companies are perfect, having one of the Big 4 come in … provides a gauge of credibility." Corvez concluded by noting that this type of verification has tremendous benefit as it gives companies "much better assurance that what they communicate will be well received by both internal and external parties."

LUNCEHON SPEAKER: HAZEL HENDERSON

Hazel Henderson, *President of Ethical Markets Media* and author of *Ethical Markets: Growing the Green Economy*, was the program's luncheon speaker. Presenting via live videocast, Henderson began her comments by underscoring that "Sustainability is a global issue." As she argued, there is a "…tug of war that is currently going on between sovereign governments and what we may call the lords that finance… a battle that cannot be won if we are all working



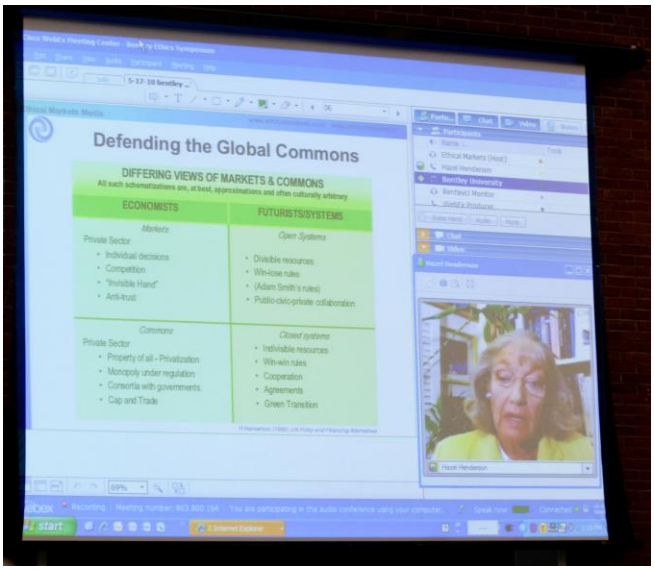
Hazel Henderson
Ethical Markets Media
via live videocast from St. Augustine, Florida

against each other… All of our compelling human problems are not solvable by any one nation … the old model of competing nation states operating in a closed system – in other words our planet earth – is an unsustainable game… the end of an era."

Henderson proposed that many of the crises we are faced with today – such as pollution, pandemics, climate change and financial concerns – are "crises of human perception." As she has been proposing for a number of years, "… we need to shift away from this Cartesian framework. Instead of looking at each problem separately, we need to figure out how they affect each other and how these crises are interconnected." She posited that the government has allowed common elements to be privatized to such an extent that it is almost impossible to think of it as anything but a private sector, which in turn makes it almost impossible to connect each problem with another.

In 1995, she pointed out, the Global Commission to Fund the UN called for greater powers for the United Nations (UN), arguing that fees should be put in place for all commercial uses of the global commons, such as air, land, water and so forth. Yet, she emphasized that the global financial system is "… still run by the guidelines of competition… the fight over winning and losing will end up causing everyone to lose in the end, because the Earth is a closed system." Insisting we need a multidisciplinary approach to tackle environmental sustainability, she pointed to the need for broader understanding of the underlying dynamics of conflict, with input from a broad range of disciplines, from game theory and psychology, to sociology and anthropology, to information and decision theory, systems theory and market economics. We also need a more functional way of measuring national trends, such as quality of life indicators, corporate social responsibility, and attempts to reform markets worldwide.

Henderson then turned her attention to asset managers and how they "need to change their ways." She believes we need to retrain – or even fire – many asset managers, noting that their perspective is flawed. As an example, she pointed out that "asset managers say that investment in companies in solar, geothermal, and wind power are too risky, yet these same asset managers rely on old model thinking to invest in commodities, hedge funds and interest rate futures… As a result they have lost money," pointing to Harvard's endowment fund that lost a third of its value. Instead, she argued, "asset managers could have been making money for their clients while also investing in the environment and sustainability as a whole."



We also need accounting reforms, such as the "triple bottom line" used by Calvert and other SRI asset managers, which are "bumping up against the outdated Gross Domestic Product (GDP) growth model," according to

Henderson. She argued that the Calvert-Henderson Quality of Life Indicators has better methods for measuring economic activity than GDP, for example, its ability to measure activity in multiple metrics beyond money.

On a more promising note, Henderson concluded her comments with the premise that the stage is set for a global transition to sustainability, as "… the obsolete economics of today have been revealed, and we are realizing that old business models that relied on profits from externalities must go." Henderson bases her optimism on research such as the Climate Solutions II computer model that projects that if one trillion dollars per year were spent on solar, wind, renewable energy and public transport by 2020, "we would be able to make the shift to the solar age" as tracked by her Green Transition Scoreboard (www.greeentransitionscoreboard.com). She asked the audience why we are continuing to "print money to bail out past mistakes and past bondholders when we could use this money to ramp up investments to get where we need to be… Since 2007, more than 1.6 trillion dollars have been privately invested to create a cleaner, greener economy." As she concluded, the goal is achievable, as "…it is time that is scarce, not money."

CRITICAL CHALLENGES IN SUSTAINABILITY

Bob Frederick
Bentley University

Following introductory comments by **Robert Fredrick,** *Professor and Chair of the Philosophy Department at Bentley University,* **Jacob Park,** *Associate Professor of Business Strategy and Sustainability at Green Mountain College,* focused his remarks on three key challenges: sustainability infrastructure (in terms of energy grids, smart buildings); energy demand (especially from rapidly growing emerging countries like India, China, and Abu Dhabi); and the role of technology in our carbon footprint (how it is shaping current and future business practices). Pointing to the current U.S. economic bailout, he raised questions about the extent to which it has been a "green bailout." "It appears," he argued, "that compared to China, which has emphasized creating a green infrastructure with its bailout monies, the U.S. is not being as green." Using the Masdar Initiative and UAE's sovereign wealth fund (which is one of the largest in the world) as another example, he argued that "despite the fact that half of Adu Dhabi's population is very young and the country's wealth is highly dependent on oil, Abu Dhabi still has a significant green focus – and they are well aware that oil will eventually run out." He further pointed out that "from Egypt to Algeria, despite the fact that the region is known for conflict and problems, there are a lot of interesting projects for clean energy… Yes there are problems, yes there are many contentious issues in the Middle East and North Africa, but there are also very vibrant types of solutions that are bubbling up… the type of things we need to pay attention to,

Jacob Park
Green Mountain College

nurture and support the best we can."

Park argued that the most critical challenges facing the planet are to ensure that the poorest still get their basic energy needs met and the threat to climate change is managed. As he underscored, these two challenges are not mutually exclusive. "It is possible to thrive in both areas... giving the poor the resources they need will enable them to consume, which does increase environmental problems, but appropriate investments can meet this challenge… We must not lose sight as to what happens to poor countries, even though richer countries are struggling."

Concluding his comments, Park turned to the critical role to be played by sustainable entrepreneurship and innovation, noting that there is "tremendous potential to make technology companies greener, although significant capital is needed to incubate companies like Google." Unfortunately, he argued that such change "will take a long time and we may not have enough sustained strength to see this through." Park concluded by noting "there must be thousands of business plans built around green initiatives, the booms and busts must be sustainable, but I fear that the amount of money companies must invest to sustain all of this will not be enough."

Susan Aaronson
George Washington University

Susan Aaronson, *Associate Research Professor of International Affairs and 2009-2010 Policy Research Scholar, Elliott School of International Affairs and the Graduate School of Business at George Washington University*, addressed the relationship between human rights, poverty and the Millennium Development Goals (MDG). She stressed that the MDGs are an international commitment to eradicate poverty by 2015. They include many human rights commitments that have been jeopardized by the global downturn. For example, Aaronson noted, the right to work is a basic human right. "The eradication of poverty cannot be achieved unless people have access to jobs, and currently far too many people who want to work are unemployed." She continued, "We have an oversupply of workers – nationally and internationally – and mangers clearly know this. Too many managers, I believe, are often tempted by subsides to go to countries such as China, where the government provides generous infrastructural subsides as well as tax breaks to produce employment." The problem in China is that their authoritarian regime is "literally terrified of massive unemployment, as they have 26% of the world's workers… one of the reasons why they provide generous subsidies to companies to provide employment."

Aaronson believes we need enhanced skills training, an improved social safety net. She also stressed that the world has an oversupply of capacity in areas such as autos, semiconductors and steel. Many governments have subsidized these sectors, and therefore would be reluctant to reduce capacity. This overcapacity jeopardizes global recovery and keeps prices for semiconductors and steel artificially low. She also called for increased transparency of company

supply chains, arguing that if consumers know where goods are produced, they can purchase goods that they believe are produced ethically.

A related concern, she argued, is water use and "it must be addressed in a more overt fashion." Pointing to Coca-Cola's sustainability efforts regarding water use in India, she noted that while they do compete with farmers for water, the company has made many efforts to lower its water use." Emphasizing the importance of disclosure, she concluded by noting, "If companies say they are socially responsible they should prove it by being more transparent about their operations."

Reflecting on his position at Euromed Management in Marseille, France, **Jean-Christophe Carteron,** *Director of Corporate Social Responsibility*, explained that his goal is to bring the "CSR virus" into the business school, diffusing its concepts throughout the entire institution. "I have no doubt that we are all really invested in our mission, but what comes to mind is a terrible question – why, after all these years of research in our marvellous universities, with all our clever people, with all the goodwill, with the huge energy that we have put into countless projects... why do we still need to organize events to figure out what the critical challenges are?" Unfortunately, he continued, "it is always difficult for a civilization to question its own model... especially if that model used to work pretty well..." He noted that for literally thousands of years, there was no real difference between your own life and the life of your parents or even grandparents. However, in less than 200 years we have experienced significant changes that have truly enhanced our living conditions. As he explained, "It's always difficult to challenge a system that we took full advantage of – and still do – so it becomes increasingly important to try to 'think outside the box.'"

Jean-Christophe Carteron
Euromed Management

On one level, we are all part of the CSR community. As Carteron argued, "the corporate world has made huge progress and after years of blindness, most companies today are engaged in CSR projects, they produce sustainable development reports, they have improved with respect to pollution and they have created foundations... but, sustainability is *not* part of their DNA and is rarely reflected in their business model." Referring to the theme of the session, he emphasized that there is "only one real challenge we are faced with... organizations try to be excellent in all they do, but, for me, the major challenge is to be coherent – to optimize rather than maximize." Using business schools as an example, he pointed out that most schools push for expertise in specific areas – research, various programs, green campuses – yet, overall, "we are not coherent in our strategy for sustainability. As academics, we have made significant contributions in research and education, yet as organizations we often fail to do as we say."

"The key to success for me is when we manage to connect faculty members, staff, students, the local community and corporations in different projects that have the same purpose." As he concluded, "the real challenge is to find coherence within every project, to find coherence between different projects, to be courageous enough to recognize when you fall short of your goals, and make the commitment – both individually and organizationally – to be truly sustainable."

Manuel Guillen Parra, *Professor Titular de Universidad at the University of Valencia,* concluded the panel by emphasizing the three main actors or groups of stakeholders with respect to sustainability. "The business sector must produce useful goods, the political sphere must ensure the satisfaction of their constituencies, and the environment must be protected in terms of our natural resources and its natural beauty… ethics and sustainability are at the intersection of these three circles." Guillen argued that all three are important, but "the most critical challenge for each group of stakeholders is to understand all of the others."

As Guillen continued, "Ethics is not an external rationality, it is the most internal one… to solve the problem of peace today we need human beings… [and] the reality is that one of the things these stakeholders have in common is that they are human beings – all CEOs, all politicians, and all citizens are human – yet they must also have humane ethics." Ethics is the key by which disputes and conflicts among the rationalities of the economic, social and environmental domains can and ought to be resolved. Concluding he noted that professors and other thought leaders need to be current, which may demand significant effort to capture new ideas. "If we fail to recognize the essential ethical grounding of sustainability, or if we take it for granted, then, sustainability can easily lose its way and will, in the end, fail to be justified … it is necessary to tackle the critical problems of sustainability."

Manuel Guillen Parra
University of Valencia

BUILDING SUSTAINABLE ORGANIZATIONS, INSTITUTIONS AND SOCIETIES

Jack Hansen
Center for Business Ethics

John Hansen, *Executive Fellow at Bentley's Center for Business Ethics* and a consultant for the World Bank, initiated the session, drawing out the broad array of challenges raised by the panel theme. **Poonam Ahluwalia,** *President of the YES Campaign*, focused her comments on the critical global challenge of poverty. She underscored that the income for more than one billion people across

Poonam Ahluwalia
Yes Campaign

the globe is less than a dollar a day, for three billion people it is less than two dollars, and roughly four billion people earn a salary that is under the poverty line. As she argued, "More of the planet is poorer than ever before. There are a billion youth and 850 million of them live in countries that are poor." As she lamented, the reality for many of these young people is that they will face a lifetime of poverty. Such a reality is especially distressing when one considers that at the present 80% of the world's resources are used by 20% of the population.

Given these challenges, Ahluwalia's approach at Youth Entrepreneurship and Sustainability (YES) is not to "just fly consultants in to solve problems." Given the importance of true acceptance and buy-in, the strategy at YES is to get young people "on board to help make the changes in their respective countries." As an example, she pointed to a young woman in Somalia, Faiza Abdi, who has taken on the YES cause. Abdi, a YES Somalia Leader supported by YES Global, raised over 300,000 Euros from the Danish and Swedish governments to support entrepreneurship training, open up markets and help get youth credit. Another example is in Kenya where YES helped to set-up the youth ministry supported by the German government, and a 2 billion Kenya Shillings Youth Enterprise Fund that helps youth get credit without collateral. Concluding, she argued that it is important to tackle the poverty problem through our youth as "...the world will go where our youth will dream."

Building on Ahluwalia's remarks, **Aron Zylberman,** *President of FIA Alumni Association and GESC Institute in Brazil,* focused on the practical role that MBA students can play in transforming society. Since 1994, MBA students at the GESC Institute in Brazil have worked with NGOs, providing managerial skills training to the NGOs that deal with the less fortunate. As he points out, in Brazil approximately 20% of the population is below the poverty line compared with 12% in the U.S. Moreover, Brazil's score on the GINI index, which shows the concentration of wealth in a society, also paints a rather dismal picture.

As a small step in changing this situation, during a semester, MBA students engage in 60-80 hours of service, acting as teachers and consultants to NGOs that target people living in difficult social conditions, helping them work on projects that have the potential to "transform the underprivileged person's life." The program not only helps those in need, but it has also proven to be an excellent training ground for the students as they also go through a 12-hour training course on consulting skills and accompanying field work.

Aron Zylberman
GESC Institute

Drawing on a recent GESC assessment study of the program, Zylberman noted that there have been roughly 700 NGOs that have been part of the program and the general sentiment is that GESC has been doing a "very good job of building leaders who are socially responsible." In closing, he raised the question "Who is dealing with corporate social responsibility? … People … [and] if they transform themselves, they might also have the capacity to transform their organizations."

Continuing the discussion, **Tania Casado**, *Professor and Director of Career Services at the University of São Paulo*, shared a recent research project she has undertaken to better understand the characteristics of the people who volunteer for the GESC program. In an attempt to assess ways to increase the number of volunteers and further enhance the program's outcomes, she noted that it was important to "verify our assumptions about volunteers." Although she posited that people often think of GESC volunteers as the "young, unemployed, or those who are just trying to build networks," her assessment study suggested a different population. As she pointed out, "we found that the average age was much higher than initially envisioned (45 years old) and 37% of the volunteers were in upper-level management positions." An important finding was the number of unemployed people among the volunteer group was only 9%. She also noted that 43% of the volunteers had previous volunteer experience.

Tania Casado
University of São Paulo

Examining their psychological types, as defined by Carl Gustav Jung using a Brazilian Psychological Test (the DTP), she compared the volunteers with other samples including NGO managers. The results indicated that there was no association between volunteerism and psychological type, which she noted was "remarkably different from previous research that pointed to associations between psychological types and jobs." As she noted, "This led us to think about the nature and objectives of the GESC volunteers' activities that give room for different skills and motivations… this insight made us more optimistic about our search for new volunteer members."

As an important factor in encouraging MBA students to volunteer in such programs, Casado also pointed to the importance of professors who play the "champion role for the cause" – noting that one-fourth of the total number of volunteers in the program are current or former students of one professor.

Robert E. Hoskisson, *George R. Brown Professor of Strategic Management at the Jesse H. Jones Graduate School of Business at Rice University*, focused on a risk shifting phenomena that he argued is taking place in corporate governance. He noted that more intense monitoring of CEOs is taking place and that such intense monitoring shifts risk to managers, requiring them to take on more risk and, as a result, receive more pay. Increased monitoring comes from active

Bob Hoskisson
Rice University

institutional investors and the shift to a predominance of outside directors on boards. Increased risk taking by CEOs often leads to increased failure rates. Over time, it is likely to lead to increased compensation as well. For example, if a CEO is dismissed by a board due to an increased sensitivity to monitoring firm performance for other purposes (e.g., failed strategy), the new CEO would enter either a failed situation or a situation in which the strategy needs to be revamped, both of which are risky undertakings vis-à-vis the new CEO. Accordingly, the new CEO would seek protection by negotiating a higher salary, improved incentive compensation to encourage risk taking, and a golden parachute (compensation for early termination as a result of a change in ownership) to take on the greater risk associated with the increasingly intensive monitoring environment.

He also underscored that CEO tenure rates have been affected by the increase in intense monitoring. Drawing on a recent study by Kaplan and Minton, he noted that average CEO tenure has fallen to as low as six years, "substantially shorter than the average tenures" reported in previous work for the past three decades. This research suggests that as other forms of monitoring have intensified, boards too have become more sensitive to firm performance and, as such, have begun to act more quickly to remedy poor performance through CEO dismissal. This emphasis on performance or outcome controls has increased employment risk for managers. Not only do dismissed CEOs lose their jobs, but often they lose their human and social capital, become stigmatized, or suffer other reputational losses which damage their market value and make it difficult to find a new job. For example, in February 2009, the *Wall Street Journal* cited the executive search firm Spencer Stuart in reporting that 61 companies in the Standard & Poor's 500-stock index changed CEOs during 2008, up from 56 a year earlier. The story added that management consultants, recruiters, and the CEOs themselves say few are able to secure the top job again.

Hoskisson pointed to a potential negative cycle that is also implied. Increased monitoring intensity leads to increased risk for executives who seek higher pay to offset the risk. Drawing on research by Sanders and Hambrick, he noted that an emphasis on incentive compensation (stock options) prompts CEOs to make high-variance bets, not simply larger bets, and option-loaded CEOs deliver more big losses than big gains, which leads to more turnover. Also, research suggests that stock ownership by the CEO has a negative environmental impact. Furthermore, the increased monitoring leads to the new CEO asking for higher pay, especially in a failed situation. Increased pay leads to complaints, and, especially when failure occurs, leads to higher monitoring.

Because of failure, monitoring has increased in the U.S., for instance, due to implementation of Sarbanes-Oxley legislation. If monitoring intensity is legislated and pay is capped as well,

managers will seek to reduce the increased risk they experience in other ways. For instance, they may take less risk by spending a lower amount in R&D, or high talent managers may move to different positions to take on different opportunities such as in private equity. This is a difficult dilemma that is not easily resolved.

Concluding his comments, Hoskisson noted that "my intent with this discussion is to propose that problems with executive pay and corporate governance issues are more complex than it appears. Just reacting negatively to executive pay excesses and capping pay without thinking of the consequences may not be the best approach. I believe that CEO pay is excessive and inappropriate, but better understanding of the governance setting is needed to help deliver us from the dilemma in which we now find ourselves."

Jorge E. Rivera, *Associate Professor and Dean Research Scholar 2008-2010 in the Department of Strategic Management and Public Policy at George Washington University,* concluded the panel presentations by turning to the issue of self-regulation, asking why it exists. With respect to sustainability issues, Rivera believes that companies participate in self-regulation either to send signals to the government that they do not need environmental regulations or to show stakeholders (either consumers or environmental lobbyists) that their company is "green." On the consumer end, he argued that "the portion of consumers who are actually willing to pay more for green products is insignificant… Consumers might say they are willing to pay more, but they don't… surveys show 90% of us say we will pay more for a green product, but when we go to a supermarket we don't." When actually purchasing an environmentally friendly product, he noted that other factors typically drive the process – "it must be of equal quality, it must be in the same supermarket where the shopper normally goes, it must be positioned at eye level, and so forth."

Jorge Rivera
George Washington University

As he lamented, "Attracting actual green consumers is a dream that has not yet been fulfilled." Product differentiation can also confuse consumers. As an example, Rivera asked the audience "which is better for sustainability, fair trade or organic coffee?" Illustrating the complexity of the issue, he noted that "fair trade is better for social aspects (higher pay and treatment of workers), but organic is better for the environment… Typical consumers would not know this and in many instances even consumers who do care about the environment are not sufficiently informed about product differentiations."

Shifting the attention to regulatory bodies, he raised the example of the Forest Stewardship Council – "the Council is good, but companies don't like to join because they must pay, the Council decides who audits the company (even though the company pays for the auditing), the Council does not publicize who its members are (a company does not get credit for being a member, only if they are approved for certification), and certification is based on performance

measures (not just improvements)." As he continued, he pointed to Home Depot's wood product and its certification through the Council. "Interestingly, Home Depot employees do not know this [the wood certification] and consumers do not even care. The purpose of getting the wood certified was solely to please an environmental group, which had a history of being on Home Depot's case."

He then turned to ISO 14000 certification, which is not as strict as the Forest Stewardship Council but still requires certification and an independent audit. Focusing on such less restrictive programs, he argued that "There are hundreds of programs that don't have standards, that don't have third party certifications… you just have to pay your fee." Pointing to this type of program, which he noted is more common, he underscored that "their outcomes are poorer than those programs that do have stricter requirements and certification." Companies participating in the less strict programs tend to try to "greenwash their operations as they do not perform well environmentally and join the program simply as a quick-fix." Research has also found that these less strict programs do not lead to higher levels of social and environmental standards. Thus, he argued the outcome is very troubling – "companies do not want to join stricter programs as it is hard to comply with their requirements, and companies that join the lesser more lenient programs do not actually make any improvements on their impact on the environment." Rivera ended his remarks by calling for improved metrics. As he emphasized, "If we start developing better metrics and there is more pressure, hopefully, over time, the demand that these programs are supposed to satisfy will actually gain some teeth and make companies develop new strategies."

MANAGING THE SUSTAINABLE ENTERPRISE: TRENDS, CHALLENGES AND NEXT STEPS

Following opening comments by **Cynthia Clark Williams,** *Assistant Professor of Management and Director of the Harold S. Geneen Institute of Corporate Governance at Bentley University,* **Jenny Cross,** *Global Sustainability Director for Mohawk Industries,* focused her comments on Mohawk Industries' sustainability program. Mohawk Industries, a Fortune 500 company with over 130 years of experience in flooring manufacturing, has a global scope with operations on three continents (North America, Europe, Asia) and is a category leader in the manufacturing of carpet, ceramic title, hardwood, laminate, cushion and fiber boards. As part of the company's sustainability strategy, it diverts over 3 billion pounds of material from landfills each year, recycling approximately 25% of all PET bottles reclaimed in North America each year, with many of these bottles recycled into carpet. As she pointed out, as a reflection of the company's commitment to this area, Mohawk was ranked 45th for "reputation" in *Newsweek*'s 2009 Green

Cynthia Clark Williams, *Bentley University,* **Raj Sisodia**, *Bentley University,* and **Jenny Cross**, *Mohawk Industries*

Rankings.

Cross believes there is a strong business case for sustainability. She noted that sustainability not only strengthens the balance sheet, but related sustainability innovations often result in product innovation. As she argued, "since Mohawk is in the fashion business it is necessary to act fashionably as it is becoming increasingly important to Mohawk's stakeholders." Practicing sustainability techniques helps to create a competitive advantage, especially when they are executed "with rigor, transparency, and a focus on your stakeholders." Mohawk's stance on sustainability also directly impacts employee recruitment, engagement and retention as "employees who are on board with sustainability will stay on board."

As she continued, sustainability practices reflect good business decisions, with respect to raw materials, utility consumption, lowering employee turnover, waste reduction, and creation of new distribution channels – all of which help to improve the bottom line. Reflecting back, Cross noted Mohawk's initial sustainability stance emphasized costs, compliance and revenue generation. "In an industry as big and as mature as ours, at times I feel like I'm trying to turn the Titanic… it does take some time but we are moving the ship." Noting that Mohawk's early position clearly had a corporate tone, she now believes that sustainability is really "about health and well-being." As she underscored, "We are a flooring company – we are in your home – and everyone wants to have a healthy home, everyone wants to work in a place that is healthy."

Jenny Cross
Mohawk Industries

A key part of the strategy is to fully know your stakeholders. Cross talked about Mohawk's stakeholder mapping approach, focusing on employees, shareholders, reporting agencies, communities, advocacy groups, media, governments, suppliers, consumers and customers. As she argued, "It is necessary to understand all these groups to be able to manage your relationship with them." It was also through this type of focused stakeholder analysis that she has realized the ultimate importance of making living structures safer.

Cross concluded her comments by looking at regulatory versus voluntary sustainability practices. She noted that Mohawk's sustainability program is not in response to regulation, but rather based on voluntary practices that support the business. "There is much more to be done. There are still five billion to six billion pounds of waste from within our industry that go to landfills each year." As a result, Mohawk has approached the federal government, through the industry's trade organization – The Carpet and Rug Institute – for federal intervention rather than regulation on a state to state basis – which, she argued, would help the underlying logistics in the business. As she concluded, "the practice of asking the federal government to impose regulations on our industry is risky and perhaps even unheard, but hopefully it will pay off."

Donald J. Reed, *Director, Sustainability and Climate Change Practice for PricewaterhouseCoopers,* continued the discussion by briefly reflecting on his experiences in sustainability, from his early work with advocacy groups and think tanks, to government and, most recently, his efforts in the corporate world. Focusing on the changes that have taken place, he argued that social and environmental issues – from climate change and biodiversity loss, to indigenous people and human rights – have become market forces. When added to the myriad global trends taking place in the world – including the new power of civil society, the growing impact of connectedness, the changing role of government, and the declining trust in corporations – Reed emphasized that business is now faced with unparalleled pressures and expectations. As he argued, "No institution is less trusted than global multinational businesses… and local NGOs are now the most trusted." Changing consumer preferences, market demand for clean energy and products, and investor interest in sustainability, among other demands, however, are forcing companies to become far "greener" in their operations. As he continued, "There is real business value for most companies … as they seek out opportunities from social and environmental trends … integrating them into their business strategy decision making."

Turning to the issue of policy change, Reed noted that "policies are changing all over the world, and many companies are trying to anticipate what the future will bring in terms of regulation." Arguing that many companies are becoming advocates for new regulations, he stressed that it is especially critical for manufacturing companies to know future regulations as soon as possible as they have high fixed cost assets, which take a long time to change. He is also witnessing key trends in technology improvements, as large energy users are implementing efficiency programs, smart grid use, and commercially viable renewable energy technologies, increasing appliance efficiency and fuel efficiency. Stakeholders are putting increased pressure on companies in a number of areas, including reducing use of coal and fossil fuels, disclosing sustainability and climate change risks to investors, demanding green products and services across the value chain, and protesting environmentally and socially destructive behaviors.

Don Reed
PricewaterhouseCoopers

Concluding his comments, he noted that there is ample opportunity for firms to reduce their energy use and costs. As he noted, "… the majority of companies I have visited have the potential to increase their energy efficiency by 15 to 30% within their own buildings… this is not about the future, this is about things you can do today, profitable investments you can make, and an array of non-investment alternatives that can really improve margins." Pointing to General Electric's eco-imagination group of products, he noted that their goal was to have a 20% advantage over competitors and meet specific revenue growth earnings. While it is important to set such goals, which companies typically meet or exceed, he argued that "without a specific strategy for sustainability, nothing will really be achieved."

The final speaker of the day, **Rajendra Sisodia,** *Professor of Marketing at Bentley University, and Co-Founder and Chairman of the Conscious Capitalism Institute,* began his remarks with the notion that business today must go through a metamorphosis, literally "as extreme as when a caterpillar changes into a butterfly." As he argued, "… the time is right for significant change to happen in our consciousness, not only as individuals but also in terms of the corporations we have created." Quoting Abraham Lincoln, he underscored that "the dogmas of the quiet past are inadequate to the stormy present" as the world is constantly changing, very different from what it was only 10 to 20 years ago. As he continued, "The world has entered a new chapter, what we call the 'Age of Transcendence.' Under the earlier 'Age of Empowerment,' which started in the U.S. in 1776, the common person by right of law was empowered to go from virtually nothing to something substantial within their own life time. This was not possible in any society in any other time until then. Now, in the 'Age of Transcendence,' people are starting to go beyond the material universe and seek deeper meaning and a sense of purpose in their lives."

As he continued, the World Wide Web has also shifted the balance of information power to the masses. The web has connected hundreds of millions of people to each other, literally taking away the control that companies once had about the information on their practices and their products, noting that "…in sum it has greatly strengthened demands for corporate transparency… We know everything about companies, we live in a world of almost total transparency… We are also highly connected, so we can create a movement almost virtually overnight."

Raj Sisodia
Bentley University

Focusing on "conscious capitalism," Sisodia pointed to an emerging form of business that serves a higher purpose (beyond profits), meets the needs of a broad array of stakeholders (beyond shareholders) and is guided by a sense of self-effacing, servant-based leadership that is motivated to "do things the world needs doing." This, he argued, is the business model we need to emulate. As he continued, "When I travel and visit CEOs in their offices I almost always see a copy of Jim Collins' bestselling book *Good to Great*. Unfortunately, the book looks at only a single definition of greatness – companies that outperformed the market by at least three to one over at least a 14-year period. Only eleven companies met this requirement, including Circuit City (which is out of business), Fannie Mae (which contributed to the mortgage crisis) and Philip Morris (which contributes to our health problems)." Sisodia argued that "A company like Philip Morris may have made a lot of money for investors over long period of time, but over $600 billion was spent in 2010 alone globally on healthcare costs due to tobacco use and roughly one billion people will die in this century due to tobacco use. This clearly is externalizing their costs onto society and if this were to show on their financial statements one would see a negative net impact."

Sisodia underscored that we need companies that create a positive net impact. As he concluded, "Human beings are capable of extraordinary, almost divine, things, in the right settings and the right circumstances. Human beings are not a resource, they are a source… the ultimate source of renewable energy… and most people are not performing anywhere near of where they are capable. A conscious business has the potential of unleashing this spirit for the betterment of stakeholders and shareholders alike."

ACKNOWLEDGMENTS

As coordinator of the Bentley Alliance for Ethics and Social Responsibility, I wish to, once again, express my gratitude to the State Street Foundation for its continued support and multi-year commitment to this venture. I would also like to thank the speakers, panelists and moderators in our sixth symposium for their willingness to share their work in our ongoing challenge in developing sustainable practices, and, most of all, for their good-natured colleagueship and support. Among my many Bentley colleagues, without whose effort and support the symposium series and follow-on teaching workshop would not have been possible, I would, once again, particularly like to thank Michael Hoffman, Robert Frederick, Mike Page, Cynthia Clark Williams, Mary Chiasson, Michele Walsh, Joanna Aven, Steven Salina, Terry Tierney and Gail Sands. Special thanks also go to Bentley University's president Gloria Larson for her ongoing support and Robert McNulty, program director for our Center for Business Ethics – once again, his tireless "behind the scenes" effort made it possible for our colleagues from Israel and the Palestinian Territories to join us for this year's symposium program and teaching workshop.

Eugene Jaffe, Samir Abuznaid, Liora Katzenstein, Mohammad Bader and Bob McNulty

As has been the case with past symposia, we were faced with a number of difficult choices in capturing the essence of the ideas exchanged during the program. As we have done with the *Proceedings* for our earlier Symposia – "Ethics and Risk Management in a Global Environment" (2005), "Corporate Social Responsibility in the 21st Century: Coping with Globalization" (2006), "Business Ethics and Corporate Social Responsibility: Different Sides of the Same Coin? A Comparison of European and North American Perspectives" (2007), "Ethics, Governance and Enterprise Risk Management: A Global Perspective" (2008), and "Building Responsible Global Cultures: The Role of Ethics, Corporate Social Responsibility and Sustainability" (2009) – we chose to focus on the remarks made by and exchanges between our panelists, unfortunately bypassing a wealth of ideas that were raised during interaction with the audience. Jared Roth, my

graduate research assistant, provided invaluable assistance in viewing tapes of the different sessions, culling key points and ideas, and helping to edit the proceedings.

I would also like to note the wonderful colleagueship and thoughtful participation of the faculty who stayed for the remainder of the week, taking part in our Teaching Business Ethics Faculty Development Workshop – Samir Abuznaid (*Hebron University*), Mohammed Bader (*Al-Quds University*), Cynthia Brusman (*Executive Jets Management*), Fred Calvert (*Executive Jets Management*), Tania Casado (*University of São Paulo*), Noha El-Bassiouny (*The German University in Cairo*), Eugene Jaffe (*Ruppin Academic Center*), Liora Katzenstein (*ISEMI – Entrepreneurship Israel*), Bruce Kibler (*University of Wisconsin Superior*), Joanne Lawrence (*Hult International Business School*), Melissa Samuelson (*Thunderbird University*), Anthony Ebow Spio (*Ashesi University*), and Aron Zylberman (*GESC Institute*), and Bentley colleagues Mystica Alexander, Alina Chircu, Maureen Goldman, Fred Ledley and Bryan Snyder. Mary Gentile (Aspen Institute, Babson College) continued her support of the workshop series for the third consecutive year with a presentation on the "Giving Voice to Values" initiative.

Finally the 2010 program also continued our Next Generation ESG Scholars initiative. Due to the pioneering efforts of Bentley colleague Cynthia Clark Williams, we built on our successful inaugural 2009 workshop offering a companion program focused on enhancing doctoral student research in the environment, society and governance arena. In addition to serving as panelists during the symposium, Bob Hoskisson (*Rice University*), Jorge Rivera (*George Washington University*) and Duane Windsor (*Rice University*) also participated in our Teaching Business Ethics Faculty Development Workshop and served as mentors in the Next Generation ESG Scholars Program. Our second cohort of Next Generation Scholars included Olga Voronina Hawn (*Duke University*), Michele Jurgens (*Bentley University*), Cubie Lau (*University College Dublin*), Elise Perrault (*Bentley University*), Erica Steckler (*Boston College*) and Robert Strand (*Copenhagen Business School*).

Following our efforts in 2007 when we took the symposium and workshop to Universidad Pontificia Comillas in Madrid, Spain, this coming year we will be partnering with Euromed Management in Marseille, France. The program will also be a UN PRME (Principles of Responsible Management Education) supported event. I am looking forward to, once again, sharing many of the thoughts and ideas that will be exchanged during the 2011 Symposium – "Stakeholder Engagement in Practice: Global Challenges, Opportunities and Limitations" – which will be held on Monday, May 23, 2011 on the Euromed Management campus. I also hope that you will be able to join us for what promises to be another thought-provoking program.

Anthony F. Buono
Bentley University
Waltham, Massachusetts

Additional information on the Bentley Alliance for Ethics & Social Responsibility can be found at:

http://www.bentley.edu/alliance

Further information on the Bentley Global Business Ethics Symposium series sponsored by the State Street Foundation can be found at:

http://www.bentley.edu/symposium

SPEAKERS AND PANELISTS

KEYNOTE SPEAKER:

Tracy Atkinson, *Executive Vice President and Chief Compliance Officer, State Street*

LUNCHEON SPEAKER:

Hazel Henderson, *Founder, Ethical Markets Media LLC*

DEFINING SUSTAINABILITY

Moderator: **W. Michael Hoffman**, *Executive Director, Center for Business Ethics and Hieken Professor of Business & Professional Ethics, Bentley University*

Panelists: **Blair W. Feltmate**, *Professor and Director, Sustainable Practice, University of Waterloo*

S. Prakash Sethi, *University Distinguished Professor and President, Sethi International Center for Corporate Accountability, Baruch College, City University of New York*

Allen White, *Vice President and Senior Fellow, Tellus Institute*

THE BUSINESS OF PEACE: THE GLOBAL CHALLENGE

Moderator: **Robert E. McNulty**, *Director of Programs, Center for Business Ethics, Bentley University, and Executive Director, Applied Ethics, Inc.*

Panelists: **Samir Abuznaid**, *Deputy Governor of Hebron, Vice President, Academic* Affairs, Hebron University

Mohammad Bader, *Assistant Professor and Head, Department of Banking and Finance, Al-Quds University*

Eugene Jaffe, *Professor and Head, MBA Programs, School of Social Sciences and Management, Ruppin Academic Center and Emeritus Professor, Graduate School of Business Administration, Bar-Ilan University*

Liora Katzenstein, *President ISEMI – Entrepreneurship Israel*

STRATEGIES FOR SUSTAINABLE GLOBAL BUSINESS PRACTICE

Moderator: **Will O'Brien**, *Visiting Professor, Clark University Graduate School of Management*

Panelists: **Anil Chopra**, *Former Senior Consultant, Enterprise Governance & Business Ethics, Tata Sons*

Olivier Corvez, *Senior Sustainability Consultant, Environmental Resources Management*

Deniz Ozturk, *Secretariat, UN Global Compact Turkey*

Duane Windsor, *Lynette S. Autrey Professor of Management, Jesse H. Jones Graduate School of Business, Rice University*

CRITICAL CHALLENGES IN SUSTAINABILITY

Moderator: **Robert Frederick**, *Professor and Chair, Philosophy, Bentley University*

Panelists: **Susan Aaronson**, *Associate Research Professor of International Affairs and the 2009-2010 Policy Research Scholar, Elliott School of International Affairs and the Graduate School of Business, George Washington University*

Jean-Christophe Carteron, *Director of Corporate Social Responsibility, Euromed Management*

Jacob Park, *Associate Professor of Business Strategy and Sustainability, Green Mountain College*

Manuel Guillén Parra, *Profesor Titular de Universidad, Área de Organización de Empresas, Universidad de Valencia*

BUILDING SUSTAINABLE ORGANIZATIONS, INSTITUTIONS AND SOCIETIES

Moderator: **John Hansen**, *Executive Fellow, Center for Business Ethics, Bentley University*

Panelists: **Poonam Ahluwalia**, *President, YES Campaign*

Tania Casado, *Professor and Director of Career Services, University of São Paulo*

Robert E. Hoskisson, *George R. Brown Professor of Management, Rice University*

Jorge E. Rivera, *Associate Professor and Dean Research Scholar 2008-10, Department of Strategic Management and Public Policy, School of Business, George Washington University*

Aron Zylberman, *President, FIA Alumni Association and GESC Institute, Brazil*

MANAGING THE SUSTAINABLE ENTERPRISE: TRENDS, CHALLENGES AND NEXT STEPS

Moderator: **Cynthia Clark Williams**, *Assistant Professor of Management, Director, Harold S. Geneen Institute of Corporate Governance, Bentley University*

Panelists: **Jenny Cross**, *Global Sustainability Director, Mohawk Industries*

Donald J. Reed, *Director, Sustainability and Climate Change Practice, PricewaterhouseCoopers*

Rajendra Sisodia, *Professor of Marketing, Bentley University*

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