

# **LER 590 Corporate Social Responsibility**

University of Illinois at Urbana-Champaign  
Spring 2017

Time: Wednesdays, 2 PM – 4:50 PM  
Location: 47 LER Building (504 E. Armory Avenue)  
Instructor: Jiwook Jung, Assistant Professor  
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## **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).

## **Final Exam**

The final exam will be held during the final class time: **2:00 PM - 4:50 PM on May 3, 2017 (47 LER)**. 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) in the classroom. So you need to **BRING YOUR LAPTOP** to the class room to do the test. Detailed guidelines for the exam will be provided later toward the end of the semester. The exam will be worth 40 percent of the total grade.

## **Student Evaluation**

Attendance and Case Discussion	10%
Team Assignments	25%: Assignment #1 (5%), #2 (10%), #3 (10%)

Team Presentations	15%: Presentation #1 (5%), #2 (10%)
Final Team Project Paper	20%
Final Exam	30%
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](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 (Jan 18): Course Introduction**

Form project teams (3-4 members)

### **Week 2 (Jan 25): No Class**

**1st Team Assignment:** Choose a Fortune 500 or Fortune Global 500 company (as of 2015). Find and read past 5 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 (Feb 1): What is Corporate Social Responsibility and How to Think about It?**

- 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.
- 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 Due**

### **Week 4 (Feb 8): Societal Changes and Government Regulation**

- Marc J. Epstein. 2014. *Making Sustainability Work*. San Francisco, CA: Greenleaf Publishing. Chapter 1 (A New Framework for Implementing Corporate Sustainability).
- 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.

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

### **Week 5 (Feb 15): CSR for 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: “The Dannon Company: Marketing and Corporate Social Responsibility (A).” Harvard Business School, Case #9-410-121.

### **Week 6 (Feb 22): CSR and Employee Relations**

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

### **Week 7 (Mar 1): Community and Activist Pressures**

- Andrew J. Hoffman. 1996. “A Strategic Response to Investor Activism.” *Sloan Management Review* 37(2):51-64.
- András Tilcsik and Christopher Marquis. 2013. “Punctuated Generosity: How Mega-Events and Natural Disasters Affect Corporate Philanthropy in U.S. Communities.” *Administrative Science Quarterly* 58(1): 113-121.
- 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.

2nd Team Assignment: Identify and describe social, environmental, or regulatory risk factors that can affect your chosen company’s financial performance, based on Weeks 3-6’s discussion about major driving forces for CSR (maximum 2 pages, single space).

### **Week 8 (Mar 8): 1st Student Presentations (based on Assignments 1 and 2)**

#### **2nd Team Assignment Due**

### **Week 9 (Mar 15):**

**Guest Speaker:** the Role of HR Managers in Implementing CSR

- 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 10: Spring Break, No Class**

## **Week 11 (Mar 29): Leadership and strategies 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 12 (Apr 5): CSR and Organizational Decision-Making**

- Marc J. Epstein. Making Sustainability Work.
  - Chapter 4: Costing, Capital Investments, and the Integration of Sustainability Risks
  - Chapter 5: Performance Measurement, Evaluation, and Reward Systems

Business Case and Discussion: “Crown Worldwide: Integrating Corporate Social Responsibility in Business.” Asia Case Research Center, University of Hong Kong, Case #HKU891.

## **Week 13 (Apr 12): Measuring CSR Performance**

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

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 14 (Apr 19): 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](http://www.robecosam.com/images/Measuring_Intangibles_CSA_methodology.pdf))

**Week 15 (Apr 26): Final Presentation (Based on all three assignments)**

**Final Team Project Paper Due**

**Week 16 (May 3): Final Exam (in class)**