

Driving Ethics into the Mainstream

A study in institutional change at the Haas School **BY DAVID RATHS**

TWO YEARS AGO, WHEN BAY AREA resident Marcy Lynn began looking at MBA programs with courses on social responsibility, she had two strong candidates in her backyard: Stanford and the University of California-Berkeley. Although her first impression was that Stanford was academically more focused on social issues, she chose Berkeley's Haas School of Business because it offered more opportunities for putting the schoolwork into practice. "It felt more real, more tangible," she says. "They are actually exploring an emerging way of doing business."

Her words are exactly what Prof. Kellie McElhaney wants to hear. The founder and executive director of the Center for Responsible Business at Haas, McElhaney is the catalyst behind an ambitious effort to change the way students at Berkeley think about business. Traditionally, issues such as ethics, sustainability, and corporate social responsibility (CSR) have gotten short shrift in business schools. Besides making a business ethics course mandatory, Haas brought in McElhaney to broaden the school's focus on social issues. Like her counterparts at other schools, McElhaney says she struggles not to be segregated into a CSR "silo."

The creation of the Center for Responsible Business in 2003 was driven by interest from MBA students and from Bob Haas, says Prof. David Vogel. Haas is chairman of Levi Strauss & Co., long known as a socially responsible business. The school is named for his grandfather, Walter Haas Sr.

Haas was rated No. 11 in the 2005 Beyond Grey Pinstripes ranking by the Aspen Institute and the World Resources Institute, which assesses MBA programs on social and

environmental stewardship. The organization also gave McElhaney a Faculty Pioneer Award for Institutional Leadership, calling her an "agent of change."

In three years at Berkeley, McElhaney has had a profound impact. She has helped increase courses on social responsibility by two-thirds, including courses like "Business and Society: Methods of Engagement" and "Introduction to Social Enterprise." She's also a faculty advisor to the student-led Global Social Venture Competition and the Net Impact Club.

In the classroom, McElhaney puts students to work on projects at Bay Area companies involved in CSR. "She fires people up," says Marcy Lynn, who took McElhaney's class last year. "She connects with students — even skeptical ones." In McElhaney's class, Lynn worked on a project at Yahoo! that helped her decide she wants to work in software and internet firms. Now she's doing an independent study on socially responsible investing in the Internet industry and is a part-time intern at a software company with a director of CSR.

McElhaney notes the center's funding has come from outside the university, such as a \$1 million gift from Mike Homer, a former Netscape executive and Haas alumni. She says Dean Tom Campbell, on leave to work for the state of California, and interim Dean Rich Lyons have buffered her from internal squabbles, such as faculty complaining that resources should be spent elsewhere. "They tell me, 'that's our fight to fight.'" Lyons notes that the center helps attract students to the school. At some information sessions he's led, "I have been amazed

that a third to half of the questions revolve around our nonprofit and CSR programs," he says. In one survey of incoming MBAs, 25 percent said the center was part of their reason for choosing Haas, McElhaney adds.

But both Lyons and McElhaney stress they don't want the school to be branded as "the CSR MBA program," because it would detract from the school's other strengths. McElhaney does want CSR to have a role in other disciplines, however. "Accounting is taught as though marketing exists. I would like other classes to be taught as though CSR exists."

McElhaney has created a faculty advisory board, she says, and "tried to recruit co-conspirators from the powerful parts of Haas—finance and economics." If she can attract more funding for research, it will naturally attract more Haas faculty to the center. All CSR programs are fighting a long history of indifference, McElhaney says, but she thinks she has an advantage at Haas. "Hey, it's Berkeley, and this is about social activism." **BE**

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Prof. Kellie McElhaney