

LER 590 Corporate Social Responsibility

University of Illinois at Urbana-Champaign
Fall 2017

Time: Thursdays, 2 PM – 4:50 PM
Location: 47 LER Building (504 E. Armory Avenue)
Instructor: Jiwook Jung, Assistant Professor
235 LER Building
Email: jwjung@illinois.edu
Tel.: 217-300-4339

Course Description

The renewed interest in corporate social responsibility (CSR) over the last decade poses both opportunities and challenges for human resource professionals. Human resource experts are well positioned to play an instrumental role in helping organizations achieve their CSR objectives, but new frameworks of CSR also require re-evaluation of conventional human resource management practices. This course explores corporate social responsibility in the contemporary business world, from a multi-disciplinary and multi-stakeholder perspective. The course will inform students of major issues and challenges in the rapidly growing field of corporate social responsibility, both theoretical and practical. The course also provides students with practical tools to implement and evaluate CSR strategies using case studies. There will be three team projects throughout the semester regarding CSR practices of selected companies, leading to a final report about how the companies can enhance their CSR performance.

Course Requirements

Readings

This is a reading-intensive course. It is important to come prepared to discuss assigned readings for each class session. Assignments should be read and given some thought in advance of class. You will not be able to successfully complete the course without full understanding of the readings. Exams and other assignments are designed to ensure that you complete the readings and understand the concepts in them thoroughly.

Required Textbook:

Marc J. Epstein. 2014. Making Sustainability Work. San Francisco, CA: Greenleaf Publishing.

Participation

Active student participation is essential to successful class sessions. Your contribution of relevant and insightful comments is highly valued in this course. You will be cold-called to share your thoughts and opinions to the class discussion.

Attendance

Attendance is required at all class sessions. Attendance includes arriving on time and remaining until the end of the session. If you know ahead of time that you cannot attend class due to illness or civic duty (court appearance, jury duty, etc.), please notify the instructor immediately.

Team Project

During the first class, students will be assigned to a project team. Each team (3-4 students) will choose a company from lists of Fortune 500 or Global Fortune 500 companies. There will be four short team assignments throughout the semester. These assignments will be eventually developed into a final report—long-term CSR plans for a company of their choosing.

Final Team Project Paper

Final team paper is to give an opportunity for students to actively use their team research outcomes to suggest a long-term CSR plan to the team's company. The report should include (1) discussion of current and potential risk factors for CSR, (2) evaluation of the company's current CSR commitments and practices and outcomes (both strengths and limitations), and (3) specific suggestions for future improvement (5 pages maximum; single-spaced).

Business Case Discussion

Each project team will have at least one chance to lead a business case discussion in class. Their responsibility is to provide a brief summary of the case, to develop 3-4 discussion questions, and to lead discussion. Each group will have a brief meeting with the lecturer one week before their presentation, in order to help students prepare for their presentation. The first student presentation will be in Week 3 (September 14), and there will be 7 business case discussions during the semester. A sign-up sheet will be distributed during the first seminar, and students can choose their preferred week.

Final Exam

The final exam will be held during the final class time: **2:00 PM - 4:50 PM on December 7, 2017**. The exam will cover all topics of the course. It will be an open-book exam—bring your

books, notes, and any other materials you find useful. **IMPORTANT:** the exam will be administered through the course website (compass 2g). So you can take the exam wherever you want, but the exam will be available only during the designated time. Detailed guidelines for the exam will be provided later toward the end of the semester. The exam will be worth 25 percent of the total grade.

Student Evaluation

Attendance and Case Discussion	10%
Team Assignments	25%: Assignment #1 (5%), #2 (10%), #3 (10%)
Team Presentations	10%: Presentation #1 (5%), #2 (5%)
Business Case Discussion Leading	10%
Final Team Project Paper	20%
Final Exam	25%
Total	100%

Course Materials

1. **Compass.** Some readings in PDF are available on the Illinois Compass 2g website for this course. See the section “Course Website” below for more information.
2. **Harvard Business Publishing website.** All cases are available for purchase on the Harvard Business Publishing website at: <https://hbr.org/store/case-studies>.

Academic Integrity

In order to maintain a vigorous and healthy learning environment in the classroom, it is critical that no member of the class engage in or tolerate academic fraud, such as cheating or plagiarism. We believe strongly in giving certain liberties to students, and in return we expect honest and honorable conduct, including compliance with the University of Illinois’ Student Code (see <http://admin.illinois.edu/policy/code> for details).

Since our reading materials and discussion topics include examples from well-known companies, it is often the case that relevant information can be found in the sources other than designated course materials (for example, the Internet, magazines, newspaper, etc.). Whereas referring to external sources is fine and encouraged, it may be tempting to use or copy information from such sources in your course assignment without proper acknowledgement of the sources. Such action is considered plagiarism and strictly prohibited. Brief guidelines about what constitutes plagiarism and how to avoid it will be provided during the class, but it is ultimately the students’ responsibility to educate themselves about the risk of plagiarism and avoid committing it. Carefully review the University policy governing academic integrity

and plagiarism, including the Student Code Article 1, Part 4, §1-402 “Infractions of Academic Integrity” (http://admin.illinois.edu/policy/code/article1_part4_1-402.html). Not knowing the policy is not an excuse.

This policy applies to all written assignments of this course, including case memos and exam answers. Any incidence of plagiarism will be handled according to the official University policies and reported to the University administration.

Class Schedule

Week 1 (Aug 31): Course Introduction

- David Vogel. 2005. *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*. Washington, DC: Brookings Institution Press. Chapter 1: The Revival of Corporate Social Responsibility.

Form project teams (3-4 members)

Week 2 (Sep 7): What is Corporate Social Responsibility and How to Think about It?

- N. Craig Smith. 2003. "Corporate Social Responsibility: Whether or How?" *California Management Review* 45(4): 52-76.
- Milton Friedman. 1970. "The Social Responsibility of Business Is To Increase Its Profits," *New York Times Magazine*, September 13.

1st Team Assignment: Choose a Fortune 500 or Fortune Global 500 company (as of 2015). Find and read past 3 years of CSR reports publicized by the company of their choosing. Briefly describe basic features of the company's CSR strategies and related practices (maximum 2 pages, single-spaced).

Week 3 (Sep 14): CSR for Whom or What? Customer Demands and Investor Relations

- David Vogel. 2005. *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*. Washington, DC: Brookings Institution Press. Chapter 3: What Is the Demand for Virtue?
- Philip Kotler and Nancy Lee. 2004. "When It Comes to Gaining a Market Edge While Supporting a Social Cause, 'Corporate Social Marketing' Leads the Pack," *Stanford Social Innovation Review* Spring.

Business Case and Discussion: "UPS and Corporate Social Responsibility: Proactively Managing Risk." Darden Business Publishing, University of Virginia. Case #UV0938.

1st Team Assignment Due

Week 4 (Sep 21): CSR and Employee Relations

- Mirvis, Philip. 2014. "Employee Engagement and CSR: Transactional, Relational, and Developmental Approaches." *California Management Review* 54(4): 93-117.
- Cynthia Cocyota et al. 2016. "Corporate Social Responsibility and Employee Volunteerism: What Do the Best Companies Do?" *Business Horizons* 59: 321-329.

Business Case and Discussion: “The Dannon Company: Marketing and Corporate Social Responsibility (A).” Harvard Business School, Case #9-410-121.

Week 5 (Sep 28):

Guest Speaker: Drew Butts (Enterprise Holdings)

- Wendy S. Becker. 2011. “Are You Leading a Socially Responsible and Sustainable Human Resource Function?” *People & Strategy* 34(1): 18-23.
- Tara Fenwick and Laura Bierema. 2008. “Corporate social responsibility: Issues for Human Resource Development Professionals.” *International Journal of Training and Development* 12(1): 24-35.

Week 6 (Oct 5): Globalization and CSR as Self-Regulation

- Alwyn Lim and Kiyoteru Tsutsui. 2012. “Globalization and Commitment in Corporate Social Responsibility: Cross-National Analyses of Institutional and Political-Economy Effects.” *American Sociological Review* 77(1): 70-80.
- Catherine Janssen, Sankar Sen, and CB Bhattacharya. “Corporate Crises in the Age of Corporate Social Responsibility.” *Business Horizon* 58: 183-192.

Business Case and Discussion: “Apple and Its Suppliers: Corporate Social Responsibility.” Ivey School of Business, Case #W16147.

2nd Team Assignment: Identify and describe social, environmental, or regulatory risk factors that can affect your chosen company’s financial performance, based on Weeks 4-7’s discussion about major driving forces for CSR (maximum 2 pages, single space).

Week 7 (Oct 12): Activist Pressures

- Andrew J. Hoffman. 1996. “A Strategic Response to Investor Activism.” *Sloan Management Review* 37(2):51-64.
- Jeff Swartz. 2010. “How I Did It? Timberland’s CEO on Standing Up to 65,000 Angry Activists.” *Harvard Business Review* 88(9): 39-43.

Business Case and Discussion: Paul A. Argenti. “Collaborating with Activists: How Starbucks Works with NGOs.” *California Management Review* 47(1): 91-116.

2nd Team Assignment Due

Week 8 (Oct 19): 1st Student Presentations (based on Assignments 1 and 2)

Week 9 (Oct 26): Leadership and Organizing for Implementing CSR

- Marc J. Epstein. Making Sustainability Work.
 - Chapter 2: Leadership, Organizational Culture, and Strategy for Corporate Sustainability
 - Chapter 3: Organizing for Sustainability

Business Case and Discussion: “SK Telecom: Pursuing Happiness through Corporate Social Responsibility.” Harvard Business School. Case #9-410-042.

Week 10 (Nov 2): Accounting for CSR Costs and Benefits

- Marc J. Epstein. Making Sustainability Work.
 - Chapter 4: Costing, Capital Investments, and the Integration of Sustainability Risks
- Geoffrey B. Sprinkle and Lauren A. Maines. “The Benefits and Costs of Corporate Social Responsibility.” *Business Horizons* 53: 448-453.

Group Exercise: Developing a test to estimate how CSR activities help companies attract, motivate, and retain employees

Week 11 (Nov 9): Measuring CSR Performance

- Marc J. Epstein. Making Sustainability Work.
 - Chapter 5: Performance Measurement, Evaluation, and Reward Systems
 - Chapter 6: The Foundations for Measuring Social, Environmental, and Economic Impacts
 - Chapter 7: Implementing a Social, Environmental, and Economic Impact Measurement System

Business Case and Discussion: “Swire Beverages: Implementing CSR in China.” Harvard Business School. Case #9-410-021.

3rd Team Assignment: Assess CSR performance of your chosen company, using sources such as the company’s CSR reports, external evaluations (CSR indices), and media coverage (maximum 2 pages; single space).

Week 12 (Nov 16): Third-Party Evaluation

- Marc J. Epstein. Making Sustainability Work.
 - Chapter 9: External Sustainability Reporting and Verification

- Christopher Marquis and Cuili Qian. 2014. “Corporate Social Responsibility Reporting in China: Symbol or Substance?”. *Organization Science* 25(1):127-134.
- Measuring Intangibles: Corporate Sustainability Assessment Methodology of Dow Jones Sustainability Index
(http://www.robecosam.com/images/Measuring_Intangibles_CSA_methodology.pdf)

Business Case and Discussion: “Vigeo and CSR: The Daughter of Globalization.”
Darden School of Business. UV6548.

3rd Team Assignment Due

Week 13 (Nov 23): Fall Break, No Class

Week 14 (Nov 30): Final Presentation (Based on all three assignments)

Final Team Project Paper Due on Dec 4 (Monday, 5 pm)

Week 15 (Dec 7): Final Exam