# uc3m Universidad Carlos III de Madrid

## Ethics and social corporate responsibility

Academic Year: (2019 / 2020) Review date: 04-05-2020

Department assigned to the subject:

Coordinating teacher: DESENDER , KURT ACHIEL

Type: Electives ECTS Credits: 2.0

Year: 1 Semester: 2

## REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Introduction to Business

#### **OBJECTIVES**

The course ETHICS & CORPORATE SOCIAL RESPONSIBILITY (CSR) presents an overview of central concepts in business ethics and corporate social responsibility. It examines the responsibilities of corporations and executives to all its stakeholders, and provides an introduction to how social and environmental problems are incorporated into corporate strategy.

The course will begin by reviewing recent corporate scandals like those of Enron, Arthur Andersen, and Xerox. The course will address the shift toward new governance where value creation does not obey exclusively to the classic bottom line criteria but to the triple bottom line i.e. firms need to take into consideration social and environmental criteria to create value as well.

In that sense, the collaboration or the confrontation with the stakeholders acquires a new strategic dimension for which new tools are required. Until recently, CSR was much more defensive in order to prevent any stakeholder offense. Nevertheless, success stories such as Ben and Jerry's, Starbucks or the Bodyshop paved the way to much more offensive ideas to create value.

The course will cover several examples of how different corporations reacted to crisis situations, which could damage their medium-long term performance.

Finally, the class participants will learn about shared value and how companies like Nestlé have included this model in their corporate strategy.

#### **DESCRIPTION OF CONTENTS: PROGRAMME**

Class 1: From the bottom line to the triple bottom line:

Definition and evolution of the Concept of CSR, stakeholders, CSR Report.

Exercises: No readings, review of corporate scandals

Class 2: The internal impact of CSR ¿ Employee Engagement

Cases/Exercises: Case: Mirvis, P., (2012), Employee Engagement and CSR: Transactional, Relational, and Developmental Approaches, HBR # CMR517-PDF-ENG

Class 3: Defining stakeholder scope geographically and beyond ¿ Validating the value chain

Cases/Exercises: Case: Lee, S., Mol, M., and Mellahi, K., (2016) Apple and Its Suppliers: Corporate Social Responsibility, HBR # W16147-PDF-ENG

Class 4: CSR, sustainability and corporate strategy. Embedding CSR in management and organization while considering challenges and opportunities in emerging economies (Bottom of Pyramid)

Cases/Exercises: Case: Gupta, A., Joseph, A., (2012) MSPL Limited: CSR and Sustainability in Mining, HBR # W12037-PDF-ENG

## Class 5: From Sustainability to Shared Value

Cases/Exercises: Case: Oh, W., Park, S., (2014) Amway Korea: Creating Shared Value, HBR # W14549-PDF-ENG

Presentations during Class 5

#### LEARNING ACTIVITIES AND METHODOLOGY

#### Case Analysis

ETHICS & CORPORATE SOCIAL RESPONSIBILITY (CSR) are best learned through practice. The business cases we will study concern real-world business situations. These cases are designed to provide you with data on real-life managerial problems, and case analysis is useful as a simulation of actual managerial activity. Everyone is expected to participate effectively in each class to comment, question, and analyse.

### **Group Work**

Discussing cases and preparing analyses outside class helps deepen your knowledge about the course ETHICS & CORPORATE SOCIAL RESPONSIBILITY (CSR). Group work will be essential for the major group project.

#### Exam

There will be an in-class (closed-book) final exam. This exam will test both your mastery of the concepts and your ability to apply them.

## Individual Participation

Active participation in the class is an essential part of the learning experience. You are expected to contribute both to the case discussion and to discussion during the lecture sessions.

#### ASSESSMENT SYSTEM

25% Active participation at class

25% Exam

50% Oral communication - Presentation of Case Study

% end-of-term-examination: 25

% of continuous assessment (assigments, laboratory, practicals...):

### **BASIC BIBLIOGRAPHY**

- Bassi, L., Frauenheim, E, and McMurrer, D Good Company: Business Success in the Worthiness Era, Berett-Koehler Publishers, Inc. 2011
- Beer, M., Norrgren, F., and Coauthors Higher Ambition: How Great Leaders Create Economic and Social Value, Harvard Business Review Press, 2011
- Lensen & Smith Corporate Responsibility mainstreaming, Wiley.
- Prahalad Fortune at the Bottom of the Pyramid, Wharton School Publishing, 2004