

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

Office of the Provost and Vice Chancellor
for Academic Affairs

Swanlund Administration Building
601 East John Street
Champaign, IL 61820



March 23, 2011

Mary Mallory, Chair
Senate Committee on General University Policy
Office of the Senate
228 English Building, MC-461

Dear Professor Mallory:

Enclosed is a copy of a proposal to formally establish the Center for Professional Responsibility in Business and Society. It now requires Senate review.

The Center was established by the Illinois Board of Higher Education in 2006 as a unit with temporary status. Temporary status is intended to allow units an opportunity to define the mission, build faculty participation and establish funding streams before seeking permanent status.

Sincerely,

A handwritten signature in black ink that reads 'Kristi A. Kuntz'.

Kristi A. Kuntz
Assistant Provost

KAK/nh

Enclosures

c: L. DeBrock
S. Carroll
C. Livingstone
G. Winter

Dear Illinois Board of Higher Education members,

It is with pleasure I endorse making the Center for Professional Responsibility in Business and Society a permanent unit under the College of Business. Since the Center's temporary IBHE approval in 2006 and the subsequent hiring of Gretchen Winter as the Executive Director in 2007, the Center has lead the development and articulation of a vision describing society's expectations of a professional's responsibility at both the individual and the organizational level. The Center has supported the creation and sharing of academic research and educational materials that demonstrate the value of conducting business professionally so as to serve and protect the broader public interest.

The Center works cooperatively with multiple audiences including university faculty, students, and staff; professional and academic organizations; corporations; and governmental and non-governmental agencies.

Over the past 5 years, the Center for Professional Responsibility in Business and Society has imbued the College of Business, among others, with the message of responsible business conduct. To date the Center has developed courses and modules for our undergraduate and graduate students. Business 101 is a mandatory course for all freshmen entering the College. In addition the Center has developed educational materials that have been adopted by more than 315 faculty at 300 institutions around the world.

The Center should be made a permanent part of the College where it will influence generations of future leaders in business, education, and government.

Sincerely,

Lawrence DeBrock

Administrative, Research, or Public Service Unit Application

BACKGROUND

- a) **Name of Institution:** University of Illinois at Urbana-Champaign
- b) **Title of Unit:** Center for Professional Responsibility in Business & Society
- c) **Contact Person:** Gretchen A. Winter, J. D., Executive Director
- **Telephone:** (312) 575-7952
 - **E-mail:** gwinter@illinois.edu
 - **Fax:** (312) 575-7909
- d) **CIP Code (6 digits)** 90.5299
- e) **Proposed Date for Initiation of Unit:** March 2006 -temporary approval by IBHE
November 2007 – fulltime Executive Director hired
- f) **Location Offered:** Urbana campus

1. Unit Objectives and Contributions

Describe specific objectives and measurable contributions the unit will make to the university's mission, paying particular attention to the unit's consistency with the university's focus statement and priorities. Is the unit to be involved in instruction and, if so, to what extent?

"The University of Illinois serves the state, the nation, and the world by creating knowledge, preparing students for lives of impact, and addressing critical societal needs through the transfer and application of knowledge."¹

In March, 2006, the College of Business announced the creation of the Center for Professional Responsibility in Business and Society; a full-time Executive Director was hired in November of 2007 and comprehensive operations began at that time.

The Center for Professional Responsibility in Business and Society ("The Center") promotes the development of responsible professional behavior in today's students, enabling them to become effective leaders in constantly changing and challenging business environments.

The Center leads the development and articulation of a national vision describing society's expectations of a professional's responsibility at both the individual and the organizational levels. The Center supports the creation and sharing of academic research and educational

¹ Quoted from the University of Illinois website - <http://illinois.edu/about/about.html>

materials that demonstrate the value of conducting business professionally so as to serve and protect the broader public interest.

The Center has adopted a strategy that is supported by a wide range of activities to accomplish goals in three primary areas:

- Teaching and Curriculum Development
- Research
- Corporate and Public Engagement

In fulfilling its mission and implementing its strategy, the Center works cooperatively with multiple audiences including university faculty, students, and staff; professional and academic organizations; corporations; and governmental and non-governmental agencies to—

- Create scholarly and teaching resources that address ethics, compliance, and regulatory issues;
- Promote the development, implementation, and integration of curricula across disciplines that focus on the knowledge, skills, and attitudes necessary for professionals to act responsibly;
- Develop resources and services to increase awareness, understanding, and discussion of issues related to effective teaching and training in professional responsibility and ethics;
- Create platforms for discussion and dialogue among and between academics, students, professionals, professional organizations, regulatory agencies, and policymakers to facilitate the evolution of effective and appropriate professional and social responsibility policies and practices;
- Share and disseminate teaching materials for use by faculty at other colleges and universities.
- Support the creation and sharing of academic research and educational materials that demonstrate the value of conducting business with a commitment to professional responsibility.

2. Need

Explain how the unit will meet regional and state needs and priorities. What is the demand for the unit's services? What clients or population will the unit serve?

The need for the Center and its services is well established. Center Advisory Board members are invested in and share their thoughts about the necessity of the Center and the services it offers.

"I believe in the optimism of youth and the ability of young people to have an enduring and positive impact on society. If appropriately educated about professional responsibility, students will create a professionally responsible business world when they join that world."

--Judge Wayne Andersen
United States District Court
Northern District of Illinois

"We hold the leaders of our organization individually responsible for demonstrating the high standards of our professionals in every action, every day. And to continue this proud tradition we require future business leaders with the ability to analyze complex and sometimes competing priorities. The faculty at the University of Illinois has demonstrated that they can effectively teach these concepts in fresh and innovative ways."

--Mike Zychinski
Chief Ethics and Compliance Officer
Deloitte LLP

Because society depends on business professionals to exercise sound judgment and to perform with a high degree of competence while attending to daily matters, the Center focuses on these complex and multi-dimensional professional attributes and how they must be nurtured in order to be attained.

Recent events in business and government have demonstrated repeatedly that these skills are not innate, and it is the intent of those affiliated with the Center that the University of Illinois will lead the way in providing educational approaches to individual ethical and professional commitment beginning at the undergraduate level. The communities of which we all are a part are demanding change and want, as we do, to know our students and future leaders will distinguish themselves in the world of work because they have good habits and strong professional values and are recognized for making professionally responsible decisions.

"Ethical leaders must be ready to initiate the difficult dialogue, address the multiple stakeholders, and incorporate long-term considerations when determining a course of action. Young people need these analytical capabilities that are critical life skills to assist them in achieving success."

--Howard Engle
Lead Client Service Partner
Deloitte Tax LLP

The Center supports the creation of coursework and extra-curricular activities that provide the foundation for a lifetime of exercising professional responsibility. Students have the chance to both explore professional responsibility concepts in the classroom and to exercise those decision-making skills throughout their involvement in college and university activities, workplace internships, and study abroad. Organizations that interview and hire University of Illinois graduates who have actively participated in Center courses and sponsored activities find their new employees are ready to embrace the responsibilities required of a professional and understand how to lead the way when confronted with challenging dilemmas in the workplace, complying with organizational codes of conduct, and meeting the expectations of their profession, of business, and of society. Deloitte is an excellent example of an employer that would benefit from the university's attention to professional responsibility topics in the undergraduate curriculum as they hire more employees from the University of Illinois than from any other institution of higher education.

The Center benefits from access to the extensive intellectual resources of the University of Illinois, the many corporations and organizations that have a substantial employee presence in the state, and the students who matriculate here. The Center also benefits from the financial support of two founding organizations - an eight year, \$4 million pledge from the not-for-profit Deloitte Foundation, sponsored by Deloitte LLP, and a \$4 million settlement from the U.S. District Court for the Northern District of Illinois as well as from financial contributions from organizations and individuals whose objectives are consistent with the Center's.

3. Organization

Describe the proposed unit's organizational structure. Explain how the unit is organized to meet its stated objectives.

In accordance with the charter given to the College by the IBHE, the Center is an entity within the College of Business at the University of Illinois at Urbana-Champaign. The Center has a full-time Executive Director who reports to the Dean of the College of Business. A 100% FTE Assistant Director is being recruited. The Assistant Director will report to and work with the Director to further develop and implement the Center's programs and oversee the day-to-day operation of the Center.

The Center's operations are overseen by a ten member external board of advisors composed of University faculty, alumni, administrators and community members interested in professional responsibility. The external advisory board (www.business.illinois.edu/responsibility/advisory/) guides the strategy of the Center through the establishment of policies of the Center, and provides advice and counsel to the Dean and Executive Director on matters relating to the Center. The external advisory board, along with the Executive Director, facilitates relationships with other organizations with similar missions and defines parameters of potential cooperation with such organizations. The external advisory board also helps seek additional funding opportunities that are consistent with the mission of the Center.

The Center is also guided by a seven member faculty advisory committee representing the Colleges of Business, Law and Engineering. This board helps determine the academic direction of the Center and its offerings.

The Executive Director works closely with the College of Business Office of Undergraduate Affairs, the MBA, Executive MBA programs, and the College of Business department graduate programs to ensure that professional responsibility is an integral educational component of those advanced degree programs. The Center also works with other university entities to provide professional responsibility programming for faculty, staff, and students including the Center for International Business Education and Research, The Hoeft Technology and Management Program, the College of Engineering, and the Center on Law and Globalization in the College of Law. The Executive Director oversees the implementation and execution of the Center's activities.

The Center will not serve as a "tenure home" as defined in the University Statutes Article VIII, Section I, paragraph b. All of the faculty associated with the Center for Professional Responsibility in Business & Society hold tenure-track or tenure appointments in other existing academic units. If at any future time it should become desirable for the Center to function as a "tenure home," then the procedures outlined in Article VIII, Section 3 ("Formation of New Units") will be followed.

4. Unit Outcomes

What targets have been set to assess the proposed unit's success in achieving objectives? Among others, specific performance measures might include: expected research and/or public service products; ratio of external to internal funding for unit; impact of this unit on national, state, regional, and local area organizations, businesses, or communities; and collaborative research product that promotes the Illinois economy.

The Center tracks qualitative and quantitative metrics to gauge its success in meeting its goals.

Teaching and Curriculum Development

Creation of courses, modules, teaching notes, case studies and other educational material that can be used at educational institutions at Illinois and throughout the nation is one of the outcomes of the Center's activities. To date the Center has been responsible, wholly or in part, for the development and delivery of six courses and a professional responsibility module in the Certificate in Entrepreneurship program offered in conjunction with the Institute for Genomic Biology. Approximately **4,600** students have been reached by Center sponsored courses.

Research

The Center has made **10 grants** ranging from \$5,000 to \$37,500 to individual and teams of faculty for the development of teaching materials, including the development of Business 101, BADM 395, CHLH 456/SOC 476, The Certificate in Entrepreneurship and Management for Scientists, and enhancements to FIN 300.

In fall 2010, the Center was named as a content and programming partner in a five year, \$5M National Science Foundation grant awarded to the University of Illinois. The purpose of the grant is to create an on-line resource center for ethics in science, math, and engineering with focus on professional and research ethics. The Center's Executive Director is a member of the grant steering committee and also serves as a link to the grant's advisory board.

Corporate and Public Engagement

To measure success of our Public Engagement mission, the Center tracks the number of relationships developed by the Center. A sample of the Center's current partners includes:

- U of I Institute of Government and Public Affairs (Advisory Board)
- Illinois CPA Society
- Practicing Law Institute – Chicago Conference
- Chicago Regional Business Ethics Network – Founding and continuing member of CRBEN management team
- Society for Corporate Compliance and Ethics - Chicago Regional Conference Advisory Board
- United States Office of Government Ethics
- Conference Board Council on Global Business Conduct – Program Director
- Universite de Cergy-Pontoise College of Law – Visiting Faculty
- Ethics & Compliance Officer Association – Conference and Certification program

Another measure of success is the number and range of sponsored or co-sponsored workshops, symposia, and other events. Examples include:

- In conjunction with the Center, BP established a summer undergraduate internship in BP's compliance office; the undergraduate College of Business student received and accepted an offer of full-time employment. BP is continuing the internship program and recruiting exclusively from the University of Illinois and requiring applicants to have involvement with the Center.
- With the University of Illinois at Chicago Medical Center, the Center sponsored a Clinical Ethics Grand Rounds.
- With a grant from CIBER and support from BP, the Center is planning and hosting professional responsibility strategy competitions (similar to a case competition).
- The Center is the sponsor for the annual Leighton Lecture Series on Ethics and Leadership. Speakers have included Mary Kay Haben (Wrigley), Rita Kahle (Ace Hardware) and Andy Milnes (BP). In April 2011, the Leighton lecturer will be Bart Schwartz, Chairman and CEO SolutionPoint International.

The Center strives to increase its impact by continuing to develop its curriculum and public engagement activities for students, faculty, alumni, and State of Illinois residents.

5. Quality Assurance Processes

Describe the processes that will yield evidence to demonstrate the quality of the unit. Address the following elements: evidence that the unit supports the university's mission and statewide goals; evidence that the unit's product or outcomes achieve stated objectives; determination of organizational effectiveness; faculty and staff qualifications and reward structures; determination of adequate support staff, equipment, and other resources; and use of results from evaluations to improve the unit's effectiveness.

The Center is committed to continuous improvement and has adopted a variety of quality assurance processes.

For example, the Center implemented a continuous improvement cycle for Business 101 and Business 199, its centerpiece courses within the College of Business. Each year the Center collects feedback from the students through ICES forms, during individual and group conversations with course faculty, and from the section leaders at the completion of each module as well as at the end of the course. That feedback is consolidated, reviewed, and incorporated into syllabus revisions for the following year.

As a second element of measurement for Business 101, the Center has partnered with a campus-wide teaching / learning project to survey the impact of this course. The AY 2009-2010 survey results were used to both fine-tune the survey instrument and also to revise the content of the AY 2010-2011 course. Five hundred of the 579 freshman students enrolled in BUS 101 responded to the pre-course survey in fall 2010 and the results from that survey as well as the post-class survey have been evaluated and are being used to revise the AY 2011-2012 course.

Another quality indicator is the number of educators adopting Center produced educational materials. In a joint initiative with Deloitte, the Center produced auditor independence educational materials. More than 315 faculty at more than 300 institutions around the world are using those materials, including a DVD with scenarios, case studies, and teaching notes.

To measure success in strengthening and expanding educational offerings, the Center also tracks enrollment counts in courses developed or enhanced wholly or in part by the Center and its affiliates.

Rubric	Course	AY 07-08	AY 08-09	AY 09-10	AY 10-11
BUS 101	Business Prof Responsibility	pilot	270	556	576
BUS 199	Principles of Prof Responsibility			117	235
BUS 395 ⁽¹⁾	Senior Research			35	21
FIN 300	Financial Markets		744	673	528
CHLH 456	Organization of Healthcare			133	77
MBA 501 ⁽²⁾	Foundations of Business				216
BADM 590	Warsaw EMBA			25	18
MBA 504	Global Strategy – Guest Lecturer		35	43	44
MBA 503	Business Ethics – Guest Lecturer		35	43	44
ACCY 560	Information in Value Creation			23	30
Certificate	Undergrad Certificate in Business			12	
Exec Educ	Wm. Wrigley Executive Education Program				39

Certificate	Certificate in Entrepreneurship		28	16	
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⁽¹⁾ This is a discussion-centered course with capped enrollment. Based on student feedback after the AY 2010-2011 fall course, a request has been submitted to re-number the course in order to more accurately reflect the course content and purposes and thereby consistently attract a full complement of students.

⁽²⁾ After consultation with the Center, the MBA program moved the professional responsibility component of the MBA curriculum from the last module of study to the first module of study beginning in AY 2010-2011.

Corporate and Public Engagement

In order to measure success in its programs and activities that serve the University's public engagement goal, the Center measures:

- Sponsored lectures, conferences and guest speakers that raise the level of public awareness regarding professional responsibility issues;
- The Center has presented information about professional responsibility as well as our centerpiece courses BUS 101 and 199 to a variety of internal and external academic and corporate audiences. For example, The Executive Director has presented at the annual meeting of the American Accountancy Association, various Conference Board councils, local and regional ethics and compliance groups, and the College of Business Dean's Business Council and University of Illinois Foundation as well as several Champaign and Chicago based groups of fundraising professionals including not for profit organizations.
- Occurrences of the University of Illinois Center for Professional Responsibility being seen as a leader in professional responsibility education in the media.
(www.business.illinois.edu/responsibility/news)
- Dedicated gifts that are given to the Center as a result of the Center working with the college development office, company executives, alumni and other interested parties. To date, the Center has received \$ 51,980 from nine organizations including publicly traded corporations, professional associations and others.

6. Resources

Indicate the number of students, businesses, industries, and/or other clients to be served by this unit. Include a description of faculty participation and student involvement in the unit if applicable. Provide a narrative budget statement to explain the data in the attached Budget Table.

Event / Resource	Number Served	Program/Description
Students/Faculty		
<ul style="list-style-type: none"> Enrolled in courses supported by the Center 	1,754	Since AY 2009-2010, all freshmen in the College of Business are required to take BUS 101. BUS 199 is the complementary course to BUS 101 and prepares upperclassmen to become Business 101 section leaders and to mentor freshmen enrolled in BUS101 and lead discussion groups.
<ul style="list-style-type: none"> Professional Responsibility Film Series 	~900	Each year the Center sponsors several movie and panel discussion nights for students, faculty and interested staff.
<ul style="list-style-type: none"> Case competition/Professional Responsibility Strategy competition 	~35 to 40	In Spring 2009, a three student team won first place in one of the ethics case competitions held at Loyola Marymount. The Center supported and sponsored their participation. In Fall 2011 the Center is co-sponsoring across-college professional responsibility strategy competition with BP and CIBER.
<ul style="list-style-type: none"> Auditor Independence Educational Materials 	~325 faculty 1000's of students	Educational materials are made available to other educators interested in particular aspects of professional responsibility as they apply to students studying auditing.
Faculty		
<ul style="list-style-type: none"> Faculty Advisory Committee, Faculty Fellows 	7	Ruth Aguilera was the first faculty fellows.
<ul style="list-style-type: none"> Research and Curriculum Development Grants 	18 faculty	The Center has awarded 11 grants for research and curriculum enhancements related to professional responsibility ranging from \$5,000 to \$37,500.
Business, Community & Alumni		
<ul style="list-style-type: none"> Professional Responsibility Forum 	30	Conducted the Leadership Forum June 8-9, 2010 at the Standard Club, Chicago for students, faculty, and business participants
<ul style="list-style-type: none"> PWC Roundtable 	200	The Center hosts annual opportunities to network with the people influencing the shape of business through the PwC Roundtable series. Small audiences allow interactivity with speakers.

7. Cost and Expenditure Estimates

Enter data into the two Excel spreadsheets contained in file, UnitPart2 UI.xls

No state appropriations are being requested to support the Center.

The Center benefits from access to the extensive intellectual resources of a large and respected university as well as the financial support of two founding organizations - an eight year, \$4 million pledge from the not-for-profit Deloitte Foundation, sponsored by Deloitte LLP, and a \$4 million settlement from the U.S. District Court for the Northern District of Illinois.

The Center's operating cost is covered by endowment funds held by the University of Illinois Foundation. The initial contribution to the endowment funds came from the judicial settlement, and by agreement half of Deloitte's annual contribution is and will be contributed to the endowment funds each year.

Since the Center's founding, an additional \$ 51,980 in contributions has been received from 9 organizations including BP, Stryker Medical, Alexian Brothers, the Society of Corporate Secretaries and Governance Professionals among others.

Estimated Costs and Sources of Funds for Proposed Unit						
Illinois Higher Education						
		Year of Operation				
		Current Year	AY 11-12	AY 12-13	AY 13-14	
Expenditure						
Personnel		1.5	2.0	2.0	2.0	
Faculty Count	# FTE	0	0	0	0	
Personal Services in \$		\$ 309,840	\$ 369,000	\$ 369,000	\$ 369,000	
Other Personnel Costs in \$	affiliates	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	
Supplies, Services, Equipment ¹ in \$		\$ 9,250	\$ 11,500	\$ 12,000	\$ 12,500	
Facilities in \$						
	Total	\$ 326,590	\$ 388,000	\$ 388,500	\$ 389,000	
Resources						
1	Current Unit	\$ 1,065,563	\$ 1,172,331	\$ 1,229,879	\$ 1,290,133	
2	Other Internal Sources ²	\$ -	\$ -	\$ -	\$ -	
3	Federal Funds	\$ -	\$ -	\$ -	\$ -	
4	Fees, Sales, Other Income	\$ -	\$ -	\$ -	\$ -	
5	New State Appropriation ³	\$ -	\$ -	\$ -	\$ -	
	Total	\$ 1,065,563	\$ 1,172,331	\$ 1,229,879	\$ 1,290,133	