

Photo credit: 123RF

# People, Planet, & Profits

## **Managing CSR**

(MGMT 329; MSMG 503P)

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Office Phone: 617-521-2449

Class: Thursdays 6:00 – 9:00 p.m., Room TBA

Office hours: I'm available most days. Please schedule a time via e-mail.

Many thanks to my graduate assistants, Lacey Burnett & Amanda Reilly, who vetted materials for this course.

#### 1. COURSE OVERVIEW

Key stakeholders increasingly expect companies to manage more than the bottom line. Some suggest that firms have a responsibility to contribute back to society, while others counter that individual firms cannot possibly take on the role of government in redressing social ills. Shareholders typically argue that organizations should focus on profits and profit growth, but other stakeholders highlight that hidden costs oftentimes accompany impressive financial returns.

Many times, people with little voice, limited means, or no representation pay the hidden costs of production, and society at large pays in the form of environmental damage and resource scarcity. While laws and regulations lay down the guideposts for society's expectations, firms have a lot of leeway in determining the right course of action. This quandary has fueled a philosophical debate with real societal consequences regarding the questions: "To whom is the corporation responsible?", "What is a corporation's social responsibility?", and "Where are the boundaries of this responsibility?"

This introductory course is designed to give you an objective introductory overview of Corporate Social Responsibility (CSR). In the first half of the course, we will examine the evolution of CSR, the cause of questionable organizational practices, and the cases for and against CSR. In the second half of the course, we will examine special topics within CSR and analyze/critique the processes by which managers reconcile their duty to stockholders to 'do well' with a broader social mandate to 'do good.'

#### 2. COURSE OBJECTIVES

The course as a whole has the following objectives that you can expect to accomplish if you work thoughtfully through the course material and class discussions:

- 1. To understand, evaluate, and synthesize the conflicting arguments for and against corporate social responsibility (CSR).
- 2. To reflect upon, develop, articulate, and defend your own informed positions on CSR while acknowledging alternative viewpoints.
- 3. To understand the process by which managers determine the boundaries of their organization's social responsibility and to apply this knowledge while critiquing firms' practices.
- 4. To draw insights from historical social responsibility failures while critiquing modern-day corporate practice.

#### 3. ACTIVITIES & EVALUATION

- **20%:** Homework assignments. Students enrolled under an undergraduate code are only responsible for homework assignments designated as 'UG' in Moodle. Students enrolled under a graduate code are responsible for all homework assignments designated as 'GD' in Moodle. Please be sure to answer the correct questions and upload your homework to the correct place, lest chaos ensue.
- **15%:** Classroom Contribution (Group Cases, Exercises, etc.). In order to meet the learning objectives of this course, it is imperative that students stay current on their reading and come to class prepared to discuss the material. Classroom contribution provides you excellent opportunities to develop, share, and refine your *informed* opinions. Take this role seriously, because this is where the magic happens! Read the text and cases carefully and think through the issues critically and systematically.

Feel free to work through group cases, exercises, etc. individually or with your peers (unless directed otherwise), but everyone should come to class prepared to individually contribute to the class discussion. Class discussion represents a great opportunity for you to develop and enhance your confidence and skill at articulating a personal position, reacting "on the spot" to new ideas, and receiving and providing constructive feedback.

You are expected to come to each class, with the case and/or readings prepared and to contribute to the class discussion, either by starting the class session or by building on the contributions of others to move it ahead. Your contribution to the learning of others, through the experience and insights you have, is a key part of this learning process. To build on the comments of others requires you to listen and to consider the timing of your contribution.

Classroom contribution will be evaluated after each class by considering the following:

3	applies, analyzes, synthesizes course material, is willing to take risks in attempting to answer difficult questions, offers relevant, succinct input to class that advances the discussion
2	offers clear, concise information relevant to class assignments, provides constructive feedback to group discussion,
1	Present, occasionally offers topical information of limited relevance
0	is not in class, provides little or no contribution to discussions, is disruptive or distracting to class, fails to follow the flow of conversation, input is irrelevant or unrelated to the topic

Please note, your daily classroom contribution score is not only based upon how frequently you participate but also the quality of your contribution.

- **15%: Reflection Papers.** The course is logically divided into two sections (CSR overview and special topics). At the end of each section, you will construct a reflection paper (2 4 pages, single spaced) that synthesizes the material and describes what it means to you and your understanding of CSR. You should include how it challenged/refined your opinions and/or how it might change your beliefs/behavior.
- **20%: Persuasive Argument Paper.** In this paper (4 6 pages, 1.5 spacing), you will answer the question: Why don't firms just behave responsibly? You can take one of three approaches 1) firms generally behave responsibly, and here's why, 2) firms generally do not behave responsibly, and here's why, or 3) firms sometimes do and sometimes do not behave responsibly, and here is what determines the path they choose.
  - You should draw upon course material and/or outside sources when constructing your informed arguments. If you choose approach 1 or 2 above, you must acknowledge the alternative view and explain why it is incorrect.
- **20%: Final Group Paper (25%):** Each group will thoroughly research and analyze a CSR topic (10 15 pages, 1.5 spaced) and present findings to the class. This paper can be a more thorough/in-depth analysis of a topic discussed in the course, or another CSR topic you are interested in.

5%: Peer Review

## **5%:** Final Paper Presentations

#### Assignments, Exams, & Grading System

All written assignments must be uploaded to Moodle prior to the date and time that they are due. Please do not e-mail your assignments to me or hand me a physical copy.

I will not accept late assignments for anything worth less than 6 percent of the final grade. However, any late assignment worth 6 percent or more will be penalized one full letter grade (10%) plus 2% per day. Late assignments will not be accepted after the assignment is returned to the class or discussed in class.

Final grades for the course will be determined from the following two scales. If warranted, I may curve grades upwards at the end of the course. An exceptional mark of 'A' can only be earned by those who turn in all assignments, fully complete and on time, and who miss no more than 2 classes. If a curve does occur at the end of the course, the same rules apply for being 'curved' into a higher grade.

Using the SOM letter grade system, overall course grades are assigned as follows:

#### **Graduate Student:**

A	94-100 Outstanding performance in which the student's classroom and written
	work has been consistently excellent.

A- 90-93 Superior performance in which the student's classroom and written work has been consistently very strong.

B+ 87 – 89 Very good performance in which the student's classroom and written work has demonstrated mastery of course material.

B 84 – 87 Good performance in which the student's classroom and written work has demonstrated competency in handling course material.

B- 80-83 Minimally acceptable performance, which has been deficient in some respects.

C = 70 - 79 Marginal performance, which has been deficient in many respects.

F < 69 Performance has not met minimal standards of the course.

## <u>Undergraduate student:</u>

94 - 100	A	77 - 79	C+
90 - 93	A-	74 - 76	C
87 - 89	B+	70 - 73	C-
84 - 87	В	60 - 69	D
80 - 83	B-	< 60	F

#### 4. OTHER IMPORTANT MATTERS

#### **Materials**

Course Text: Collapse: How societies choose to fail or succeed, by Jared Diamond

[ISBN: 0-670-03337-5]

Required course pack: https://cb.hbsp.harvard.edu/cbmp/access/38812695

All materials not listed above are available on-line or on-reserve in the Beatley Library.

#### **Schedule**

Our class schedule is listed below. Please check the Moodle course site regularly for current event postings, general information, and other course news. The syllabus is subject to change at the instructor's discretion.

#### **Classroom Etiquette**

You are expected to be fully engaged in the entire learning process. This means devoting time and energy to preparation before class (including team meetings), actively listening to others during class discussions, and engaging in class discussions.

As a professional school, we place great emphasis on professional behavior (i.e. keeping regular commitments such as arriving to class and other events on time, attendance at every class, appropriate preparation for class, and submission of assignments on time). Our experiential learning process is premised on an expectation that a student will attend all scheduled classes and other assigned events that are part of the program. We believe that missing a class cannot be fully compensated by an individual student, even if we ensure that the student has done the relevant preparation and assignments. If you must arrive late or leave early, please sit near the door and be as discrete as possible.

Please treat others with respect. This includes providing others with constructive feedback, using appropriate tone and language when communicating, and avoiding side discussions. Please refrain from using your computer during class for personal activities such as reading/writing email, writing letters, surfing the Web, playing games, etc. This is distracting to your classmates and will affect your classroom contribution marks. Please turn off your cell phone prior to class.

#### **Academic Integrity**

Integrity and honesty in the performance of all assignments and examinations both in the classroom and outside are essential. A student who cheats or submits work that is not his/her own violates the principle of high standards and jeopardizes the right to continue in any

Simmons graduate or undergraduate program. The relationship between instructors and students requires cooperation and trust in maintaining the ideals and spirit of an honor code.

Students that use group work as a base for an individual assignment in the same course or another course are required to cite that paper in their references. If a student's previous individual work is used, it should be cited as well. In either of these instances, it is imperative that the student check with the faculty member to make sure that substantial use of previous work for the current assignment is allowed for that course. If there are any additional questions, it is the student's responsibility to check with their faculty member.

Faculty may require that exams include the statement: "I have neither given nor received unauthorized help during this examination." This statement can be written on the exam by the student, or preprinted on the exam; in either case the statement must be acknowledged and signed by the student.

Academic and community violations will be referred to the Simmons College Honor Board. If a student fails to comply with the Honor Code, the faculty member is obligated to follow the appropriate course of action as indicated in the Student Handbook. The <u>Simmons Student Handbook</u> or the Simmons College Catalog is the primary source for honor code and violation procedures.

#### Accommodations for students with disabilities

If you have a documented disability and anticipate needing accommodations in this course, it is your responsibility to register with the Disability Services office as soon as possible to ensure that requested accommodations may be implemented in a timely fashion. For more information or to request academic accommodations, contact the Disability Services Office located in Room E-108 of the Main College Building. They are available by phone at 617-521-2474 or you may email Tim Rogers at timothy.Rogers@simmons.edu.

#### **Title IX and the Simmons College Gender-Based Misconduct Policy**

Title IX Federal law states that all students have the right to gain an education free of gender-based discrimination. Some examples of gender-based discrimination, as defined by this law include sexual harassment or exploitation, sexual assault, domestic/dating violence, and stalking. In compliance with Title IX, Simmons College has a 'Gender-Based Misconduct Policy' which defines these forms of misconduct, outlines College protocol and procedures for investigating and addressing incidences of gender-based discrimination, highlights interim safety measures, and identifies both on and off-campus resources.

Simmons College encourages all community members to report incidences of gender-based misconduct. If you or someone you know in our campus community would like to receive support or report an incident of gender-based discrimination, please contact any of the following:

Simmons College Title IX Coordinator, Regina Sherwood (for faculty/staff concerns): Office Location: THCS Office, Room C-210 / Phone Number: (617) 521-2082

Simmons College Deputy Title IX Coordinator, Sarah Neill (for student concerns): Office Location: Provost's Suite, in room C-219 / Phone Number: (617) 521-212

**Associate Dean of Student Life and Title IX Representative, Raymond Ou:** Office Location: Student Life in room C-211 / Phone Number: (617) 521-2125

Coordinator of Simmons Violence Prevention and Educational Outreach Program, Gina Capra: Office Location: Room W-003 / Phone Number: (617) 521-2118

**Simmons College Public Safety:** Office Location: Lobby of the Palace Road Building, Phone Number: (617) 521-1111 (emergency) or (617) 521-2112 (non-emergency)

Additionally, the Gender-Based Misconduct Policy has a **Consensual Relationships clause** that prohibits intimate, romantic or sexual relationships between students, faculty, staff, and contract employees of the College, teacher's assistants, and supervisors at internship/field placement sites.

**View full Simmons College Gender-Based Misconduct Policy** 

#### **SOM Mission: What We Do**

The Simmons College School of Management is a premier source of transformative business and professional education aimed at creating successful, principled leaders for the competitive business world of today and tomorrow. Our unique MBA program educates women to be powerful leaders in their chosen endeavors. Other SOM graduate programs educate women and men to be leaders in health care and to achieve success in a diverse group of management specialties. Our undergraduate business degree creates the opportunity for workplace success right out of college. Our faculty brings excellent teaching, research, and real world experience to their specialties. We generate cutting edge research and thought leadership in gender and diversity dynamics in organizations through our Center for Gender in Organizations and in health services research and policy through our Center for Research in Health Policy and Management. We are an authoritative resource and a key partner for organizations committed to strengthening their performance through the recruitment, retention, and advancement of women as organizational leaders.

#### **SOM Vision: How We Do It**

We are committed to educating students to be leaders who understand the necessity to be both exceptional at what they do, and principled in how they do it. We focus on students as individuals: we invest in their success and support them as they launch, advance and change their careers. We are committed to the advancement of knowledge and practice in management through superior, distinctive education and research. Our multiple programs incorporate rigorous, applied management education and entrepreneurial insights through classroom experiences and internships. Our programs integrate the strategic, functional, and behavioral aspects of management and our students gain the knowledge and analytical skills they need to successfully lead in dynamic, global environments.

## **SOM Values**

#### We value:

- Strategic, rigorous, and experienced-based management education
- Decision-making supported by critical thinking and analytical skills
- Industry interaction that informs our teaching, offers internships and employment opportunities to our students, and creates value for our industry partners
- Problem-solving capability in complex environments under uncertain conditions
- Thought leadership and cutting-edge practice in analyzing, understanding, and addressing gender and diversity dynamics in organizations
- Ethical, socially responsible, and sustainable management practices that enhance both the performance of organizations and the welfare of society
- Innovation, change leadership, and entrepreneurship in the for-profit, nonprofit, and governmental sectors
- Faculty excellence in teaching
- Thoughtful integration of teaching, research, and practice
- The diversity of our students and the value that diversity brings to improving effectiveness in both the classroom and the organization
- Continuous improvement of teaching and of learning experiences in response to changing environments
- A dynamic and committed community of faculty and staff
- A vibrant network of students, alumnae, employers, and partners as a critical resource for individuals and for the School

#### The Genesis of CSR

#### Thursday, September 3, 2015

## **Learning Objectives**

- ❖ To learn, understand, and articulate the meaning of 'responsibility'
- ❖ To learn, understand, and articulate the meaning of 'CSR'

#### To do before class:

	connection to Moodle v Syllabus
Read	. Symmens
0	Diamond, Jared. (2005). <i>Collapse: How societies choose to fail or succeed.</i> New York City: Viking Press (Forward, pp. 1-19).  Think about the following questions as you read through this material:  1. What are the reasons that societies collapse?  2. Is the U.S. vulnerable to any of these risks? Why or why not?  3. Which industrialized or industrializing country do you think is most
0	vulnerable to collapse? Explain your reasoning.  Corporate Social Responsibility – Reference for Business. Encyclopedia of Business, 2 <sup>nd</sup> Ed. Retrieve from http://www.referenceforbusiness.com/management/Comp-De/Corporate-Social-Responsibility.html  Avishai, Bernard. (January-February 1994). What's Business Social Compact? <i>Harvard Business Review</i> , pp 38-48.
Watch	People

- - Nike Sweatshops: Behind the Swoosh [Video file]. Retrieved from https://www.youtube.com/watch?v=M5uYCWVfuPQ
- Planet
  - TED Talk: Garth Lenz (2011), What does environmental devastation look like? [Video file]. Retrieved from https://www.ted.com/talks/garth\_lenz\_images\_of\_beauty\_and\_devastation?la nguage=en
- Profit
  - TED Talk: Michael Pawlyn (2010), Using natures genius in architecture. [Video file]. Retrieved from https://www.ted.com/talks/michael\_pawlyn\_using\_nature\_s\_genius\_in\_archit ecture?language=en
- Why Corporations are the solution
  - TED Talk: Jason Clay (2010), How big corporations can help save biodiversity. [Video file]. Retrieved from

nanguage—en
□ Turn in  ○ Homework Assignment 1:
Undergraduate (UG) Homework Assignment 1 (½ to ¾ page)
<ol> <li>Should CSR be a voluntary activity? Why or why not?</li> <li>What are some of the drivers for the current business interests in CSR?</li> </ol>
Graduate (GD) Homework Assignment 1 (3/4 to 1 page)
<ol> <li>Should CSR be a voluntary activity? Why or why not?</li> <li>What are some of the drivers for the current business interests in CSR?</li> <li>What is the relationship between CSR and profit?</li> </ol>
during class:
<ul><li>□ Discussion Topic 1: What is Responsibility?</li><li>□ Discussion Topic 2: What is CSR?</li></ul>
and after class:

□ Start thinking about a CSR topic that you would like to research for your final

presentation and paper.

http://www.ted.com/talks/jason\_clay\_how\_big\_brands\_can\_save\_biodiversity

## **Historical Framing of CSR**

#### Thursday, September 10, 2015

## **Learning Objectives**

- ❖ To learn how organizations are structured in Anglo-Saxon society and why this structure evolved
- \* To evaluate how the traditional business structure in western society influences CSR
- ❖ To understand and articulate how market failures enable breeches of CSR
- ❖ To understand and critique perspectives for corporations' role in society

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Read	1

- o Diamond, Jared. (2005). *Collapse: How societies choose to fail or succeed.* New York City: Viking Press (Chapter 1: Under Montana's Big Sky, pp. 27-65).
- o Garriga, E. & Mele, D. (2004). Corporate social responsibility theories: Mapping the territories. *Journal of Business Ethics*. 53(1-2):51 62 (stop at discussion).

#### □ Watch

TED Talk: Charmian Gooch (2013), Meet global corruptions hidden players.
 [Video file]. Retrieved from
 <a href="https://www.ted.com/talks/charmian\_gooch\_meet\_global\_corruption\_s\_hidden\_players">https://www.ted.com/talks/charmian\_gooch\_meet\_global\_corruption\_s\_hidden\_players</a>

#### ☐ Turn in

o Undergraduate (UG) Homework Assignment 2.1 (1-1.5 pages)

Go to the website of one or two companies of your choice and find the section dealing with social issues. What kinds of reasons do the corporations give for their involvement with CSR? Turn in a printout of the webpage(s) and answer the following questions:

- 1. Is there a balance of business and moral reasons, or does one reason predominate? How do you explain this?
- 2. Does the company address immediate and indirect stakeholders? Are there any stakeholders unaccounted for?
- o Undergraduate (UG) Homework Assignment 2.2 (1-1.5 pages)
  - 1. What characteristics of modern day Montana are unsustainable?
  - 2. The author identifies several risk factors for societal collapse (preface). Which of these are present in modern day Montana?
  - 3. What unforeseen challenges did the mining industry create for Montana?
  - 4. What arguments do companies use to avoid responsibility for environmental degradation?
  - 5. What arguments does society use to hold companies accountable?

- 6. What part does the average citizen play in preventing sustainable forestry?
- o Graduate (GD) Homework Assignment 2.1 (1-1.5 pages)

Go to the website of one or two companies of your choice and find the section dealing with social issues. What kinds of reasons do the corporations give for their involvement with CSR? Turn in a printout of the webpage(s) and answer the following questions:

- 1. Is there a balance of business and moral reasons, or does one reason predominate? How do you explain this?
- 2. Does the company address immediate and indirect stakeholders? Are there any stakeholders unaccounted for?
- 3. Would you say that the example(s) you studied fall within the context instrumental, political, integrative, or ethical CSR theory? Explain your answer.
- o Graduate (GD) Homework Assignment 2.2 (1-1.5 pages)
  - 1. What characteristics of modern day Montana are unsustainable?
  - 2. The author identifies several risk factors for societal collapse (preface). Which of these are present in modern day Montana?
  - 3. What unforeseen challenges did the mining industry create for Montana?
  - 4. What arguments do companies use to avoid responsibility for environmental degradation?
  - 5. What arguments does society use to hold companies accountable?
  - 6. What part does the average citizen play in preventing sustainable forestry?

#### during class:

Discussion Topic 3: Foundations of CSR
Discussion Topic 4: Agency Theory
<ul> <li>Source of materials: Shleifer &amp; Vishny, 1997; Eisenhardt, 1989; (you are not expected to read these materials)</li> </ul>
Discussion Topic 5: Market failures
Team Assignments

## The Case Against CSR

## Thursday, September 17, 2015

**Learning Objectives** 

❖ To understand, articulate, and critically critique the arguments against CSR

To do before class:

## □ Read

- o Graduate only: Levitt, T. (1958). The dangers of social responsibility. *Harvard Business Review*. pp 41-50. Retrieved from http://businessethics.qwriting.qc.cuny.edu/files/2012/01/Levitt.pdf
- o Friedman, M. (1970, September 13). The social responsibility of business is to increase profits. *The New York Times Magazine*. Retrieved from http://doc.cat-v.org/economics/milton friedman/business social responsibility
- Karnani, A. (2010, August 23). The case against corporate responsibility. Wall Street Journal Online. Retrieved from http://www.wsj.com/news/articles/SB10001424052748703338004575230112664 504890
- Diamond, Jared. (2005). Collapse: How societies choose to fail or succeed. New York City: Viking Press. (Chapter 14: Why do some societies make disastrous decisions. pp. 419-440).

Come to class prepared to discuss the following questions:

- 1. What are the 3 primary reasons societies collapse?
- 2. For each of these reasons, can you think of an example that has occurred in your lifetime? Your example doesn't have to lead to societal collapse, but it should demonstrate a stressed society.
- □ Watch
- o FRONTLINE Climate of Doubt (2012) (53:47) http://www.pbs.org/wgbh/frontline/film/climate-of-doubt/
- ☐ Turn in
  - o Undergraduate (UG) Homework Assignment 3 (1 page maximum)
    - 1. What are the 5 main reasons societies make disastrous decisions (from *Collapse* Chapter 14)?
    - 2. Do you think our society is at risk for repeating any of these failures? Why or why not?
    - 3. The documentary "Climate of Doubt" focuses upon the growing doubt in public opinion on climate change. Do you think non-believers have a valid argument? Why or why not?
    - 4. Has the campaign against CSR weakened support for doing something

about climate change? Why or why not?

- o Graduate (GD) Homework Assignment 3 (1-1.5 pages)
  - 1. Is there some truth to the "dangers of responsibility" with public and private interests as the drivers? Can you identify some examples you see today of this CSR conflict?
  - 2. How can we get society as a whole to recognize the roadblocks to making the right decisions (Collapse Ch. 14). Once our society recognizes the roadblocks, can we do anything to overcome them? Note: I'm pushing you here to expand your thinking. I'm not looking for a correct answer.
  - 3. Is Milton Friedman's doctrine true today? Why or why not?

during c	lass:
	Class exercise deconstructing the arguments against CSR
and after	r class:
□ <b>J</b>	Upload Reflection Paper by Sunday at 5:00 p.m.

## **Reconciling Corporate & Social Interests**

#### Thursday, September 24, 2015

Learning Objectives

❖ To understand, articulate, and critically critique the arguments supporting CSR.

To do before class:

- □ Read
  - o Rivoli, P. & Waddock, S.A. (2011). First they ignore you...The time-context dynamic and corporate responsibility. *California Management Review*, 53(2), pp. 87-104.
    - What are the various phases of public awareness and concern?
    - What are the mechanisms by which CSR issues become institutionalized?
  - Zadek, S. (2004, December). The path to corporate responsibility. Harvard Business Review. Retrieved from https://hbr.org/2004/12/the-path-to-corporate-responsibility
    - What are the 5 stages that companies go through on their way to fully integrating CSR practices?
  - Porter, M.E. & Van der Linde, C. (1995, September-October). Green and competitive: Ending the stalemate. *Harvard Business Review*. pp. 120-134. Retrieved from http://www.uvm.edu/~gflomenh/ENRG-POL-PA395/readings/Porter\_Linde.pdf
    - What are some ways companies can improve their competitive advantage in terms of "going green?"
  - Beard, A., Hornik, R., Wang, H., Ennes, M., Rush, E., & Presnal, S. (2011, November). It's hard to be good. *Harvard Business Review*. pp 1 9. Retrieved from https://hbr.org/2011/11/its-hard-to-be-good
- □ Watch
  - o FRONTLINE Poisoned Waters (2009) (1:02:52) http://www.pbs.org/wgbh/pages/frontline/poisonedwaters/view/
    - Why are America's waterways in peril?
    - What problems have scientists discovered which are caused by emerging contaminants?
    - Who should take responsibility for these emerging contaminants?

#### during class:

☐ Discussion Topic 6: Stakeholder Salience theory

## What Firms Do & Why

#### Thursday, October 1, 2015

## **Learning Objectives**

❖ To identify, understand, and critique the rationale behind corporate decisions perceived as responsible/irresponsible

To do before class:

- □ Read
  - Diamond, Jared. (2005). Collapse: How societies choose to fail or succeed. New York City: Viking Press. (Chapter 15: Big businesses & the environment, pp. 441-485).
- □ Watch
  - The Corporation (2 ½ hours): available on reserve at the Beatley library or on youtube for free.
- ☐ Turn in
  - o Undergraduate (UG) Homework Assignment 4 (1.5 pages maximum)
    - 1. What are some examples where big business, environmentalists, and society coincide? What is the responsibility of business? What is the responsibility of individuals? What is the responsibility of government?
    - 2. Are companies' pro-environmental claims credible? Why or why not?

#### *The Corporation*

- 1. One of the fundamental messages in the documentary is that corporate goals put everyone at risk and therefore corporations are irresponsible. Summarize 3 examples from the documentary that support this claim.
- 2. In the documentary, CEO Ray Anderson says "the notion that we can take and take and take and take, waste and waste, without consequences, is driving the biosphere to destruction." He continues on to describe businesses as "plunderers" and suggests that someday, such plundering is sure to become illegal. Do you agree with this prediction? What will it take for environmental accountability to be taken more seriously?
- o Graduate (GD) Homework Assignment 4 (2 pages maximum)
  - 1. What are some examples where big business, environmentalists, and society coincide? What is the responsibility of business? What is the responsibility of individuals? What is the responsibility of government?
  - 2. How effective are non-profit organizations in changing corporate practices? What is required for partnerships between for-profit and non-profit organizations to work?

#### *The Corporation*

- 1. One of the fundamental messages in the documentary is that corporate goals put everyone at risk and therefore corporations are irresponsible. Summarize 3 examples from the documentary that support this claim.
- 2. In *The Corporation*, those in favor of privatizing natural resources suggest that private ownership leads to stewardship over resources because of the value associated with ownership and sale of them. Can this lead to greater conversation efforts that are better for the environment? How would you respond to this line of reason? Use evidence from the film to support your position.
- 3. What does "sustainability" mean? How is the use of the term in *The Corporation* similar or different to your own definition? Where do personal, corporate, and governmental responsibilities fit into building a more sustainable world?

during class:
☐ Discussion Topic 7: Social control of organizations
and after class:
☐ Begin Persuasive Argument Paper

## **Persuasive Argument Paper**

#### Thursday, October 8, 2015

I am giving you this class period off to work on your papers.

Please upload your Persuasive Argument Paper to Moodle by Sunday at 5:00 p.m.

## **Triple Bottom Line (TBL) – People**

#### Thursday, October 15, 2015

**Learning Objectives** 

❖ To analyze and explain how adherence to profit maximization can impact human rights.

#### To do before class:

- □ Read
  - O Diamond, Jared. (2005). *Collapse: How societies choose to fail or succeed.* New York City: Viking Press. (Chapter 2: Twilight at easter, pp. 79 119).
  - Spar, D.L. & Burns, J. (2000, January 19). Hitting the Wall: Nike and international labor practices. 700047-PDF-ENG. Boston, MA: Harvard Business School.
    - Does Jeff Ballinger have a convincing argument against Nike? Does Nike have a convincing response?
    - How well has Nike handled the publicity surrounding its labor practices? Could or should the company have done anything differently?
    - What is a fair wage in Vietnam? Defend your answer.
- □ Watch
  - One Night in Bhopal (53 minutes) <a href="https://www.youtube.com/watch?v=rJg19W8x\_Ls">https://www.youtube.com/watch?v=rJg19W8x\_Ls</a> This is a sobering video based on the true story of Union Carbide's chemical leak in Bhopal, India.
  - o Love Canal (11 minutes) <a href="http://www.youtube.com/watch?v=Kjobz14i8kM">http://www.youtube.com/watch?v=Kjobz14i8kM</a>
- ☐ Turn In
  - Undergraduate (UG) and Graduate (GD) Homework Assignment 5.1 (1/4 page maximum)

Find a semi-current event that identifies a firm that has received negative publicity on their human rights record and the firm's response. Upload a short (less than ¼ page) description of your example. I will ask some of you to share your example in class.

- o Undergraduate (UG) Homework Assignment 5.2
  - 1. Why is learning about the fate of Easter Islanders important?
  - 2. Why and how did Easter Islanders transform their island paradise into a treeless wasteland?
  - 3. What is the view of multi-national companies in India?
  - 4. Why weren't contingency plans and safety procedures communicated to the public from Union Carbide? Did cultural differences and hierarchies play a role in this disaster? Why or why not?

## o Graduate (GD) Homework Assignment 5.2

- 1. What lessons can we draw from Easter Island's natural and human decline?
- 2. What parallels can you draw between this past society and society today? What are the similarities and differences that influence your answer?
- 3. What kind of procedural training and crisis management were put into place in Union Carbide in India?
- 4. Why weren't contingency plans and safety procedures communicated to the public from Union Carbide? Did cultural differences and hierarchies play a role in this disaster? Why or why not?
- 5. What are several considerations multi-national companies should consider before doing business in new countries?
- 6. Are there any parallels between Union Carbide and Nike in terms of labor practices and human rights considerations? How do the two companies differ in terms of dealing with the controversies they faced?

## during class:

#### Nike case discussion

Think about the following questions and come to class prepared to discuss your answers:

- 1. Does Jeff Ballinger have a convincing argument against Nike? Does Nike have a convincing response?
- 2. How well has Nike handled the publicity surrounding its labor practices? Could or should the company have done anything differently?
- 3. What is a fair wage in Vietnam? Defend your answer.

## TBL - People (Cont.)

#### Thursday, October 22, 2015

## **Learning Objectives**

❖ To synthesize the profit maximization principle with CSR while proposing business solutions that improve the human condition.

#### To do before class:

#### □ Read

- Diamond, Jared. (2005). Collapse: How societies choose to fail or succeed. New York City: Viking Press. (Chapter 11: One island, two peoples, two histories: The Dominican Republic & Haiti, pp. 329- 357).
- Sisodia, R.S., & Wolfe, D. B. (2007). Society the ultimate stakeholder. In Firms of endearment: How world-class companies profit from passion and purpose. FT Press. pp. 171-195.
- o Murphy, K.J. (1990, September 12). *Merck & Co, Inc. (A) Addressing Third-World Needs.* 491005-PDF-ENG. Boston, MA: Harvard Business School.
  - Do not read the (B) case before class, but bring a copy. It will appear in your on-line coursepack the day of class.

#### ☐ Turn in

o Undergraduate (UG) and Graduate (GD) Homework Assignment 6.1 (½ page maximum)

Scan a company's human rights policy prior to class. Upload your example to Moodle prior to class with the following questions answered:

- 1. Do you think this is an effective human rights policy? Why or why not?
- 2. What must a company do to have an effective human rights policy?
- o Undergraduate (UG) Homework Assignment 6.2 (1 page maximum)
  - 1. The Dominican Republic is affected more by Haiti than any other country in the world. Why is it in the Dominican Republic's best interest to help Haiti solve its problems?
  - 2. Is this The Dominican Republic's responsibility?
  - 3. How can The Dominican Republic help Haiti?
  - 4. What are the parallels between Haiti today and the Easter Islanders of yesteryear?

- o Graduate (GD) Homework Assignment 6.2 (1 page maximum)
  - 1. The island of Hispaniola is on the brink of a humanitarian crisis, with xenophobia, racism and controversial law and immigration changes. Do you believe that a "society's fate lies in its own hands and depends substantially on its own choices?"
  - 2. What has led to these two countries to this point?
  - 3. What are some signs of hope that you can identify after reading this chapter?

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☐ Merck & Co case discussion

#### **TBL** – Chemicals

## Thursday, October 29, 2015:

## Learning Objectives

- ❖ To analyze and explain how adherence to profit maximization impacts the natural environment.
- ❖ To synthesize the profit maximization principle with CSR while proposing business solutions that minimize hazardous externalities.

#### To do before class:

#### □ Read

- o Diamond, Jared. (2005). *Collapse: How societies choose to fail or succeed.* New York City: Viking Press. (Chapter 5:The Maya Collapses, pp. 157-177).
- o Richards, B. (1978, September 4). Oozing earth: Cleanup of buried chemicals poses nightmare for officials: Paying for cleanup of buried chemicals poses new nightmare for officialdom. *Washington Post*.
- Lee, D & L. Bony. (30, May 2007). Cradle to Cradle Design at Herman Miller Moving toward environmental sustainability. 6007003-PDF-ENG. Boston, MA: Harvard Business School.

#### □ Watch

 Erin Brockovich (2 hours 11 minutes) – available in the Beatley library and Netflix

#### ☐ Turn in

- o Undergraduate (UG) and Graduate (GD) Homework Assignment 7
  - 1. What were the five conditions that contributed to the collapse of the Mayan civilization? Do any of the issues parallel issues in our own society today?
  - 2. What can the Maya teach us about our own civilization?
  - 3. What kind of communities typically host industries with hazardous emissions? How can industries build trust with these communities?
  - 4. Considering *The Washington Post* article from 1978, "Oozing Earth," would you say the situation for chemical spill cleanup has improved? Are companies and industries being held responsible for past incidences of contamination? Explain your answers.
  - 5. In Erin Brockovich, what did PG&E do that resulted in harming the residents of Hinkley? How did PG&E interact with the community of Hinkley?

- 6. Do you think the PG&E attorneys believed their company was not responsible for the residents' health problems? Why do you think PG&E was resistant to taking responsibility for the contamination?
- 7. While power plants like PG&E are an important source of providing electricity, who should be responsible for ensuring that they minimize their harmful impact on health and the environment?

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☐ Herman Miller case discussion

## TBL - Planet (Global Warming)

## **Thursday, November 5:**

## Learning Objectives

- ❖ To analyze and explain how adherence to profit maximization impacts the natural environment.
- ❖ To synthesize the profit maximization principle with CSR while proposing business solutions that minimize externalities that contribute to climate change.

#### To do before class:

#### □ Read

- Diamond, Jared. (2005). Collapse: How societies choose to fail or succeed. New York City: Viking Press. (Chapter 4: The Anasazi & Their Neighbors, pp. 136 -156).
- o Toffel, M.W. & S. van Sice. (2010, September) *Aspen Skiing Company (A)*. Boston, MA: Harvard Business School.

#### □ Watch

- o Global Warming: What You Need to Know (Tom Brokaw 1.5 hours) <a href="https://www.youtube.com/watch?v=xcVwLrAavyA">https://www.youtube.com/watch?v=xcVwLrAavyA</a>
- Pandora's Promise (1.5 hours)
   Profiles of energy experts and environmentalists who formerly advocated against nuclear energy, but now support it.

#### ☐ Turn in

- o Undergraduate (UG) Homework Assignment 8
  - 1. Briefly summarize the Chaocan's sophisticated understanding of the environment.
  - 2. How did this society profit for as long as it did?
  - 3. Within the five-factor framework for understanding societal collapses, which factors played a role in the Anasazi collapse?
  - 4. Pandora's Promise stirs the debate over nuclear energy and the need to wean ourselves off a dependence on finite resources such as fossil fuels. Do we really need nuclear in order to deal with global warming? Can't we solve global warming with renewable energy sources? Why or why not?
- o Graduate (GD) Homework Assignment 8
  - 1. Briefly summarize the Chaocan's sophisticated understanding of the environment.
  - 2. How did this society profit for as long as it did?

- 3. Within the five-factor framework for understanding societal collapses, which factors played a role in the Anasazi collapse?
- 4. Pandora's Promise highlights the groupthink psychology that can shape our perceptions of risk? What are some other examples of groupthink psychology pertaining to global warming that you can think of?

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☐ Aspen Skiing Company case discussion

#### TBL - Profits

## **Thursday, November 12:**

## **Learning Objectives**

- ❖ To analyze and explain how adherence to profit maximization can incentivize unethical behavior.
- ❖ To synthesize the profit maximization principle with CSR while proposing business solutions that encourage ethical decision making.

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- □ Read
  - o Diamond, Jared. (2005). *Collapse: How societies choose to fail or succeed.* New York City: Viking Press. (Chapter 12: China, Lurching Giant, pp. 358 377).
  - Putting Integrity into Finance (Erhard & Jensen, 2014), pp 19 23.
  - o Hofmann, A., U. Mueller, & C.B. Bhattacharya. (2014, February 18). *Axel Springer and the quest for the boundaries of corporate responsibility*. ES1431-PDF-ENG. Boston, MA: Harvard Business School.
- □ Watch
  - o The Smartest Guys in the Room (Available in the Beatley library)
- □ Turn in
  - o Undergraduate (UG) Homework Assignment 9
    - 1. China's environmental problems are considered to be "the most severe of any major country, and are getting worse." Please summarize China's key environmental problems and how each problem impacts the rest of the world?
    - 2. Please respond to the following: "...the world cannot sustain China and other Third World countries and current First World countries all operating at First World levels."
    - 3. What are the side effects of global warming?
    - 4. How did Enron unethically generate profits from electricity in California?
    - 5. How could this have happened? What contributed to this synergistic corruption continuing for as long as it did and on such a massive scale?
  - o Graduate (GD) Homework Assignment 9
    - 1. What are some of the policies that China's leaders have instituted and enforced which have resulted in a positive impact on the environment?
    - 2. Please respond to the following: "...the world cannot sustain China and other Third World countries and current First World countries all operating at First World levels."

- 3. The US represents 5% of the world's population, but it is responsible for 25% of CO2 emissions. How can we reduce this level of emissions in the near future?
- 4. How did Enron unethically generate profits from electricity in California?
- 5. How could this have happened? What contributed to this synergistic corruption continuing for as long as it did and on such a massive scale?

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Discussion Topic 8: Creating and Capturing Societal Value
Axel Springer case discussion

#### The Path Forward

## Thursday, November 19, 2015:

Learning Objective

- ❖ To analyze and articulate what is required to implement CSR.
- ❖ To analyze and differentiate the practices of socially responsible firms.

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- □ Read
  - o Diamond, Jared. (2005). *Collapse: How societies choose to fail or succeed.* New York City: Viking Press. (Chapter 13: "Mining" Australia, pp. 378-416).
  - Porter, M.E. & Kramer, M.R. (2006, December 1). Strategy & society: The link between competitive advantage and csr. R0612D-PDF-ENG. Harvard Business Review, pp. 1 – 16.
  - o Govindarajan, V. & Trimble, C. (2011). The CEO's role in business model reinvention. *Harvard Business Review*, pp. 108 114.
  - o Martin, R. L. (1993, November-December). Changing the mind of the corporation. *Harvard Business Review*, pp. 91 94.
- □ Watch
  - o Smart Green Infrastructure: How to Grow Sustainable Cities. https://www.youtube.com/watch?v=uGzbDmgQHTo

and after class:

□ Upload Reflection Paper 2 by Friday at 5:00 p.m.

## **Thanksgiving Break**

## Thursday, November 26, 2015:

Thanksgiving Break – no class

## **The Path Forward (Implementation)**

## Thursday, December 3, 2015:

Learning Objective

❖ To understand and articulate what is required to implement a strategy that balances people, the planet, and profits.

To do before class:

- □ Read
  - Diamond, Jared. (2005). Collapse: How societies choose to fail or succeed. New York City: Viking Press. (Chapter 16: The World as a Polder: What Does It All Mean to Us Today?, pp. 486-521).
  - o Werther, W.B. & Chandler, D. (2005, July). Strategic CSR as global brand insurance. Indiana University Kelley School of Business, 48(4), 317-324.
  - o Kanter, R.M. (2011, November) How Great Companies Think Differently. Boston, MA: Harvard Business Review, pp. 66 78.
  - Jenkinson, K. & Putt del Pino, S. (2012, March 7). Big business on the sustainability offensive. *Ethical Corporation*. Retrieved from http://www.ethicalcorp.com
- ☐ Turn in
  - o Undergraduate (UG) and Graduate (GD) Homework Assignment 10
    - 1. Did any of the objections, "in the form of simplistic one-liners" resonate with you? (See Collapse, p. 503). Have you changed your viewpoint? Why or why not?
    - 2. Crucial choices and trade-offs will have to be made to sustain us well into the future. What are some societal signals that a culture's core values need to be reconsidered?

and after class:

☐ Upload Research Paper to Moodle by Sunday, December 6 by 5:00 pm

#### **Research Presentations**

#### Thursday, December 10, 2015

To do before class:

☐ Upload your presentation slides to Moodle