



MGT/P 290-1: Corporate Social Responsibility, Course Syllabus

(Version: January 2016)

Graduate School of Management

University of California, Davis, Davis Campus

Spring 2016, Weekly, Monday 6:30-9:30 PM, Room GH 2310

MGT/P 290-1

Course Topic: Corporate Social Responsibility

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Teaching Dates: Weekly, beginning Monday, 3/28/2016

Class Times: Monday, 6:30-9:30

Davis Campus, Room: GH 2310

Overview

Corporate Social Responsibility is a field of growing importance and much debate. Corporate responsibility is morphing as changes, such as concepts like “sustainability” enter the market. 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 creating value through new products and markets that can help ensure their own sustainability and profit.

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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 entrepreneurship 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 entrepreneurship 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 has a new firm designed to provide interim executive management services, business development and funding to innovative nonprofits, social entrepreneurs and other corporations looking for profitable ways to address their social responsibility. He was a judge on the Dell Global Challenge for social

entrepreneurs, teaches action planning to USAID-sponsored business and political leaders from Eastern Europe, serves on multiple boards, including the Global Center for Social Entrepreneurism at Middlebury College, Monterey Campus, Roots of Peace and Innovative Education Management. He is a contributing author to *Building Strong Nonprofits*, published by Wiley, 2010, and *The Handbook of Persuasion and Social Marketing*, published by Praeger, 2014. He is a global trainer/speaker on issues impacting the field.

Objectives

Throughout the course students will discuss and debate such questions as:

- What, if anything, is the social responsibility of a firm?
- Can a firm “Do well by doing good?” Is there a market for virtue?
- What are key characteristics of a socially responsible business?
- How does CSR affect the core 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 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 in addressing social and environmental problems? Can and will social value be created by companies without government regulation?
- What is social entrepreneurship and what role does/can it play in realizing CSR objectives?
- What is “social intrapreneurism” and how does it play a role in value creation and the fulfillment of CSR objectives?
- How are evolving social media networks changing how companies think about CSR?
- Is “sustainability” the same as or different from CSR?
- Are CSR, sustainability and social entrepreneurship new platforms for value creation?

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.

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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
- Approaches for creating current and future high impact CSR initiatives

Using Kyle Westaway's text, ***Profit & Purpose, How social innovation is transforming business for good***, the discussion will focus on reviewing case summaries of profitable companies making a change in how they create value and open new markets.

Using case studies from companies such as Walmart, McDonalds, Interface, Cliff, and Ben & Jerry's, the discussion will explore "responsibility", "sustainability", "social entrepreneurship/intrapreneurship", and "social innovation-based risk mitigation" as platforms for protecting and creating value.

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) (1 team, 1 individual)
- 20% Written papers (2) (individual)
- 20% Class Participation (individual)

- 1) **Team Project.** For this hands-on field assignment, student teams will conduct research, develop innovative proposals, and create final written, visual, and oral reports on:

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- a. Identifying and engaging a company for which the team will develop a plan for using CSR, sustainability and/or the acquisition of a social enterprise to create new value, reduce risk, and increase income.
- OR
- b. Identifying and researching three companies not included in the course texts that are creating new value, reducing risk, and opening new markets using social innovation/enterprise.

The goal with both topics is to gain a practical understanding of how select businesses define and implement CSR, as well use social and environmental stewardship as a platform for value creation. The teams will use Dr. McElhaney's, Dr. Visser's, and Mr. Westaway's criteria to assess how their selected companies either can use CSR as a core part of their business strategies and what value they can potentially create with effective strategies. Project A will require in-person interviews with a key member of management/CSR in each 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, community and bottom line. Project B will require researching companies in-depth to understand their markets, value proposition, and the social enterprises operating in that or a closely related space creating value worth considering as an acquisition. The final deliverable for each team will be a written report, verbal and visual 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 total presentation in relatively equal measure. More detailed guidelines for the project will be distributed 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) **Written Papers:** Brief papers to demonstrate understanding of the topic
- 4) **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.

\Prerequisites

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There are no formal prerequisites for this class. This course will encourage students to draw upon the knowledge gained from core classes and apply it in traditional and innovative ways.

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

- Westaway, Kyle. ***Profit & Purpose: How social innovation is transforming business for good.*** John Wiley & Sons, Inc. 2014, ISBN 978-1-118-70861-3
- Case studies and related summaries to be provided in class by the instructor

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 Some Businesses and Not Others?

NOTE: IN PREPARATION FOR THIS FIRST CLASS PLEASE HAVE READ: The Introduction and Chapters 1 & 2 of *Just Good Business*, by McElhaney, and the Introduction and Chapter 1 of *Profit and Purpose*, by Westaway.

Discussion Topics:

- Introductions
- Class overview & focus: operational knowledge and knowledge of the field
- Report format
- Distribution of reading materials
- Team Selection
- Final team projects:
 - Theme: “The tip of the spear:” CSR and sustainability meet social entrepreneurship to create value
 - Topics from which to select:
 - Write case studies based on research and interviews with 3 companies, not included in the course texts, that use CSR, sustainability and/or acquisition of social enterprises to create new value and income. Include a description of the value created and a summary of their core business, core competencies, CSR/sustainability

goals, involvement of leadership, the decision-making process that led to adoption of the goals and plan, management and the integration of the process within management structure, engagement of vendors and other stakeholders, transparency, communications, metrics, difficulties, solutions, and outcomes. Minimum of 5 pages plus 30 minute team visual and oral report.

OR

- Select and engage a company for which the team conducts research and develops a proposed plan aligned with their competencies, priorities, resources and brand to use CSR, sustainability and/or the acquisition of a social enterprise to create new value and income. To increase likelihood of participation, propose using a 3-meeting, 1-hour each process (Meeting 1: initial buy-in, summary information gathering and mutual goal-setting; Meeting 2 or electronic contact: more detailed internal information gathering using a pre-submitted questionnaire; and Meeting 3: review and refine the document draft with the company). Research existing industry examples, assess internal competencies, develop a proposed goal, identify opportunities, assess comparative investment and risk factors, select metrics and write a summary plan to achieve the goal (as class Lecturer I will provide an introductory letter to use in approaching possible companies). Minimum of 5 pages plus 30 minute team visual and oral report.
- What is the purpose of corporations: Friedman vs Kramer?
- What is CSR?
- Why has CSR become so comparatively important to more businesses in recent years?
- Has CSR changed over the last few decades?
- What is “sustainability” and how does it relate to CSR?
- What are among the key reasons CSR programs fail?
- Are some industries more likely to adopt CSR than others?
- What is the advantage of a CSR goal aligned with core business strategy and brand?
- Can CSR be a contributor to value creation?
- How do you assess a CSR program?
- How do you create a CSR strategy?
- What are main stages in the CSR maturation process?
- Operationalizing CSR: Making a plan -- from friendly action to new value creation
- Developing a strategy:
 - Leadership buy-in
 - Conduct an internal and external comparative industry assessment
 - Identify stakeholder needs/interests

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- Select from available, applicable tools, including but not limited to:
 - Sustainability measures
 - Philanthropy
 - Employee volunteerism
 - Applied expertise (ex: scaling, engineering, promotion, etc.)
- Set goals related to helping achieve specific core business objectives. Ex: from name protection to new value creation
- Align goals with core business competencies
- Integrate implementation into top governance and management structure
- Develop a communications and transparency plan
- Assess risks
- Develop clear performance metrics
- A shift is underway in creating value beyond shareholder value, corporate responsibility, and philanthropy
- What is social enterprise and how is it impacting value creation scenarios?
- How are companies “seeing” and acting upon social innovation opportunities, and why?

Readings for Next Class:

Just Good Business, Chapters 3-9

Profit & Purpose, Chapters 1-2

Writing for Next Class:

Write a 2 page summary of 3 companies your believe are leaders in CSR and why

Class 2: Building a CSR Brand-Aligned Goal, Strategy & Plan

WRITING ASSIGNMENT DUE

Discussion Topics:

- Review and completions of Class 1 discussion, if needed
- Aligning with and leveraging Brand
- McElhaney's 7 Steps
 - Know your company

- Pick a good fit with a good cause
- Consistency vs. “Spray n Pray”
- Keep it simple
- Work from inside to outside the company
- Know your customer
- Tell (and get told) your story well and effectively
- Assessing risk
- Measuring success

Reading for Next Class:

Age of Responsibility: Forward, Chapters 1, 2, 3

“Sustainability or Social Responsibility – What’s in a Name?” Pojasek, Robert

Team Projects: Each team reports on which topic they have selected for their final projects and which companies they have selected to engage

Class 3: A Cynic’s View...Is CSR (and Sustainability) No More Than a Cover-Up for Otherwise Bad Business Behavior That Will Simply Continue as a Fundamental Way of Doing Business?

Discussion Topics:

- What does responsibility mean and what is social responsibility?
- What is corporate sustainability?
- Has CSR failed to deliver on its promise? Will sustainability do the same? If so, 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 compared to or in line with maintaining a strong bottom line?
- 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 and sustainability 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?

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- Were Enron and Lehman simply badly run, hit with unexpected changes in the market or irresponsibly and unethically 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

Reading for Next Class:

Age of Responsibility, Chapters 4, 5, 6

Prepare for Quiz on Classes 1, 2 and 3

Class 4: The Evolution of CSR

QUIZ on Classes 1, 2 and 3 (Taken as a team)

Discussion Topics:

- Visser's Age of Marketing
- Age of Management
- Age of Responsibility

Team Reports: Progress updates and questions related to the final projects

Reading for next class:

Age of Responsibility, Chapters 7, 8

Class 5: Voices from the Field

Guest Speakers from CSR and sustainability offices, current research/ideas TBA

- Discussion on CSR and brand; responsibility versus sustainability: fixed words following a moving target?; indicative management challenges and CSR/sustainability as platforms for value creation

Reading for next class:

Age of Responsibility: Chapter 9

Profit & Purpose: Chapters 4-5

Class 6: CSR, Sustainability & Social Enterprise; the “Tip of the Spear”

Discussion Topics:

- Social entrepreneurship
- Intrapreneurship
- Profitable social responsibility/sustainability: Is it possible?
- Visser’s Principles of CSR 2.0
 - Principle of creativity
 - Principle of scalability

Reading for Next Class:

Age of Responsibility: Chapter 10, 11

Writing Assignment:

Write a 1-2 page summary of 3 companies you now believe have the most effective CSR and sustainability programs based on what you have learned, and why

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

WRITING ASSIGNMENT DUE

Discussion Topics:

- Visser’s principles of responsiveness, glocality, and circularity

Assignment: Prepare for Quiz; prepare final reports

Class 8: Prescriptions for CSR Innovation

QUIZ on Classes 4-7 (Taken individually)

Discussion Topics:

- The future of CSR, sustainability, and social entrepreneurship
- Operationalizing in a changing environment

- **Final Team Project Presentations**

Class 9: Final Projects

- **Final Team Project Presentations**