

PROMOTION RECOMMENDATION
The University of Michigan
Stephen M. Ross School of Business

Approved by the Regents
May 20, 2010

David W. Hess, assistant professor of business law, Stephen M. Ross School of Business, is recommended for promotion to associate professor of business law, with tenure, Stephen M. Ross School of Business.

Academic Degrees

PhD	2003	The Wharton School, University of Pennsylvania
MA	2000	The Wharton School, University of Pennsylvania
JD	1995	College of Law, University of Iowa
BE	1992	Grinnell College

Professional Record:

2006-2007	University of Michigan, Stephen M. Ross School of Business Bank One Corporation Assistant Professor of Business Administration
2003-Present	University of Michigan, Stephen M. Ross School of Business Assistant Professor of Business Law
2001-2003	Lecturer, Rutgers University

Summary of Evaluation:

Teaching: Professor Hess teaches a variety of ethics and business law courses in the BBA and MBA programs and is a very good teacher as evidenced by his consistently high student evaluations which have averaged 4.61 on a five-point scale for undergraduate courses and 4.42 on a five-point scale for graduate courses. He has incorporated his research into these courses, has developed simulations and cases, and has been creative in his use of original source materials such as CEO communications. Professor Hess has also developed innovative sessions on ethics for a variety of audiences that range from minority high school students (LEAD Program), to graduate engineering students (Financial Engineering Program), to business executives (Executive Education), and to faculty members (Provost's Seminar on Teaching).

Research: Professor Hess's research lies at the intersection of law and ethics, with emphasis on two research streams: (1) regulatory mechanisms that enable organizations to meet their legal responsibilities and to move toward self-regulatory models that enable them to act in a responsible manner and (2) the governance of public pension funds.

Professor Hess's research in the first stream is aligned with an emerging area called "New Governance Regulation," which is a broad term that covers regulatory innovations based on decentralized, problem-solving approaches to regulation. This area promotes participatory regulation of corporations, with the government serving as a facilitator rather than as an enforcer. Professor Hess's research in this space focuses on social reporting, implementation of ethics and compliance programs, and reduction of corruption in international business. In each of these areas, Professor Hess has developed a series of meticulously-researched, well-framed articles that advance the field.

The second research stream, the governance of public pension funds, is another example of the hallmark of Professor Hess's work: the application of in-depth research to issues of great importance to the business community and nation. His research in this area has yielded important insights relating to the impact of government use of pension assets on public pension fund performance, the role of public pension funds in sustainable development, and the improvement of their disclosure practices.

Professor Hess's research is outstanding in terms of quality, quantity and impact. He publishes his work in some of the best law journals and in the best journals in the field of management ethics. The impact of his research is also evidenced by his selection for several national research awards, the distribution of his research by the Business Roundtable's Institute for Corporate Ethics, and its adoption by the Caux Round Table to assist corporations in combating corruption.

Recent and Significant Publications:

- Hess, D., "Catalyzing Corporate Commitment to Combating Corruption: Understanding the Role of the Public Sector in Private Anti-Corruption Initiatives," forthcoming *Journal of Business Ethics*.
- Ford, C. & Hess, D., "Can Corporate Monitorships Improve Corporate Compliance?" *Journal of Corporation Law*, Vol. 34, No. 3, 2009, pp. 679-737.
- Hess, D., "The Three Pillars of Corporate Social Reporting as New Governance Regulation: Disclosure, Dialogue and Development," *Business Ethics Quarterly*, Vol. 18, No. 4, 2008, pp. 447-482.
- Hess, D. & Ford, C., "Corporate Corruption and Reform Undertakings: A New Approach to an Old Problem," *Cornell International Law Journal*, Vol. 41, No. 2, 2008, pp. 307-346.
- Hess, D. & Warren, D. E., "The Meaning and Meaningfulness of Corporate Social Initiatives," *Business & Society Review*, vol. 113, No. 2, 2008, pp. 163-197.
- Hess, D., "Public Pensions and the Promise of Shareholder Activism for the Next Frontier of Corporate Governance: Sustainable Economic Development," *Virginia Law & Business Review*, Vol. 2, No. 2, 2007, pp. 221-263.
- Hess, D., "A Business Ethics Perspective on Sarbanes-Oxley and the Organizational Sentencing Guidelines," *Michigan Law Review*, Vol. 105, No. 8, 2007, pp. 1781-1816.
- Hess, D., "Social Reporting and New Governance Regulation: The Prospects of Achieving Corporate Accountability through Transparency," *Business Ethics Quarterly*, Vol. 17, No. 3, 2007, pp. 455-478.

Service: Professor Hess is a very good citizen of the University of Michigan and his profession. At the University of Michigan, Professor Hess has served on the Steering Committee for the President's Initiative on Ethics in Public Life, organized the Business Law Seminar Series, served as a judge for the Shipley Business Leadership Case Competition, and sponsored students in the Undergraduate Research Opportunity Program. At the national level, Professor Hess serves as staff editor of the *American Business Law Journal* and as liaison between the Academy of Legal Studies in Business and the Society for Business Ethics. He also serves as president of the Tri-State Academy of Legal Studies in Business.

External Reviewers:

Reviewer A: "His work puts him among the best scholars who study the effects of regulation with an eye to ethical issues. The volume of Professor Hess's work is remarkable. These are not short pieces developing a single conceptual insight. The research is thorough, the theorizing careful and creative, the attention to practical detail painstaking. This case is a slam dunk. I strongly recommend that Professor Hess be promoted and tenured."

Reviewer B: "Hess's record of publication is extraordinarily impressive. Again, this is one of the strongest cases for tenure that I have seen in more than a decade of reviewing cases—including the very best cases for tenure at my home institution of [a leading business school]... A review of these articles—in addition to a review of David Hess's other scholarship to date—reveals a scholar of exceptional productivity, good focus, and broad scope of knowledge. His research is top notch. Hess has an impressive record of teaching as well. Judging from his teaching ratings, he is one of Michigan's star teachers...Hess's record of research, teaching, and service presents, in my estimation, a very easy case for promotion to tenure."

Reviewer C: "All-in-all, this is an impressive volume of articles published in excellent journals. One should be able to stop there and say: PROMOTE! One need not stop there, however. Another indication

of the quality of Professor Hess's work is the repeated 'Best Paper' or 'Outstanding Paper' awards that he has received. The quality and quantity of his research has also led to Professor Hess being named a 'rising star' in ethics and/or corporate governance by two prestigious organizations...Given all these outward signs of excellence (top quality journals, article awards, career awards), I was unsurprised to confirm when reading his articles that they are indeed the top quality works that I had perceived earlier when watching Professor Hess present papers."

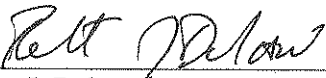
Reviewer D: "...he is clearly a recognized and well-respected figure in the field of business. Hess's research addresses a number of critical issues at the intersection of law, business, and ethics, including the challenge of improving legal compliance, corruption, social reporting, and corporate social initiatives. His work is thoughtful and well-researched...In sum, I think Hess brings a number of important strengths to your business school. His research addresses a number of important issues that lie at the forefront of business and society and he has certainly been highly productive. His work nicely spans the boundaries between law and ethics. I would not hesitate to recommend his promotion to tenure."

Reviewer E: "He is particularly adept at compliance-ethics issues, and his work on corruption and governance has advanced that scholarship significantly. All of this work, bridging what we in ethics think is 'the right thing to do' with an analysis of its legal status and ramifications, strengthens the fields of business law and business ethics...Comparing David to others in the field, he is an outstanding candidate for Associate Professor and would receive that [at a leading business school]. He has made significant contributions to business law and business ethics, and he is 'on track' to continue that trajectory."

Reviewer F: "On balance, taking into account service...teaching...and scholarship...I conclude that there is a very solid and arguably outstanding case for tenure...In my judgment, where a candidate for promotion and tenure has a strong record of scholarship very likely to continue into the future, is a well regarded, capable teacher working across two fields (law and ethics) and two levels (undergraduate and graduate), and is providing plenty of institutional and professional service, then the case appears very strong indeed."

Summary of Recommendation: The outside reviewers' view of the impact of Professor Hess's scholarship, the placement of his work in the top journals in the field, and his excellent teaching, make this an easy promotion to support. He significantly enhances our intellectual diversity, and adds considerable value to the business law area, and the overall reputations of the Ross School of Business and the University of Michigan.

With this in mind, the Executive Committee and I strongly recommend Professor David W. Hess's promotion to associate professor of business law, with tenure, Stephen M. Ross School of Business.



Robert J. Dolan
Edward J. Frey Dean of Business
Stephen M. Ross Professor of Business
Stephen M. Ross School of Business

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