MGP 290-2
Corporate Social Responsibility
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Teaching Dates: Weekly beginning 9/26/2013
Class Times: Thursdays, 6:00-9:00PM, room 2206 in the Education Building

Overview

Corporate Social Responsibility is a field of growing importance and much debate. In recent decades there have been increasing efforts by companies large and small to act in a "socially responsible way." Still there is often considerable cynicism about the value and intent of such programs. To some observers CSR is a whitewashing (or 'greenwash') tool used to draw attention away from product defects or corporate misbehavior. To others it is a benign but necessary box to check in order for a company to remain viable in today's marketplace. To others still, CSR is an emerging discipline companies can use to methodically identify opportunities for new products and markets that can help ensure their perceived value, sustainability and profit.

CSR motives and results can vary company to company, market to market and country to country. How can companies design, develop, manage and evaluate successful CSR programs? How can they translate the failures of CSR today into new and profitable opportunities for tomorrow? Can CSR be limited to the activities of a single office in a company and have a significant impact on the company or the community? In MGB290 students will learn practical information that will help enable them to design, manage and evaluate an effective CSR program. It will expose students to a broad set of CSR issues in the context of cross-purpose business challenges and then focus on the analysis and critical decisions that managers must make to move their business and their social agenda forward. Student also will learn about new ideas for improving the performance and outcomes of a CSR program when it is used as an integral part of a company's core business strategy. Via the case studies provided in the selected texts, other cases and guest speakers the class will assess CSR efforts across a wide variety of business situations and through a diverse set of points of view. Students will be able to use the information from this class to build on during their post-school

leadership roles, whether as corporate executives, entrepreneurs, or NGO leaders. Students will be expected to engage early and often in class discussions and with guest speakers. Students will also conduct their own field study of a local/regional company, where they will have the opportunity to observe and assess the issues involved in making CSR an integral and profitable part of a company's core business strategy.

Instructor

Charley Ansbach has worked with major corporations nationally and internationally representing not only their interests in discussions as donors to major nonprofits/NGOs but also in appeals for support and partnership made by community groups. In those many interactions he learned why most corporate CSR programs fail and how to fix them. He has learned what CSR directors must do to manage their programs inside corporate structures and the practical sides of serving effectively in that role. Charley also was an early adopter of social entrepreneurism in the 1970's before the name of the field became popular. He created one of the top five projects for the US Labor Department under the Comprehensive Employment and Training Act where he demonstrated the viability of taking select people from the unemployment ranks and developing new small businesses around their skills to take them from welfare rolls to the small business tax-payer rolls of their communities. Currently, he is working with companies and nonprofits on how to form profitable social impact partnerships and on innovative banking and investment groups to design new ways to engage corporate and institutional investors in the growth of the social entrepreneurism for mutual benefit.

After serving nationally as a capital campaign director for Ketchum Inc. Charley opened Ansbach & Associates in 1985 to raise capital funding and provide management consulting for nonprofits and NGOs worldwide. He worked with world leaders, social innovators and major individual, corporate and foundation donor/investors to maximize the impact of their community actions. He sold that firm in 2012 to Skystone Ryan Inc, a global consultancy for NGOs, where he served as a managing partner. Charley is now part of a new firm designed to provide interim executive management services, business development and funding to nonprofits and social entrepreneurs, as well as corporations looking for profitable ways to address their social responsibility. He is a judge on the Dell Global Challenge for social entrepreneurs, serves on multiple boards, including the Global Center for Social Entrepreneurism at University of the Pacific, is a contributing author to *Building Strong Nonprofits*, published by Wiley, 2010 and is a global trainer/speaker on issues impacting the field.

Objectives

Throughout the course students will discuss and debate such questions in Corporate Social Responsibility as:
- What is the social responsibility of a firm?
- Can a firm "Do well by doing good?" Is there a market for virtue?
- What are key elements of a socially responsible business?
- How does CSR affect the strategy of the firm? How does it integrate into that strategy?

- When can CSR be used in ways that can damage a company's place in the market or community?
- What operational trade-offs does CSR force managers to consider in relation to employees, partners, shareholders, customers, communities?
- Is CSR only for those who "can afford it?" What about small businesses? Developing economies?
- When is CSR in the marketplace more a marketing strategy than corporate commitment? Does it matter?
- Did a lack of commitment to ethics, empathy and community responsibility play a role in the fall of companies like Enron and Lehman Brothers and if so would a commitment to those principles have helped to save them?
- What is the role of corporations versus that of governments? Self-monitoring versus government regulation? Global problem-solving?
- What is social entrepreneurship and what role does/can it play in realizing CSR objectives?
- How do evolving social constructs and technologies change how we think about CSR?
- What is happening that is taking CSR into a more prominent role in a growing number of companies so it is seen as a fundamental element in developing the core business strategy of those firms?

While many of these questions will not have a definitive and clear answer, the goal is to develop a well-reasoned approach to addressing them and others at all levels of the business ecosystem.

Using Kelli McElhaney's text, **Just Good Business,** the discussion will focus on practical steps for developing, managing and evaluating a CSR program.

Using Wayne Visser's text, **The Age of Responsibility: CSR 2.0 and the New DNA of Business**, specific areas of focus and debate will include:

- The history and performance of CSR to-date
- The idea and principles of the CSR 2.0 concept
- Actions for creating future change

The class plan involves four overarching elements:
  (1) Build a foundation of issues and opportunities through key readings
  (2) Drive situational analysis and critical analytical thinking through assessment and discussion of case studies and select topics
  (3) Gain pragmatic insights through listening and interacting with experienced leaders
  (4) Obtain pragmatic insights by working with local/regional businesses

Evaluation of student performance in the class will be based on three elements:
>	40% Team Project
>	20% Quizzes (2) (individual)
>	20% Written papers (3) (individual)
>	20% Class Participation (individual)

1) **Team CSR Report Project.** For this hands-on field assignment, student teams will have two topics to select from to conduct their research and create their final written and oral reports. Topic One is to identify, interview and profile 3 companies about their use of partnerships with social enterprise or use of intrapreneurship to meet their social impact goals as well as earn income from those efforts. Topic Two is to identify and profile 3 companies that have not considered such partnerships or internal development of new social enterprises to determine why and how that might be changed, if at all. The goal will be to gain a practical understanding of how the businesses define and thinks about CSR and how they evaluate and address the idea of mixing social impact with profitability, as well as their impact on their key stakeholders. The teams will use Dr. Visser's criteria to assess how their selected companies either use or defer from using CSR as a core part of their business strategies. The project will require in-person interviews with a key member of management/CSR in the business and a thorough search of publicly available information to produce a review of their operational practices and an assessment of how CSR affects their investors, employees, customers, competitors, and community. From this the teams will develop robust, complete strategy reports on their group of companies individually and as a whole. The final deliverable for each team will be a written report and a verbal presentation due at the end of the quarter. Teams will deliver an overview of their findings to the class for discussion. All members of a team must participate in the presentation in relatively equal measure. More detailed guidelines for the project will be distributed separately during the first two class sessions.

2) **Quizzes**. There will be two quizzes during the quarter to determine each student's understanding of the text and lecture materials.

3) **Class Participation.** Active participation in class discussions is important. Students are expected to come fully prepared to engage in the key issues from the case material and associated readings for every class, to have their own POV on the analysis, and be prepared to grapple with the key challenges presented.

In general, open discussion will seek to engage every student and will often mean calling on students who do not have their hands raised. Typically one or more members of the class will be asked to start the session by addressing a specific question and then open up the floor to the broader group. The goal is to engage each other and learn, not necessarily to come up with the "right" answer. In most of the cases there will be a number of different ways of looking at the situation, as well as actions and plans that could be undertaken. In open discussion, class members are expected to conduct themselves in a professional and respectful manner at all times.

Grading

       A+ (rare, premium given for superior performance and participation far above the norm)

       A, A- (outstanding performance well above standard)

       B+, B (fully meets the requirements of the course)

       B- (deficient performance and participation)

       C+ and below (significant deficiencies in performance and participation)

Class Operations

• Attendance is part of each student's overall grade. However, if something unavoidable presents a problem, please contact the instructor in advance via email if you must miss a class. More than one absence will affect your grade and each subsequent absence will have an increasingly negative effect.

• As a courtesy to classmates and guests during the quarter, please arrive on time and depart only once the class has concluded. Please turn off cell phones and unless it is part of the class activity, the computers as well.

• Please use a name card in class and sit in the same seat throughout the quarter. In the first class you will be asked to speak briefly about your background and give the instructor a proper pronunciation of your last name.

• Throughout the class, each student is expected to conduct him/herself in concert with the UC Davis Code of Academic Conduct http://sja.ucdavis.edu/files/cac.pdf.

Class Materials

Required reading
The core texts for this course will be:

McElhaney, Kellie. *Just Good Business.* Berrett-Koehler Publishers, 2008, ISBN 978-1-57675-441-2

Visser, Wayne. *The Age of Responsibility: CSR 2.0 and the New DNA of Business.* Wiley & Sons, 2011, ISBN 978-0-470-68857-1

Guest Speakers
Several experienced guest speakers will join the class on select dates for discussions. The objective is to be able to share in their personal experiences and insights. There will not necessarily be a one-to-one match between the case discussion and the guest speaker in terms of

specific topic for any individual class, nor will the guest speakers necessarily provide a POV that is consistent with what students have read or debated. They will bring real-world experience across a spectrum of topics within Corporate Social Responsibility. It is in your best interest to be prepared to engage each guest on the areas of their expertise. The extent to which you come armed with specific questions and points of discussion, the more you will get out of their presence in the class. The schedule of speakers is subject to revision.

Class outline

Class 1: What is CSR? Why is it Suddenly Important to Business?

NOTE: IN PREPARATION FOR THIS FIRST CLASS PLEASE HAVE READ THE INTRODUCTION & CHAPTERS 1 & 2 OF *Just Good Business,* **by McElhaney**

Discussion Topics:
- Introductions
- Class overview & focus
- Report format
- Final team projects:
    - Theme: "The tip of the spear:" CSR meets social enterprise
    - Topics to select from:
        - Write a case study of 3 companies that have partnered with, invested in, purchased or internally developed social enterprise projects that helped meet their CSR goals and earned income (or intended but failed to do so). Include a summary of their selection process, management, metrics and outcomes. Minimum of 5 pages plus 30 minute team visual and oral report. **OR**
        - Write a summary of interviews with 3 companies with active CSR programs that have not partnered with, invested in, purchased or internally developed social enterprises to help meet their CSR goals. Determine why and what it would take in their opinion to interest them in taking such an action, the metrics they would use, their decision-making process to consider and ultimately manage such a project and other factors they believe would be essential for developing such a concept in their particular companies. Minimum of 5 pages plus 30 minute team visual and oral report.
- Team selection
- CSR Discussion
    - What is the purpose of business and corporations?
    - What is CSR?
    - Why has CSR become so comparatively important to more businesses in recent years?
    - Has CSR changed over the last few decades?

o   What is at risk for a business when its CSR program fails or has never been created?
o   Are there industries that are more or less prone to use CSR, and if so why?
o   What are L3C, Flexible Benefit and B Corporations and what are their current and potential impacts on CSR

o   To manage a CSR program, what are the basics?
1. Leadership buy-in
2. Focus
3. Brand alignment
4. Stakeholder involvement
5. Philanthropy
6. Volunteerism and employee engagement
7. Metrics
8. Transparency
9. Promotion & communications

In Class Presentations:
- CSR PowerPoint
- Video: Milton Friedman: "The Social Responsibility of Business is to Increase Its Profits"
- Video: Michael Porter: "Rethinking Capitalism"

Readings for Next Class:
   Just Good Business, Chapters 3-9

Writing for Next Class:
   Write a 1-page summary on the top 5 companies to you in CSR and why

Class 2: Building a CSR Strategy

Discussion Topics:
- Aligning with and Leveraging Brand
- McElhaney's 7 Steps
  - o   Know your company

- o Pick a good fit with a good cause
- o Consistency vs "Spray n Pray"
- o Keep it simple
- o Work from inside to outside the company
- o Know your customer
- o Tell (and get told) your story well and effectively
- Measuring Success
- Making a Plan
- Working with corporate culture, priorities and leadership

Guest Speaker: Ken Larson, Former Director of Global CSR for Hewlett Packard

Reading for Next Class: *Just Good Business*, Chapters 10 & 11

Writing for Next Class: Select a company with an active CSR program and write a 1-2 page summary of its strategy, dimensions, duration, scale, activities, goals, reporting and other features. Does it align with the core business and brand? Is it included in the annual report, website and other company communications? Do others write about it, pro or con? Does it appear to include all or part of McElhaney's "seven steps?" Use the class report format.

Class 3: Voices from the Field

WRITING assignment due

QUIZ on classes 1 & 2

Discussion Points:
- 3 Guest speakers from CSR offices
- Class Q&A, discussion

Reading for next class:
       Age of Responsibility: Forward, Chapters 1, 2, 3

Class 4: A Cynic's View…Is CSR No More Than a Cover-Up for Otherwise Bad Business Behavior That Will Continue Anyway?

Discussion Topics:
- What does responsibility mean and what is social responsibility?
- Has CSR failed to deliver on its promise? If so, how and what would success look like?
- Are global issues like population growth, over consumption of resources, the decline in biodiversity, poverty and climate change a real and present danger or simply looking at the glass half empty? In any case, what should the role of business be in addressing them?
- What was the predicted future of NYC in the 1800s and how did that turn out?
- Is the net impact of business positive or negative globally?
- Is CSR part of a corporate effort to hid or excuse irresponsible behavior or is an effort in the right direction that either has or has not gone far enough?
- Vissner's Ages of CSR
- The Age of Greed
    - Is greed good?
    - Were Enron and Lehman simply badly run, hit with unexpected changes in the market or irresponsibly and unethicly managed? Would ethics and responsibility have saved them? What role if any did their active CSR programs play in their fall? What role could it/should it play?
- The Age of Philanthropy
    - The Standard Oil Case
    - Global ethics, religion, charity and business
    - Victorian perspectives on wealth, labor, fair wages and the needs and rights of labor
    - The mega-givers

Guest Speaker: TBA

Reading for Next Class:
> *Age of Responsibility*, Chapters 4, 5, 6

Class 5: The Evolution of CSR

Discussion Topics:
- Visser's Age of Marketing

- Age of Management
- Age of Responsibility

Reading for Next Class:

Age of Responsibility, Chapters 7, 8

Class 6: CSR & Social Enterprise; the "Tip of the Spear"

Discussion Topics:

- Social entrepreneurship
- Intrapreneurship
- Profitable social responsibility: is it possible?
- Visser's Principles of CSR 2.0
    - Principle of creativity
    - Principle of scalability

Reading for Next Class:

Age of Responsibility: Chapter 9

Class 7: Visser's Prescriptions for CSR Innovation and Change

Discussion Topics:

- Visser's principle of responsiveness

Reading for Next Class:

Age of Responsibility: Chapter 10, 11

Writing Assignment:

Write a 2-page summary of the top 3 companies you now believe have the most effective CSR programs based on what you have learned and why

Class 8: Visser's Prescriptions for CSR Innovation and Change

WRITING assignment due

Discussion Topics:

- Visser's principle of glocality
- Principle of circularity

Readings for Next Class:

> *Age of Responsibility*: Chapters 12, 13

Class 9: Taking action

QUIZ on *Age of Responsibility*

Discussion Topics:
- Visser's Matrix of change
- Making a Difference

Class 10: Student Projects

- Team Project Presentations