

**University of Texas at Austin
McCombs School of Business**

**Strategic Corporate Social Responsibility
(BGS 372)
Syllabus**

**Fall 2013
Tuesday/Thursday 12:30-2:00
CBA4.348**

Instructor

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Description

Companies are increasingly choosing to embrace corporate social responsibility (CSR) initiatives—in which they not only exceed legal requirements they face but also take action beyond what is being discussed in public policy debates. This course will explore different ways that firms are becoming more socially responsible—and evaluate the extent to which different types of social responsibility initiatives are strategic.

The goal of the course is for students to come away knowing how to evaluate and successfully implement strategic CSR initiatives at their firms. Strategic CSR initiatives can be more complicated than traditional market-based corporate strategies—focused on customers, suppliers, entrants, substitutes, and rivals—because they often require managers to engage with actors in the non-market environment—including regulators, politicians, non-governmental organizations (NGOs) and activists.

The course will begin by surveying the landscape of corporations on the spectrum of social responsibility from those that engage in a number of socially irresponsible practices to those that engage in a number of socially responsible practices. We will also ask why firms have chosen the position they have on the spectrum of social responsibility ranging from negative to neutral to positive.

In the middle part of the course, we will ask what firms are doing with respect to CSR along traditional dimensions of market strategy—and how CSR issues can become threats or opportunities vis-à-vis traditional market forces.

The final part of the course will be dedicated towards understanding how firms that are able to profit by staying ahead of the ever evolving CSR frontier by engaging with various non-market actors and institutions to solidify their positions.

Recognizing that we can learn from those doing things differently and from failures, throughout the course we will also examine cases where firms strategically choose to be socially irresponsible and where firms fail to embrace CSR initiatives in a strategic manner. Nevertheless, the bulk of the course will be oriented towards building an understanding of the conditions under which CSR initiatives can be introduced strategically.

Pedagogical Approach

This course will embrace a student-centered learning approach. Hence, class sessions will be primarily organized around business case discussions that require extensive outside of the classroom preparation by each student in the class. We will also incorporate interactive/role-playing/simulation activities and guest speakers where appropriate. Lecture portions of individual class sessions will be limited.

Required materials

- Case Packet
 - Available from HBS Publishing at:
<https://cb.hbsp.harvard.edu/cbmp/access/20793451>
- One of the following books for book review assignment (which one will be determined by class consensus opinions the first day):
 - Start Something that Matters*
by Blake Mycoskie, CEO & founder of TOMS
 - Banker to the Poor: Micro-Lending and the Battle against World Poverty*
by Muhammad Yunus, founder of the Grameen Bank & Nobel Prize Winner
 - Let my People Go Surfing: The Education of a Reluctant Businessman*
by Yvon Chouinard, founder and owner of Patagonia
 - Delivering Happiness, A Path to Profits, Passion and Purpose*
by Tony Hsieh, CEO & founder of Zappos

Evaluation

Your grade in the course will be determined based on the following weightings:

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|------------------------------------|-------|
| • Participation | 35% |
| • Reflection Exercise | 7.5% |
| • Case Write-Up | 10% |
| • Book Review | 12.5% |
| • Group Paper/Project Write-Up | 25% |
| • Group Paper/Project Presentation | 10% |

Further details on each assignment and how participation is graded will follow separately.

Participation/ Attendance Policy

Given the participant-centered nature of the course, attendance is required. Beginning with the third classes session, two absences are permitted without penalty to let students miss class when genuinely sick or when something else needs to take precedence in their personal/professional lives. After those two absences have been taken, 2.5 percentage points will be deducted from the students' final grade in the course out of a total of 100 percentage points. Two tardies will count as one absence. There are no exceptions.

Laptop/Tablet/Cellphone Policy

Given the participant-centered nature of the course, laptops/tablets/cellphones are not allowed to be used in the classroom except during (rare) sessions where the instructor has explicitly called for their use. For example, students should bring laptops for their presentations at the end of the course.

Important Notifications

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Campus Safety

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>.

STRATEGIC CORPORATE SOCIAL RESPONSIBILITY COURSE SCHEDULE

#	Date	Topic	Case/ Required Reading
1	Thursday 29 August	Overview	"What is Strategy?" and "Strategy and Society: The Link between Competitive Advantage and CSR"
<u>UNDERSTANDING THE CSR LANDSCAPE</u>			
2	Tuesday 3 September	CSR Ratings	Driving Sustainability at Bloomberg L.P.
3	Thursday 5 September	Socially Irresponsible Options	Great Lakes: Great Decisions
4	Tuesday 10 September	100% Socially Responsible?	American Apparel: Unwrapping Ethics
5	Thursday 12 September	Corporate Transitions and CSR	FIJI Water: Carbon Negative?
6	Tuesday 17 September	Corporate Transitions and CSR	Blue Ocean or Stormy Watters? Buying Nix Check Cashing
7	Thursday 19 September	Corporate Transitions and CSR	Earthbound Farm
8	Tuesday 23 September	Corporate Transitions and CSR	Ben & Jerry's: Preserving Mission & Brand Within Unilever

Reflection Exercise Due September 23

CSR ISSUES AS THREATS OR OPPORTUNITIES VIS-A-VIS TRADITIONAL MARKET FORCES

9	Thursday	27	September	CSR as Cost Reduction?	FedEx and Environmental Defense: Building a Hybrid Delivery Fleet
10	Tuesday	1	October	CSR as Cost Reduction/ Clientele CSR	H-E-B and Obesity
11	Thursday	3	October	Clientele CSR	Patagonia
12	Tuesday	8	October	Clientele CSR/ Supply Chain	Wal-mart's Katrina Aid
13	Thursday	10	October	Supply Chain/ Labor	IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor (A) and (B)
14	Tuesday	15	October	Supply Chain	PETA's "Kentucky-Fried Cruelty, Inc." Campaign
15	Thursday	17	October		<i>Guest Speaker TBA</i>

THE EVOLVING CSR FRONTIER

16	Tuesday	22	October	The Role of Activists	Augusta National (Not in Case Packet)
17	Thursday	24	October	The Role of Activists	Starbucks and Conservation International
18	Tuesday	29	October	The Role of Activists	Cape Wind: Offshore Wind Energy in the USA
19	Thursday	31	October	"Book Club"	Book (from Syllabus)

Book Review Due October 31

20	Tuesday	5	November	Social Entrepreneurship	B Lab: Building a New Sector of the Economy
21	Thursday	7	November	Social Entrepreneurship	Doug Rauch: Solving the American Food Paradox
22	Tuesday	12	November	Self-Regulation	Responsible Care: Chemical Industry
23	Thursday	14	November	Leveraging What's Next in Social Regulation	Loblaws and Plastic Bag Regulations (Not in Case Packet)
24	Tuesday	19	November	CSR & Political Leverage	Fuel Economy Standards 2007
25	Thursday	21	November	CSR & Political Leverage	HP's eWaste Programs and Lobbying (Not in Case Packet)
26	Tuesday	26	November	CSR & Political Leverage	Responsible Lobbying? (Merck)
-	Thursday	29	November	<i>NO CLASS THANKSGIVING HOLIDAY</i>	

COURSE WRAP-UP/ STUDENT PRESENTATIONS

27	Tuesday	3	December	Student Presentations
28	Thursday	5	December	Student Presentations

Group Paper Project Presentation Due on 3 December in Class

*Group Paper Project Write-Up Due by e-mail to brian.richter@mcombs.utexas.edu
by 5p on December 6*
