

Center for Responsible Leadership and Governance

**College of Commerce & Finance
Villanova University**

**Corporate Responsibility and Leadership:
Bridging Global Pressures with Local Initiatives**

Fall Conference Highlights

September 20, 2005

Corporate Responsibility and Leadership: Bridging Global Pressures with Local Initiatives

Conference Highlights

Welcome and Opening Remarks

Jonathan Doh
Director, Center for Responsible Leadership and Governance

Dr. Doh welcomed conference participants, provided an overview of the Center's activities and introduced the conference theme of "Corporate Responsibility and Leadership: Bridging Global Pressures with Local Initiatives."

Herb Aspbury
Chair, Advisory Council, Center for Responsible Leadership and Governance

Mr. Aspbury highlighted the accomplishments and increasingly impressive credentials of Villanova's students, and spoke with pride of the University community's response to the Katrina tragedy. As the chair of the presidential search committee, Mr. Aspbury credited Fr. Edmund Dobbin for the "meteoric rise in the strength and standards of the University" during his tenure as President, and discussed the importance of "fit" in the selection of the new president. Mr. Aspbury again welcomed the conference attendees, and introduced Dean Danko, who has "brought a whole new dimension" to the College of Commerce and Finance.

James Danko
Dean, College of Commerce and Finance, Villanova University and President, MBA Roundtable

Dean Danko first spoke of the "passion for Villanova" that exists among its outstanding students, tremendous faculty, alumni, staff, and corporate friends. Though he is still learning about the University, Dean Danko remarked that he has always been impressed by the reputation of Villanova Business school graduates and their success in a very competitive industry. Dean Danko stressed that responsible leadership and governance are critical issues, and focusing on them is "what business schools should be doing." In conveying the importance of "leading with the heart and the mind," Dean Danko concluded that "this is an area where we can take a stand," as thought leaders through teaching and research.



Dr. Doh (*left*), Mr. Aspbury (*center*), and Dean Danko (*right*) welcomed conference participants and discussed the conference theme, "Corporate Responsibility and Leadership: Bridging Global Pressures with Local Initiatives."

Panel 1: Responsible Leadership in Global Management

Mark Partridge (Chair)

Senior Commercial Director – Latin America, Wyeth Vaccines and Nutrition

Don Roessler (Panelist)

Vice President for Finance, Global Financial Services, UNISYS

Susan Stalnecker (Panelist)

Vice President of Risk Management, DuPont

This panel focused on the challenges associated with establishing responsible corporate leadership in international organizations. Highlights from this discussion included:

- It is important that core values, such as absolute integrity (UNISYS) or a commitment to safety, ethics, respect for people, and environmental stewardship (DuPont), be the foundation for all operating activities. These reputations take years to build, but can evaporate in a heartbeat.
- Successful organizations should strive for sustainable growth along the value chains in which they operate. Such practices focus on both shareholder and social value creation, and should be implicit within the organization.
- Annual ethics training or sustainability reviews can be used to expose and address vulnerabilities at the business unit and corporate levels – “to understand where we have problems, we must look at where our risks are” (Mr. Roessler). Such activities must be personalized, reflective of cultural nuances, important to the organization, demonstrated in company leadership, and considered in promotions decisions.
- Sarbanes-Oxley represents a “very appropriate wake-up call” for companies that have “gotten into high risk activities” (Ms. Stalnecker). Because “sound business follows sound accounting,” Sarbanes-Oxley reinforced controls as a business issue instead of simply an accounting issue.
- Global sourcing reflects “very real economic” pressures. The company must get to know its suppliers and ensure that its corporate principles and standards are understood and adhered to. For DuPont, such practices are not considered outsourcing, but attempts to best serve local markets, “while creating both corporate and societal value.” Global businesses have a different perspective on outsourcing, as they must consider this issue through the lens of global corporate responsibility, and not just the impact on the US workforce. Even as jobs that are higher on the value chain are being outsourced, “if we grow our capabilities around the world, everyone benefits” (Ms. Stalnecker).



Mr. Partridge (*above*) led the panel in its discussion of “Responsible Leadership in Global Management.” Ms. Stalnecker (*below, left*) spoke of the implications of sustainable growth, while Mr. Roessler (*below, right*) highlighted the importance of “absolute integrity.”

- Global leadership is “about our leaders and our people as they manage people, through living what you say and setting ethical examples. Breaches in ethical conduct must be disciplined, communication (upwards and downwards) must be fostered, and the organization must strive to maintain its transparency (as problems do not get better with age)” (Mr. Roessler).

Panel 2: Responsible Leadership in Entrepreneurship and Innovation

Denise Devine (Chair)

Nutripharm and Devine Foods

John Doyle (Panelist)

Co-Founder and Owner, John & Kira's (Jubilee Chocolates)

Marilyn Anthony (Panelist)

Chief Executive Officer, White Dog Enterprises

Shari Berenbach (Panelist)

Executive Director, the Calvert Foundation

This panel presentation explored the importance of leadership and responsible practices in innovative and entrepreneurial organizations. At the core of responsible leadership in entrepreneurship and innovation is a unique mindset, a strong consideration of stakeholder interests, and an awareness and desire to address community needs. Highlights of this discussion included:

- The panelists discussed attributes that make their businesses unique, ranging from a restaurant that promotes “fun, food, and social activism” (White Dog Café), to a chocolate company concerned with telling the stories behind its products (Jubilee Chocolates), to a Foundation determined to provide the opportunity to have a social impact through investing (Calvert Foundation). Each organization provides a dynamic model of a company succeeding in “doing well by doing good,” using their social platform to generate economic returns.
- Each representative spoke of the importance of hiring those people in whom the social goals of the company resonate: “If [our employees] are just here for personal profits, [our organization] won’t work for them” (Ms. Anthony). Concurrently, the reputation of these firms serves as a strong magnet for high-caliber employees: “Getting people to go just a little further makes a big difference” (Mr. Doyle).
- The assumption that the purpose of the firm is to maximize shareholder value is just one philosophical view; it is not the only way. For these companies, other factors can also be



Ms. Devine led the panel in its discussion of responsible leadership in entrepreneurship. Mr. Doyle (*left center*), Ms. Berenbach (*right center*), and Ms. Anthony (*right*) shared their experiences and reflections on “doing well by doing good” in each of their ventures.

used as metrics of success. The importance of the triple bottom line (people, planet, profit) was discussed: “The triple bottom line starts from day one and continues. It doesn’t have an on or off button” (Ms. Berenbach).

- These firms recognize, however, that profitability does play a key role in their success: “If we don’t make any money, we can’t give it away” (Ms. Anthony). Similarly, “if there is no margin, there is no mission” (Ms. Berenbach).
- These innovative firms recognize that “by leading with our values, we have differentiated ourselves dramatically in the marketplace” (Mr. Doyle). Such innovation has appealed to the media, which can be used to benefit the company: “By allowing the media to tell our story, this has had a dramatic impact on our company and our ability to convey our message” (Mr. Doyle).
- The leaders spoke about the importance of the grassroots nature of their organizations: “We need to get the people who live here to see what they have, and get them to provide local support by buying locally” (Ms. Anthony). From the firm’s perspective, when resources are lacking from the local economy, they should seek support from like-minded, similar sized, high quality companies in other areas.

Keynote Address

Christine A. Poon

Vice Chairman, Worldwide Chairman of Medicines and Nutritionals, Johnson & Johnson

Johnson & Johnson (J&J) is a strong example of a company that leads with its values, through its reliance on its corporate credo. Ms. Poon’s remarks and the ensuing discussion included the following:

- In an environment characterized by the instantaneous exchange of information, “never has leadership been more important.” Organizational leadership requires individual leadership, which is guided by J&J’s credo: “the credo is [our] moral compass when making tough decisions.”
- J&J’s perspective is shaped by their belief that with the rights they have been given to operate, they have the responsibility to act in socially responsible ways. To J&J, these responsibilities represent a higher calling. The company believes that its primary responsibilities are to those who use its products, its employees, and the communities in which it operates. If these stakeholders are addressed with dignity and respect, only then will stockholders realize a fair return.
- Current examples of the credo in action involve J&J’s firm stance that all of its affiliates and vendors must agree to refrain from employing child labor, and the company’s plans to provide greater access to those in need of HIV medicines. “Because the developed world isn’t where our responsibilities



Prof. Glasgow (*left, Associate Director, CRLG*) summarized the panel discussions and Mr. Rechiene (*right, Therakos*) introduced the keynote speaker, Ms. Christine Poon.



Ms. Poon described how Johnson & Johnson uses its credo as “a moral compass when making tough decisions.”

end, we must reach out to our stakeholders to figure out how to get medicine to those in need.”

- In light of its highly decentralized operations, the credo is “the only thing we rely on to make sure 100,000 employees are everyday making decisions to protect the reputation and goodwill of our company. Because we cannot make rules for everything, we must inspire our people to share our values and ideals.”
- “The credo is one of the most liberating tools of any company” because it is a great leveler and allows honesty and candor. J&J monitors that it is being adhered to through annual credo surveys, and develops support systems (i.e. hotlines) to promote feedback. Ultimately, “it’s not the words, but it’s the leadership of how you live the credo.”

Closing Remarks

Jonathan Doh

Director, Center for Responsible Leadership and Governance

Dr. Doh related the remarks of each speaker to the conference theme and summarized key takeaways from the presentations and discussions. He called on all of the participants to reflect on the dialogue of the conference and to advance the goals of responsible leadership and governance in their organizations. Doh noted that the conference demonstrated that “leading corporations can serve their customers, ownership and the broader society in which they operate in creative and responsible ways.”