

LER 590 Corporate Social Responsibility

University of Illinois at Urbana-Champaign
Spring 2019

Time: Wednesday, 11 AM – 1:50 PM
Location: Amory 134
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 assignments 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.

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.

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.

Weekly Quizzes

In each teaching session you will need to complete a short quiz (5-10 minutes) on your readings. The quiz includes five questions in the format of the true/false, multiple-choice or filling in the blanks. Each quiz will deal with the chapter(s), articles and cases that I have assigned for that class session. I may administer a quiz at the beginning, middle or end of class. There are **NO** make-up quizzes. The summing of quiz performance will be done after dropping the lowest quiz score.

Group Discussion and Summary

Every week, there will be group discussion about a selected business case and related discussion questions. To facilitate constructive and meaningful discussion, each group will be asked to provide a short summary of discussion by the end of class. After group discussion is done, each group will be given 20 minutes to summarize their discussion and highlight main conclusions, and submit the summary via **Compass**. Grading of discussion summary will be done on a **three-point scale—fail, pass (good), and pass (very good)**.

Group 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 **two short team assignments** during the course. These assignments will be eventually developed into **a final report**—the long-term CSR plan for the company of their choosing.

The main purpose of the final report is to provide a long-term strategic plan to improve your company's CSR performance. Try to make a set of practical but creative suggestions based on what you learn about how other companies do to address CSR issues. The suggestions should be made based on your analysis of (1) the current as well as future CSR issues for the company, (2) major CSR programs implemented by the company, and finally (3) internal and external evaluation of the company's CSR performance. More information about the final report as well as the two group assignments will be provided during the semester.

In addition to the final report, there will be **group presentations** during the last week of the semester (May 1).

Tentative Syllabus

The outline of the final report is due on **April 24, 2019, Thursday at 11 am.**

The final project report is due on **May 8, 2019, Wednesday at 5 pm.**

Evaluation

| | % | Note |
|------------------------------|------|------------------------------|
| Attendance and Participation | 10% | |
| Quiz | 20% | |
| Case Discussion and Summary | 20% | |
| Group Assignments | 15% | Assignment #1 (5%), #2 (10%) |
| Group Presentation | 10% | |
| Final Group Paper | 25% | |
| | | |
| Total | 100% | |

Calculation of Course Grades

The final letter grade will be “generally” based on the following scale:

| <u>LETTER GRADE</u> | <u>TOTAL SCORE</u> |
|---------------------|--------------------|
| A | 100-94 |
| A- | 93-87 |
| B+ | 86-80 |
| B | 79-70 |
| B- | 71-74 |
| C+ | 63-55 |
| C | 54-46 |
| C- | 45-37 |
| D+ | 36-28 |
| D | 27- |

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>. The web links to HBS cases will be provided on the course website.

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 (March 13): 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.
- A documentary film about CSR

Group Assignment #1: Choose a Fortune 500 or Fortune Global 500 company (as of 2018). 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, double-spaced).

Week 2 (March 20): Spring Break, No Class

Week 3 (March 27): What is Corporate Social Responsibility and How to Think about It?

- Milton Friedman. 1970. "The Social Responsibility of Business Is To Increase Its Profits," *New York Times Magazine*, September 13.
- Joseph L. Bower and Lynn S. Paine. 2017 "The Error at the Heart of Corporate Leadership." *Harvard Business Review* 95(3): 50-60.
- N. Craig Smith. 2003. "Corporate Social Responsibility: Whether or How?" *California Management Review* 45(4): 52-76.

Case discussion #1: "UPS and Corporate Social Responsibility: Proactively Managing Risk."

Group assignment #1 due

Week 4 (April 3): 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.

Case discussion #2: "The Dannon Company: Marketing and Corporate Social Responsibility (A)."

Week 5 (April 10): 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.

Case discussion #3: "Allied Electronics Corporation Ltd: Linking Compensation to Sustainability Metrics."

Group assignment #2: Identify and describe social, environmental, or regulatory risk factors that can affect your chosen company's financial performance, based on Weeks 2-5's discussion about major driving forces for CSR (maximum 5 pages, double space).

Week 6 (April 17): Global Supply Chains and CSR

- Richard M. Locke. 2013. *The Promise and Limits of Private Power*. New York: Cambridge University Press. Chapter 1: The Rise of Private Voluntary Regulation in a Global Economy.
- Catherine Janssen, Sankar Sen, and CB Bhattacharya. "Corporate Crises in the Age of Corporate Social Responsibility." *Business Horizon* 58: 183-192.

Case discussion #4: "Apple and Its Suppliers: Corporate Social Responsibility."

Group assignment #2 due

Week 7 (April 24): NGOs and Activist Pressures

- 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.
- 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.

Case discussion #5: Paul A. Argenti. "Collaborating with Activists: How Starbucks Works with NGOs." *California Management Review* 47(1): 91-116.

Group assignment: Outline of the final report due

Tentative Syllabus

Week 8 (May 1): Group Presentations

Final group report due on May 8, Wednesday