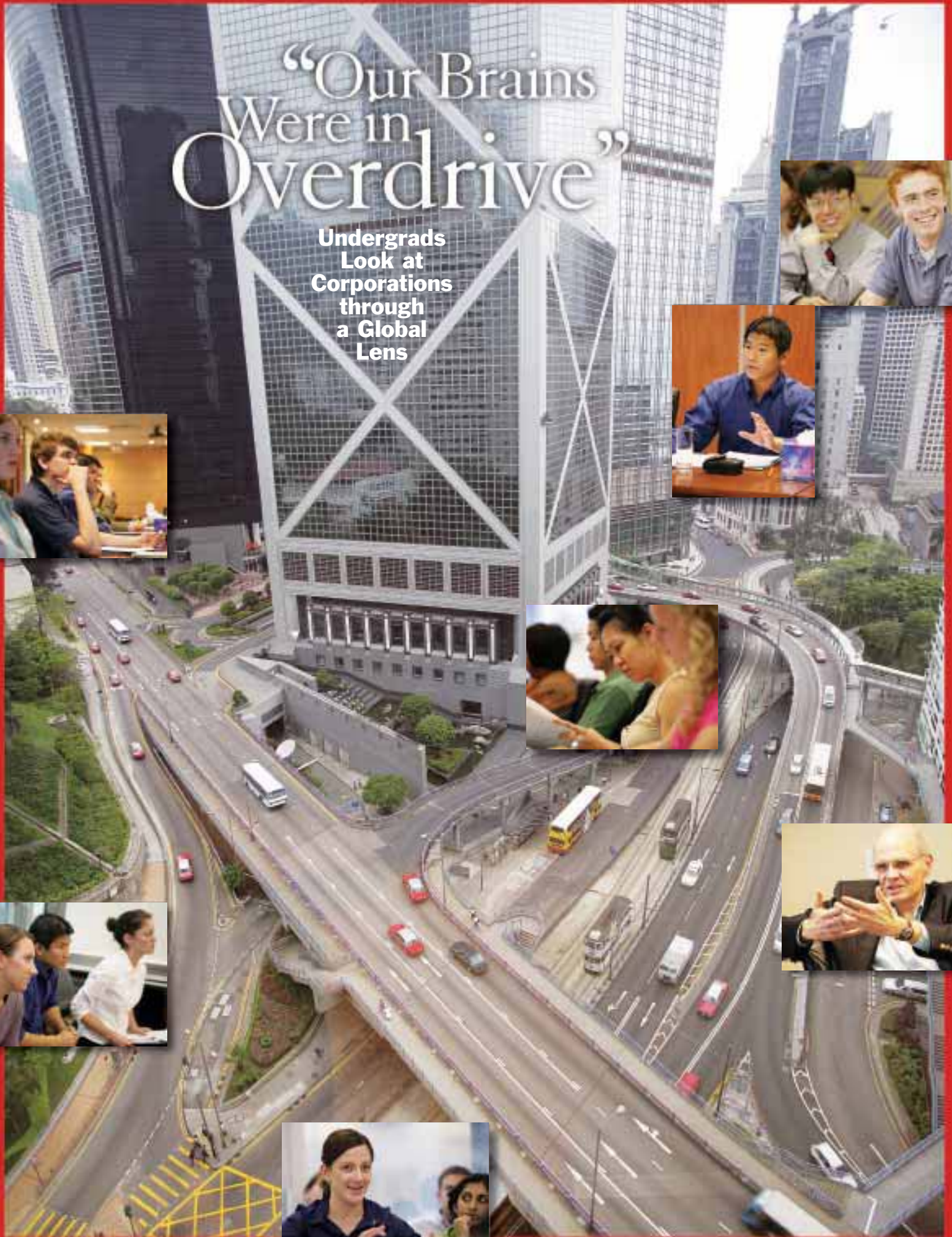


“Our Brains Were in Overdrive”

**Undergrads
Look at
Corporations
through
a Global
Lens**



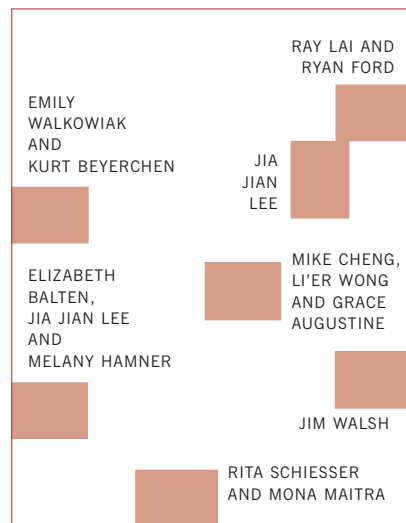


When Charles Spiekerman, Emily Walkowiak and Ray Lai were picking classes last winter, Professor James P. Walsh's course, "The Corporation in Society," sounded promising. And that was before they knew about an optional trip to learn about companies' roles in society from an Asian perspective.

Walsh's class and the May trip to Hong Kong and China exemplify the instructional opportunities Dean Robert J. Dolan refers to when he says the Ross School trains leaders in theory and practice. Because these are BBA students, it's also an example of the innovation Thomas C. Jones envisioned when he established the Jones Center for BBA Education earlier this year. This educational experience transformed both students and teacher. For Walsh, an acclaimed MBA instructor who had never before taught BBA students, it was a new and rewarding experience. For the students, the world suddenly became a much bigger and a much smaller place.

On page 20, the Institute of Certified Public Accountants' office provides Ross School students a view of Hong Kong's financial district and the Bank of China Building by architect I.M. Pei. Refer to the chart below to identify the individuals in the insets.

PHOTOGRAPHS BY GRACE AUGUSTINE, MING PHOTOGRAPHY, ERIC NEUMAN, CHARLES SPIEKERMAN AND JAMES WALSH.



Left to right, front row: Melany Hamner, Mona Maitra, Li'er Wong and Grace Augustine; back row, Elizabeth Balten, Emily Walkowiak, Kurt Beyerchen, Charles Spiekerman, Jia Jian Lee, Ryan Ford, Rita Schiesser and Ray Lai.

In the classroom for the four-month term, Walsh focused on theory. Undergraduates studied the history and theories of the corporation, contemporary practices of corporations, stakeholder management, the consequences of corporate irresponsibility for employees and customers, governance failures, accountability and leadership. "Perhaps the most difficult challenge for managers is to sustain their noble aspirations while meeting the practical demands of getting work done and satisfying shareholders," Walsh says.

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This whole notion of corporate accountability and responsibility was new to Charles Spiekerman, BBA '06. But Walsh's classroom technique quickly got him up to speed. "We had to submit discussion questions based on the readings before each class, which made us focus our thoughts and encouraged participation," says Spiekerman, who was concentrating in accounting but is now thinking about a career in operations management.

ICPA representatives Peter Tisman, left, and James Wardell and Professor Jim Walsh discuss ways to encourage ethical business practices.

At the conclusion of the term, 12 of the 33 students elected to travel to Hong Kong and China with Walsh and Eric Neuman, a third-year Ross School PhD student in management and organizations. The Ross School group was joined by three students enrolled in the Chinese University of Hong Kong. They helped the Ross students better understand what they were seeing and hearing in Asia; two of the three are taking classes at the University of Michigan as exchange students this fall.

In Hong Kong, students met with representatives at the Institute of Certified Public Accountants (ICPA), Oxfam International, the Independent Commission Against Corruption and the Equal Opportunity Commission and sat in on a seminar about the corporation in society that Walsh taught to Executive MBA students at the Chinese University of Hong Kong. The Ross students also spent three days visiting the cities of Huizhou and Shenzhen in China's Guangdong Province.

"From the time we woke up until the time we fell asleep, our brains were in overdrive, ruminating about sustainability and the Chinese culture," says Emily Walkowiak, BBA '05, who is poised to work at Ford Motor Co.

"I enjoyed the animated discussion we had with representatives from the Hong Kong ICPA about 'gently encouraging' business leaders to practice ethical corporate governance versus the United States' stricter, more rules-based approach. Our



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Kalina Tsang, Oxfam Hong Kong



The students' China itinerary included markets, a Huizhou factory that makes injection molding machines and sightseeing at West Lake in Huizhou.

visit to the Equal Opportunity Commission gave greater meaning to concepts such as bona fide occupational qualifications and discrimination tests," Walkowiak adds.

"I was surprised by the level of the people we were talking to," says Ray Lai, BBA '06. "Usually, when students go to a large corporation, you expect to talk to public relations staff. We were talking to top people in the organizations."

From Jim Wardell, executive chairman of the Horwath Corporate Advisory Services Inc. and a member of the ICPA board, students heard an insider's view of government oversight designed to ratchet up ethical corporate behavior. When Wardell shared his conviction that the sole responsibility of business is to make profits, students quickly engaged him in a spirited debate.

"Well aware of the arguments for and against the views of Nobel Prize-winning economist Milton Friedman, our students took the conversation to a sophisticated level very quickly," Walsh recalls. The visit served as a wonderful foundation for the visit to Oxfam, where the students spent the afternoon with Kalina Tsang,

a passionate corporate activist who is not so enamored with the "gentle encouragement" approach to governance reform. "It was a head-spinning experience to hear two incredibly articulate and yet wildly different approaches to the same problem," says Walsh.

The trip also allowed everyone to gain a sense of Hong Kong's business environment. "The Independent Commission Against Corruption, or ICAC as it is known locally, is kind of a hybrid between the FBI and the SEC. It focuses as much on educating the public about the perils of bribery and corruption as it does on detection and punishment," Lai explains. "They have created a much more transparent system for the fluid movement of capital. Their strategy has been pivotal in keeping Hong Kong the financial capital of the East."

In Guangdong Province, a manufacturing center in southern China, the group visited LTK Electrical Wire, one of

the most successful electronic wire and cable manufacturers in China. Students were surprised to see a state-of-the-art factory that belied stereotypes of China's undercapitalized and poorly run facilities producing low-quality products.

At the second factory, Cheng Hsong Group, students watched Chinese workers produce high-quality items for multinational corporations, including injection molding machines weighing up to 75 tons, and talked to mid-level and top management about their challenges.

"We were blown away by the factories we saw. I don't know how the U.S. will compete. It alarmed some of us," confesses Lai. "The Chinese sometimes substitute labor for capital but they do so while maintaining high quality and incredible production flexibility. We now know much more about what a global economy really is."

The factory tours gave Ryan Ford, past-president of LSA Student Government and one of five LSA students who went on the trip, an insight into the mind-set of Asian businesses and the East's and West's differing views of supply chain management. "The goal in the West is to build efficiencies in a kind of partnership relationship. In China, it appears the main goal is to reduce costs. As a result, suppliers aren't as loyal; they

LEFT Charles Spiekerman in a dim sum restaurant

CENTER Rita Schiesser, Eric Neuman and Kurt Beyerchen

RIGHT Left, Jia Jian Lee from the Ross School and Mike Cheng from the Chinese University of Hong Kong in the subway station





LEFT Between meetings with business and NGO leaders, students and their professor relax in a downtown Hong Kong park. They are, left to right, Elizabeth Baiten, Melany Hamner, Jian Jian Lee, Jim Walsh and Ray Lai. **RIGHT** Lunch in Hong Kong

have high turnover. It remains to be seen which system will prevail,” says Ford, who graduated in April and is now an actuarial analyst in CIGNA Insurance’s pricing department.

The tours also illustrated what the students had learned about labor relations. “We saw people working 10-12 hours a day, six days a week, earning 40 cents an hour,” Ford says. “They didn’t appear to be working in sweat shops. The facilities were clean. Employees want to work overtime, managers said, and if overtime is not available, they will work for someone else.”

The companies provide food at cost, housing in dormitories and transportation, so employees have few expenses. Lai says: “Forty cents an hour goes a long way over there. A loaf of bread costs a yuan, or about 12 cents. A 20-ounce bottle of water costs the equivalent of 24 cents. We have car payments and rent or a mortgage. Their costs are less than ours.”

“Everyone works hard,” says Walkowiak. “They leave their families to work in the

factories. I think they work harder than we do. It made me appreciate what I have here. I would visit again, but I don’t think I could live in China.”


Among the highlights for students were intense debriefing sessions where the group discussed information management, transparency, the world economy, multinational corporations, corporate governance, leadership and capitalism. Eric Neuman, who taught BBA students last year and assisted Walsh on the trip, says his research agenda has been enriched by the experience. “It was my first trip to China and Hong Kong. It helped me think even more clearly about how my research connects to organizational theory and how organizations interact with society,” he says. “We traveled halfway around the world but so many things are the same, including similarities in our way of life and life in Hong Kong and China. We saw the global convergence.”

Neuman also picked up some teaching tips. “I learned from Jim about what is

Ross School students discover a fast, clean and inexpensive mode of transportation — Hong Kong’s subway. At the station, from left to right, are Mona Maitra, Emily Walkowiak, Li’er Wong and Grace Augustine.

possible to do with BBA students. I saw his passion and how he poured himself into this class. He was very generous with his time. He pushed them to think deeply and hard about important questions.”

Walsh, a teacher/scholar in the Executive and Day MBA programs, Executive Education and the PhD program, taught the course to demonstrate that action-based learning could be extended to BBA students. He is teaching the course again this fall. “BBAs want to think deeply about ideas and how principles shape lives,” he says. “It is a joy to work with people this engaged and smart.”

None of the students were close friends before they boarded the plane for the 23-hour trip to Hong Kong. They returned home talking about reunion events. “It was magical to see the way our students connected with each other and with the course material in businesses, NGOs and government agencies — all on the other side of the world,” says Walsh. 

Mary Jo Frank

