

CORPORATE SOCIAL RESPONSIBILITY

COURSE OUTLINE

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1 COURSE OVERVIEW

Course Name:	Corporate Social Responsibility
Degree Programmes:	Master BWL (<i>the class is <u>opened only</u> to M.Sc. BWL students, but due to capacity constraints not for students of other study programs and to exchange students</i>)
Lecturers:	Dr. Kathleen Diener (TIM), Prof. Reinhard Madlener (EONERC), Prof. Stefanie Paluch (STM), Prof. Frank Piller (TIM)
Coordinator	Alexander Gladis (CSR@time.rwth-aachen.de) NOTE: Questions will only be answered by email.
Location and Time:	Online classes via Zoom. See specific schedule below – Registered participants will be clustered into class and study groups and allocated a specific time and place of their section. <i>Note: Personalized time slots and Zoom meeting link will be displayed in the Moodle course room for each session after group assignment.</i> NOTE: The kick-off session of this class will take place on Thursday, November 5th (15:00 – 16:30) via Zoom . This is a special session which introduces into the class, provides important background information, and shares organizational details on grading and case study evaluation. It is highly recommended that you participate at this introduction class.
Content Description:	The course focuses on socially and environmentally responsible leadership along all activities of the value chain. In six case studies, the class will cover issues of corporate social responsibility with regard to the development of business models, supply chain management, customer relationships, marketing, and pricing and revenue management.
Qualification Objectives:	Participants learn how to integrate social and ecological aspects into business models. The case studies emphasize critical decision situations in a manager's work life. The interactive case study course focuses on the discussion of a variety of cases with the following learning objectives: <ul style="list-style-type: none"> • Ethical thinking in critical decision situations. • Application of business methods in semi-structured and ambiguous problems. • Learning how companies deal with real world problems and implement solutions for business success. • Importance of assessing situations using critical thinking and presenting opinions in controversial discussions. • Learning how to precisely argue and defend own points in front of a group.
Literature:	See readings below
Course Examination:	(C) 1. Colloquium: Quality of contributing to classroom discussions (case studies) (50%, graded); 2. Examination: Written exam (50%, graded, 60min.)
Requirements:	Solid command of English
Group Size:	No limit, but restricted to M.Sc. BWL students only (course will be taught in several sections) <i>The class is <u>not opened</u> for students of any other study program or for exchange students.</i>
Type of Teaching:	Case study-based interactive lectures
Language:	English
Credits:	5

2 COURSE ORGANIZATION

In this course, we will discuss a number of real-life case studies that deal with the challenges of socially and environmentally responsible leadership. Since the course is highly interactive, it will be **taught in two consecutive and identical sections**, and the cohort will be split into four **class groups (A to D; determines your course dates and lecturers)**, and each class group again will be divided into small **study groups of six persons (1 to 6; determines your group assignments)**. You can identify your class and study group based on the group name (A-1, A-2, ..., D-6).

You will be allocated randomly by us into the class group and your study group after the introduction section. You will see your group assignment in Moodle. **Please note that this allocation is final and that no exceptions or changes will be made! It will not be possible to switch sections for the entire course or for individual sessions** (e.g., going to Section 1 for one week and then going to Section 2 for another week).

The class consists of **one introduction session** (for all groups together) and **six different case study sessions per class group**. We also have a joint wrap-up session at the end. All sessions are conducted **live but virtually in Zoom**. There are **no** session recordings.

This course will be managed via the e-learning platform Moodle. All lecture slides, case studies, and readings will be deposited there. In addition, we will communicate all relevant information (e.g. group allocation, room changes, and course and exam preparation) only via Moodle. It is hence essential for you to **sign up for our course by November 6th (23:59)** at the very latest.

Introduction Session and SCREENCAST Presentation

In the **introductory session on Thursday, November 5th (15:00 – 16:30, Zoom)**, we provide a general introduction into the course and the conceptual frameworks that form the backbone of the case discussions. **Thus, there will be no small groups and case discussions to prepare for this kick-off session.**

However, you will be allocated to a study group immediately following the introduction session. Your first task then is to prepare – in your study group -- a joint **screencast presentation about an academic paper in the context of CSR**. These assignments are due on **November 26th**, and you will present and discuss your paper in one of the case sessions.

More information on the Screencast below!

Please note: Study group coordination (timing etc.) is within your own responsibility. Every RWTH student can get a free professional Zoom license, so that you can host your own online sessions for your group (Info: <https://video.cls.rwth-aachen.de/>)

Case Sessions (virtual in Zoom)

Each of the six case sessions, which start on **December 3**, consists of four stages:

1) On your own, read the case and think about the assignment questions.

2) Meet (virtually) in your small study group of six people to prepare the case study together. You will also prepare a **short joint group paper of 2 pages** with your consolidated insights on the assignment questions. You need to upload this group paper via Moodle **before 12:00 noon of the day** of the respective case session. *Organizing these meetings (time, Zoom room) is in your own responsibility.*

3) Before the case session, recap the case and watch the screencast of the academic paper for the respective session. Also, read the academic paper (*all case discussions and all academic papers are relevant content for the exam*).

4) In the case session, you will discuss the case with the professor and the other study groups of your section. Each class session will start with **the discussion of the academic paper** by the responsible study group.

Important: It is mandatory that you **come prepared** to both your preparation meeting and the following teaching session. You need to carefully read each case study and prepare the assignment questions. From our experience, **each case demands about 3-4 hours of preparation** before each class!

All classes and case study discussions will be in **English language**. Please note that the case study for the exam will be in English and that you will be required to answer in English.

3 SCREENCASTS & ACADEMIC PAPER PRESENTATIONS

Each study group will present one of the **research papers** by **recording a screencast** that will be shared with your peers. At the start of the case session assigned to each research paper, the groups will have to **briefly recap the key findings** of the paper (using 1-2 slides if necessary, max 5 min.) and then **moderate a 10 minute discussion & Q&A session** with the entire class group.

Recording the screencast is mandatory and will be graded. **All screencasts must be uploaded via the Moodle course room by November 26th, 23:59 at the very latest.**

All participants need to watch the corresponding screencasts prior to each session (according to the table below) in order to prepare for in-class discussions.

Study Groups	Research Paper	To be discussed in case session ...
A1, B1, C1, D1	Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. <i>Journal of Business Research</i> , 68(2), 341-350	Whole Foods (3 Dec)
A2, B2, C2, D2	Phillips, W., Lee, H., Ghobadian, A., O'Regan, N., & James, P. (2015). Social Innovation and Social Entrepreneurship: A Systematic Review. <i>Group & Organization Management</i> , 40(3), 428-461.	Method (10 Dec)
A3, B3, C3, D3	Bénabou, R., & Tirole, J. (2010): Individual and Corporate Social Responsibility. <i>Economica</i> , 77, 1-19.	Scotbar Mining (14 Jan)
A4, B4, C4, D4	Basu, K., & Palazzo, G. (2008): Corporate Social Responsibility. A Process Model of Sensemaking. <i>Academy of Management Review</i> , 33/1, S. 122-136.	Nuclear Energy (21 Jan)
A5, B5, C5, D5	Porter, M. E., & Kramer, M. R. (2011). Creating Shared Value: How to Reinvent Capitalism and Unleash a Wave of Innovation and Growth. <i>Harvard Business Review</i> (January–February 2011): 62-77.	HP (28 Jan)
A6, B6, C6, D6	Delmas, M. A., & Burbano, V. C. (2011). The Drivers of Greenwashing. <i>California Management Review</i> , 54(1), 64-87.	The Body Shop (4 Feb)

In Moodle, you find more information how to structure and prepare your Screencast.

4 COURSE SCHEDULE

Date	Time	Zoom (personalized details in Moodle course room)					
05. Nov. 2020	15:00 – 16:30	Kick-Off Session					
		Section I			Section II		
03. Dec. 2020	Session I (12:15h)	Group A	Case 1: Whole Foods	Piller	Group C	Case 1: Whole Foods	Madlener
	Session II (14:00h)	Group B	Case 1: Whole Foods	Piller	Group D	Case 1: Whole Foods	Madlener
10. Dec. 2020	Session I (12:15h)	Group A	Case 2: Method	Diener	Group C	Case 2: Method	Paluch
	Session II (14:00h)	Group B	Case 2: Method	Diener	Group D	Case 2: Method	Paluch
14. Jan. 2021	Session I (12:15h)	Group A	Case 3: Scotbar Mining	Piller	Group C	Case 3: Scotbar Mining	Madlener
	Session II (14:00h)	Group B	Case 3: Scotbar Mining	Piller	Group D	Case 3: Scotbar Mining	Madlener
21. Jan. 2021	Session I (12:15h)	Group B	Case 4: Nuclear Energy	Piller	Group D	Case 4: Nuclear Energy	Madlener
	Session II (14:00h)	Group A	Case 4: Nuclear Energy	Piller	Group C	Case 4: Nuclear Energy	Madlener
28. Jan. 2021	Session I (12:15h)	Group B	Case 5: HP	Diener	Group D	Case 5: HP	Paluch
	Session II (14:00h)	Group A	Case 5: HP	Diener	Group C	Case 5: HP	Paluch
04. Feb. 2021	Session I (12:15h)	Group B	Case 6: The Body Shop	Diener	Group D	Case 6: The Body Shop	Paluch
	Session II (14:00h)	Group A	Case 6: The Body Shop	Diener	Group C	Case 6: The Body Shop	Paluch
11. Feb. 2021	15:00 – 16:30	Wrap-Up Session					

5 CASE SESSIONS

A key component of this course is the discussion of the cases with the instructor and your fellow students. In the following, you will find a brief description for each case as well as the questions you will have to prepare for the group assignments. **All cases are uploaded onto the Moodle platform.**

Case 1
03. Dec. 2020

Whole Foods: Balancing Social Mission and Growth
Prof. Piller, Prof. Madlener

In 2009, Whole Foods stands at a crossroads. Their incredible growth over the past 25 years has vaulted them into the ranks of the largest US supermarkets and they have arguably led to the widespread acceptance of natural and organic foods in the United States. Yet more recently, Whole Foods has come under attack as having abandoned their prior social mission as they have increasingly sought to deliver economic growth. The case begins with their acquisition of Wild Oats, at that time their largest competitor and describes many of the mechanisms they have used to successfully integrate prior acquisitions. Furthermore, the case shows the significant tension between their social mission and their far-flung supply chain, while discussing some of the tradeoffs that exist in the development of the 'industrial organic' model. Finally, the case also allows for students to assess CEO John Mackey's new model of 'conscious capitalism.' Is Mackey's idea a workable model, or just an excuse for Whole Foods extensive growth while avoiding progressive practices such as a unionized workforce?

Pre-Assignment Questions (these questions should be discussed in the written group paper of your group to be handed-in before class):*

1. *In what ways do you think that Whole Foods has created value for society? And how have their efforts to create social value led to business results?*
2. ** How has Whole Foods grown while also trying to stay true to its social mission? I.e. what organizational strategies, processes and procedures have enabled them to balance these seemingly conflicting goals?*
3. ** What is your assessment of Mackey's new model of "conscious capitalism"?*
4. *What changes, if any, should Mackey make to Whole Foods' strategy going forward?*

Case 2
10. Dec. 2020

Method: Entrepreneurial Innovation, Health, Environment, and Sustainable Business Design
Prof. Paluch, Dr. Diener

With Method standing at number seven on Inc. magazine's list of the 500 fastest-growing companies in 2006, cofounder Adam Lowry is searching for a biodegradable cleaning cloth to expand Method's line of "green" household products. Sustainable design principles have been a guiding force in Method's strategy and being bio-friendly is critical. So is sourcing in the United States. But only China can manufacture the corn-based cloth Lowry has in mind, and there is no way to certify that the product is free of genetically modified organisms. In the case we will explore the dilemma of Lowry who has to balance his firm's fundamental commitment to environmental sustainability against the fact that some retailers refuse to carry products containing GMOs.

Pre-Assignment Questions (these questions should be discussed in the written mini paper of your group to be handed-in before class):*

1. *Visit the company Web site at <http://www.methodhome.com>, read and take notes about the products, the company philosophy, and the entrepreneurs themselves.*
2. ** What do you think the buyer of Method products is purchasing?*
3. ** Which dilemma is Adam Lowry facing, and what would be a decision strategy to find a solution from this dilemma?*

Case 3
14. Jan. 2021

Scotbar Mining
Prof. Piller, Prof. Madlener

Scotbar Ltd. from Queensland, Australia, developed a process to convert sandstone to sand, a technique that large multinational mining companies failed to perfect. The stakes could not have been higher, with global environmental disaster looming and the world quickly depleting its re-serves of construction sand, severely affecting coastal communities, and destroying marine eco-systems in the process. Today, Scotbar appeared to have a process to produce construction sand, although more expensive than natural sand. Scotbar decided not to patent its process in hopes that more companies would adopt it. But was this really the right approach to sustainability through innovation?

Pre-Assignment Questions (these questions should be discussed in the written mini paper of your group to be handed-in before class):*

1. *How much influence can Scotbar have on sustainable mining practices?*
2. ** Considering the idea of the triple bottom line, how is Scotbar different from other mining companies?*
3. ** What role does intellectual property play in sustainable business practices? Discuss the potential benefits and harms that copyrights and patents can have on sustainability and evaluate Scotbar's decision not to patent its process.*

Case 4
21. Jan. 2021

Nuclear Energy: An Answer to Climate Change?
Prof. Piller, Prof. Madlener

Environmental activist groups have traditionally opposed nuclear energy. However, the growing environmental problems associated with global climate change requires major changes to reduce the carbon intensity of electricity generation. Should environmental groups reverse course and support the construction of new nuclear plants--using technology that could be rapidly deployed at scale--to reduce greenhouse gas emissions that are causing global climate change?

This controversy case study will guide a discussion about the positions and incentives of various actors that are promoting or opposing a technology, and allows us to assess how an organization can identify, develop and implement a strategy to attract potential partners. We will also elaborate together how technologies come to be adopted and abandoned, and the role of social perceptions and social movements in that process.

Pre-Assignment Questions (these questions should be discussed in the written mini paper of your group to be handed-in before class):*

1. ** Should the CASEnergy Coalition target a leading environmental NGO to encourage it to promote nuclear power?*
2. ** Presuming it decides to do so, which organization(s) should the Coalition target? How should CASEnergy convince the organization(s) to agree?*

Case 5
28. Jan. 2021

HP Imprinting the Global Health Sector
Prof. Paluch, Dr. Diener

Hewlett-Packard (HP) had a long history of engaging in corporate citizenship, dating back to its founding. By 2009, however, under the leadership of its latest CEO, Mark Hurd, the company had lost its focus on corporate social responsibility (CSR). Hurd instead focused on undertaking a financial turnaround and overcoming other reputational challenges; he viewed CSR and philanthropic efforts as costs rather than as strategic levers.

The HP case focuses on a strategic transformation from traditional, cost-center CSR to business-aligned social innovation. It outlines the details of the board's approval of the new strategy, and then discusses how HP employees worked to reorganize their CSR activity. The new team, the Office of Global Social Innovation (OGSI), had to devise a pilot project to demonstrate the new approach. The project under consideration was

an engagement that would improve the early infant diagnosis process for testing infants for HIV in Kenya-an area virtually unknown to HP.

Pre-Assignment Questions (these questions should be discussed in the written mini paper of your group to be handed-in before class):*

1. *Put yourself in Paul Ellingstad's shoes. Think about the presentation that you would give to HP management to convince them that this project fits with the company's new approach to CSR.*
2. ** How does this new approach of social innovation create new opportunities for the business? How can you tie the outcomes back to the objective of the business?*
3. ** How was HP's approach to social innovation different from what it was doing before?*
4. *Consider what you know about CSR, do you think the social innovation work is significantly different? How would you review HP's partnership work with Volans, CHAI, and Kenyan Ministry of Health? How else might HP's team approach this project?*

Case 6
04. Feb. 2021

The Body Shop: Social Responsibility or Sustained Greenwashing?
Prof. Paluch, Dr. Diener

This case is about the issue of sustainability rhetoric and greenwashing. In March 2006, The Body Shop International Plc, a retailer of natural-based and ethically-sourced beauty products, announced that it had agreed to an acquisition by the beauty care giant L'Oreal SA in a cash deal worth £652 million (US\$1.14 billion). The announcement brought in its wake a spate of criticism against Body Shop and its founder, Dame Anita Roddick. This case discusses the reactions of consumers, activists, and corporate social responsibility (CSR) experts to the acquisition of Body Shop by L'Oreal. The acquisition throws up questions such as: Is Body Shop guilty of greenwashing? Does it have the influence to extend its values to L'Oreal. The case also looks into the issue of whether L'Oreal was trying to improve its own image and to buy CSR through this deal.

Pre-Assignment Questions (these questions should be discussed in the written mini paper of your group to be handed-in before class):*

1. ** The Oxford English Dictionary defines greenwashing as "disinformation disseminated by an organization so as to present an environmentally responsible public image." Do you believe that The Body Shop was guilty of greenwashing, under the leadership of Dame Anita Roddick? Justify.*
2. *The Body Shop was considered a pioneer in modern corporate social responsibility. Can its sale to L'Oréal be considered a sellout of its values and principles or is it an attempt "to spread human values wider in business"? Or has it just found a strategic partner to help its products reach a larger market?*
3. ** Discuss the importance of CSR and brand values as factors that need to be considered during mergers and acquisitions vis-à-vis financial parameters. Some critics opine that many multinationals are keen to acquire an ethical company as they hope that it may influence how they themselves are perceived. Do you agree with the critics that L'Oréal was trying to buy CSR through its acquisition of The Body Shop? Discuss.*

6 COURSE GRADING

Modus of examination: **(C)**

1. **Colloquium:** Quality of contributing to classroom discussions (case studies) (50%, graded)
2. **Examination:** written exam (50%, graded, 60min.)

A maximum of 60 points can be obtained in each of the two elements, which will be used to calculate your partial grades. The final course grade is computed as the weighted average of your partial grades. **You need to achieve a passing grade in both elements in order to pass the course!**

More details on the grading process will be given in the kick-off session.

1. Colloquium: Quality of contributing to classroom discussions (case studies)

Each small study group will have to present one research paper (according to the group assignment in this document) by recording a screencast that will be shared with your peers via the Moodle course room. Additionally, you will have to **briefly recap your key findings** at the start of the case session assigned to your research paper and **moderate a short Q&A session** to warm up your peers for the in-class discussions.

Furthermore, each small study group will have to **prepare written answers to the pre-assignment questions** (marked * in this syllabus) for each of the six cases in form of a brief mini paper. Each paper should comprise a **maximum of two pages (A4, Times 12, 1.5 line spacing)**, and must be handed in as a group via the Moodle course room **before 12 noon** on the day of the respective lecture session.

The screencast and the six case study group assignments will be graded. The cumulative grade will comprise 50% of the final grade.

You will be evaluated as a team – so act as a team: everyone should give their best! Hence: Come prepared and use the small group sessions for getting a start on the case and polishing your arguments! This course offers a great chance to learn how to overcome uncomfortableness in situations of defending one's own opinion as well as precisely argue own point of views. Do not miss the opportunity to build up or improve your own argumentation skills.

We highly encourage all students to actively participate in the class sessions. To facilitate an interactive discussion, we recommend turning on your camera during our sessions and, when speaking, unmuting your microphone. However, there is **no obligation or a penalty for not showing up or disabling your video** (and you also do *not* need to send an email when you cannot participate!). However, given that the exam will be based on the discussions during the class sessions (case studies and papers), **you should not miss too many sessions**. This would also be non-sustainable behaviour as you would freeride on your peers' contributions.

2. Examination: Written exam

Grading is based on a final exam (50% of final grade) and the contributions to the case study discussions in each session (50%). Class contributions are evaluated as a group grade, the exam as an individual performance.

Note: The following information is not final, but depends on the Corona situation and the rules and regulations by the RWTH Corona task force on examinations after the winter term 2020/2021.

Currently, we plan for a written exam conducted in person and physically in Aachen in one of RWTH's computer examination pools (ZuseLab etc.).

The final exam will be based on a new **case study**, which **you will receive 24 hours before the exam start. Read the case carefully before the exam starts!!** You are also advised to bring a **printed copy of your case** with **highlighted / underlined text – but no verbal or graphical comments are allowed!**

The exam questions, which you will get when the exam starts, will reflect the topics that were covered in the course and will refer to **both the exam case and the six case studies** discussed in class. In addition, the **six research papers** discussed in the sessions are part of the **relevant exam content**.

You will have **60 minutes** to answer all the questions. A maximum of 60 points can be obtained. A minimum of 30 points will be required to pass the exam. The case study as well as the questions will be formulated in English and you will also need to answer the questions in English. More details on the exam and the procedure will be provided in the introduction session.

Exam dates will follow via Moodle and RWTH Online.

We hope you will enjoy the course and look forward to working with you!