

THE BUSINESS OF SUSTAINABILITY AND SOCIAL RESPONSIBILITY

BAET 40540

Spring 2013

Class times: Mondays and Wednesday 1:30pm – 2:45pm
Classroom: 106 O'Shaughnessy
Instructor: Ante Glavas
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Office hours: by appointment
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Required Course Materials

You are required to purchase an individual license for the Design Thinker simulation. Please bring cash or check (made out to the University of Notre Dame) for \$35 to class on January 30th or earlier. The company running the simulation will not allow you to participate otherwise. Lack of participation will automatically reduce your overall grade by 15 points.

To save paper and also money, no Coursepack is required for this class. However, you are required to read two chapters from each of the following two books. All are available through Amazon and other providers. The bookstore may not have these books so it is advisable to plan ahead of time. Note that page numbers might vary in different editions.

Esty, D. C., & Winston, A. S. (2006). *Eco-Advantage Strategy*. In *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage*. New Haven: Yale University Press.

- Chapter 1: Eco-Advantage. pp. 7-30. (note page numbers may vary by edition)
- Chapter 12: Eco-Advantage Strategy. pp. 283-305.

McDonough, W., & Braungart, M. (2002). *Cradle To Cradle: Remaking the Way We Make Things*. North Point Press.

- Chapter 4: Waste Equals Food. In *Cradle To Cradle: Remaking the Way We Make Things*. pp. 92-117. (note page numbers may vary by edition)
- Chapter 6: Putting Eco-Effectiveness Into Practice. pp. 157-186.

Recommended reading (not required):

- Benyus, J. (1998). *Biomimicry: Innovation Inspired by Nature*. (Note the book has been reissued a few times but they are mostly the same)
- Landrum, N. E., & Edwards, S. (2009). *Sustainable Business: An Executive's Primer*. New York: Business Expert Press.
- Laszlo, C., & Zhexembayeva, N. (2011). *Embedded Sustainability: The Next Big Competitive Advantage*. Stanford Business Books.

Other course documents mentioned in the syllabus are available on Sakai. Please see the Weekly Schedule at the end of the syllabus for details on which readings are due when.

Course Information

The main goal of the course is to explore how you can create extraordinary business value through ethical leadership. Furthermore, ethics – specifically helping society and the environment – can be a way that you can live out your personal values while also doing good business. The primary topics explored in this course will be those related to (a) how human behavior (motivation, creativity, relationships) of key stakeholders is positively influenced when working for/with a sustainable enterprise and (b) how you can become a leader that uses sustainable enterprise strategies to create business value.

The course will be structured such that more than half of the time will be experiential. The intent of all class content is to optimize your learning.

Thank you to the Gray Family and the Center for Social Concerns whose support made the development of this course possible.

Course Objectives

The objectives of the course are as follows:

- To give you a brief overview of all the major sustainability topics important to business leaders. The course is too short to provide in-depth overview, but you will have enough of a glimpse to at least get a sense of what the “hot topics” are in the business world and how these topics might be used to create business advantage.
- Learning how to see business opportunities through a sustainability lens.
- You will receive information regarding where to look for more information on sustainability tools, trends, organizations, literature, and websites.

Definition of Sustainability and Corporate Social Responsibility

There are many terms used to denote the field of business & society such as ethics, sustainable enterprise, sustainability, green, social responsibility, corporate citizenship, sustainable development, and countless others. For purposes of this class, the word “sustainability” will be used whenever referring to the general topic area of the course, only because it is the one being used frequently in the business world (and it’s much shorter to use than the full title of the course). Because sustainability has so many different connotations, the way it will be used in the class will be based on the following key elements:

- Sustainability is focused on both ecological *and* societal issues. Too often, the general media tends to focus only on ecological issues. The two go hand in hand and it can even be argued that at the root of every environmental issue is a societal issue.
- It is about good business. We are in a business school learning how to create effective organizations. Therefore, the focus will be on mutual benefit – for the planet/society *and* for the business. This is not about philanthropy for the sake of it; but at the same time, it is about doing business that is aligned with personal and stakeholder values.

Course Methodology

The class will be divided into the following elements:

- *Lectures* – providing an overview of current trends, frameworks, and gaps (lectures will be less than 25% of the overall class)
- *Experiential learning* – there are four experiential assignments designed to foster your learning
- *Participative sessions* – numerous sessions will either be in simulations, group exercises, or other participative forms such as
 - *Design Thinker simulation*: designed by IDEO and ExperiencePoint, the simulation uses “design-thinking” to develop the recycling plan for a city. The concepts are ones that can be applied in your future work on sustainability.
 - *C-Roads simulation*: designed by MIT for world leaders, this simulation uses hard science to model the impact that leaders have on the environment. The simulation is one of the best ways to learn about climate issues, which can be quite complex.
- *Sustainability Bazaar*: throughout the entire class, students will share sustainability news, knowledge, materials, and stories with each other (note: this is voluntary and just e-mail the instructor if you want to present briefly and informally in any class).
- *Guest speakers*

Attendance

All classes are mandatory. The classes are designed to contribute to a whole, so missing any one class will set you back. If you need to miss class, please follow standard school policy.

Course Assumptions

Four base assumptions are employed in structuring this course:

- The knowledge and interests of students in the topic will vary greatly.
- Students have different preferred learning styles. Therefore the course will be a mix of lectures, readings, discussion, exercises, reflection, and experiential learning.
- It is impossible to cover everything in the field of sustainability so this course is more of a “learning how to learn” about sustainability. By the end of the class, you should be able to have a new lens in which you will be able to see business in a completely different light. As Andy Ruben, the spear-head behind Wal-Mart’s sustainability efforts has said, “sustainability is like a lens that once you put on, you begin seeing business and the world completely differently, and great business opportunities through sustainability just keep popping up everywhere”.
- Leadership for sustainability is no different than good leadership. Therefore the course will not focus on basic leadership theory (there are other courses that teach leadership theory), but rather on how a good leader can use sustainability to their advantage.

Grading

Your grade will consist of a total possible 100 points. The below list represents the maximum amount of points possible for each assignment.

A.	Executive Briefing (individual project)	5
B.	Case studies (individual project)	10
C.	Interviews (individual project)	10
D.	Peer co-teaching (individual project)	10
E.	Exams	20
F.	Case Project (group project)	30
G.	Participation	15

Notes:

1. The grade for late work will be reduced by 10% for each day that it is late.
2. Assignments should be handed in on double-sided and preferably recycled paper. The final Case Project should be both handed in and e-mailed to aglavas@nd.edu
3. **There is no extra credit.** It is expected that your effort is continuous.

There is a grade curve applied with the class average being below 3.4. Therefore, each assignment will be graded on points (e.g., if the assignment is worth 10%, then the total max points on the assignment is 10). At the end of the semester, points will be added up and a grading curve created.

- A. Executive Briefing (due 1/30): You are to create a one page, single-spaced briefing for the CEO of your organization (or if you want to choose an alternative organization, please discuss with the instructor). This can be an organization that you recently worked for or one where you hope to work. Alternatively, you can pick any organization that you prefer. Just briefly in one sentence provide basic details about the company (e.g., size, industry, geographic).

In the briefing, you are to

1. Provide a summary of the most current sustainability trends as they relate to the organization.
 2. Give recommendations for potential sustainability opportunities to further explore. Remember what we discussed in class (e.g., that issues are integrated into the company, build on core competencies, etc.). Put yourself in the position of the CEO, remember that they are very busy, focused on creating business value, and that anything you propose should not be seen as “additional work” but rather be seen by the CEO as helping them.
 3. Optional – you can add in any other points you think are important/relevant.
- B. Case studies (due 2/20): You are to find two stories of businesses that were able to create business value while also positively impacting environment/society. For these two stories, you are to write a one-page profile (single space) using the Case Study template found on Sakai.
- C. Interviews (due 3/27): Interview one business leader from a different company (not one of the two for your cases). To assist you in the interview, you can use the Interview Guide and Interview Tips documents found on Sakai to provide ideas for your interview. These are meant as recommendations and do not have to be followed exactly.

- D. Peer Co-teaching (due 4/10): Pick one topic that you want to learn more about. Then there are two parts to this assignment: (1) paper and (2) presentation in class. (1) For the paper, you are to prepare a two page, single-spaced report which will be broken up into (i) half page explanation of your topic area, (ii) half page of short examples of how business is benefiting from your topic area, (iii) half page of resources for further learning such as literature and websites, and (iv) half page free form for you to write whatever you feel could be useful for your peers. These reports will be posted on Sakai and will serve as resources for your peers who would like to learn more about the topic area. (2) You will also be graded by peers on the contribution of your presentation to their learning. For the presentation, you are to prepare a presentation that is less than 5 minutes (method of presentation is completely up to each person). You will be presenting to your peers in randomly assigned small groups. You can present from your laptop or print the presentation and hand out. You are to keep the presentation to a maximum of five slides.
- E. Exams (3/4, 5/1): The quiz will cover all of the material in class with an emphasis on the readings. The quiz will consist of multiple choice and short open-ended questions. Make-up quizzes are contingent on prior approval by the instructor or a written medical excuse.
- F. Case project (e-mailed by 4/28 by 5pm; written copy due in class on 4/29): The intent of the project is for you to provide solutions to current, real-time situations. The final deliverable should include (1) a report in which you analyze and recommend solutions and (2) a presentation. Detailed instructions can be found on Sakai in the document titled Project Description The State. Please note that groups of 6 will be formed. You have the opportunity to submit to the Instructor by 1/28 who will be in your group. Anyone who is not in a group will be randomly assigned to either an existing group or new group. Existing groups will receive new members if they have less than 5 members (please do not resist new members unless you have a very legitimate reason). The specific focus of your group project will be explained in class. Also you need to submit a one-page update report on what your group has done and your plan going forward on February 27th and April 8th. Please keep in mind that all members of your group need to visit The State before February 11th. Details of visit will be given in class.
- G. Class participation: Due to the interactive nature of the course, the quality of discussion depends on student participation and in some cases preparation. But quality is more important than quantity (e.g., talking for the sake of talking is not rewarded). For example, for classes in the past, the participation grades have been (but note that this changes from class to class depending on how active the class is) such that it has been extremely difficult to get a maximum of 15 points, if someone participates fairly actively in comparison to others (and attends class all the time) should get at least 10 points, while those that are quiet and miss classes might get lower than 5 points. Attendance also factors into participation. However, just showing up while not participating will not lead to a high participation grade. Please keep in mind that participation does not mean just speaking out loud in class, but also your participation in exercises done in small groups in class. Finally, your participation in group work (not just the project but also preparation for class such as debates) will be evaluated by your peers and could potentially hurt your class participation grade.

Sustainability Bazaar (optional – for bonus points): There are two “truths” to sustainability: (1) it is such a broad topic that covers all disciplines and impossible to cover in a course and (2) the collective knowledge of the class is much greater than that of the instructor. Therefore, throughout

the class, students will share material, knowledge, stories, and anything else they think could be interesting for their peers. Presentations need to be less than 5 minutes. This assignment is optional for which you can receive an additional 1 bonus point added to your overall grade. You may voluntarily sign up at any point.

Note: grades may be adjusted due to attendance (e.g., missing classes), participation (e.g., not participating fully in team assignments), and quality/quantity of contribution to class discussions.

Academic Integrity

All students in this course are expected to adhere to university standards of academic integrity. Please remember that you have pledged to uphold the Academic Code of Honor, a copy of which can be found at <http://honorcode.nd.edu/docs/handbook.htm>. This Code of Honor contains the following pledge: “As a member of the Notre Dame community, I will not participate in or tolerate academic dishonesty”. Cheating, plagiarism and other forms of academic dishonesty will not be tolerated in this course. This includes, but is not limited to, consulting with another person during an exam/quiz, turning in written work that was prepared by someone other than you, and making minor modifications to the work of someone else and turning it in as your own. Ignorance will not be permitted as an excuse. If you are not sure whether something you plan to submit would be considered either cheating or plagiarism, it is your responsibility to get clarification. Either ask me about it or consult credible sources of information on the subject. One useful Internet site is <http://www.indiana.edu/~wts/pamphlets/plagiarism.shtml>.

Concepts covered

The following sustainability concepts will be covered:

- Company examples
- How to integrate into company strategy
- Design thinking
- Understanding the science of climate change
- Energy
- Basics of carbon footprinting
- Biomimicry
- Base of the Pyramid
- Integrating sustainability into the value chain
- Green building
- Job crafting (building sustainability into your future business roles)
- Tools – Appreciative Inquiry and design tools
- Employee engagement
- Systems thinking

Note:

- we will not be able to cover the above concepts in great depth but you will be given suggestions for readings and material to further your understanding for topics presented in class
- topics related to other courses that are currently being offered at Notre Dame will be covered as little as possible in this class (e.g., marketing, accounting, reporting)

Weekly Schedule

Please note that class content may change and prep for class (i.e., readings). Often guest speakers or other opportunities come up which causes a shift in the schedule. But what will not change is the overall workload. **Also, all assignment due dates listed below are final.**

Wednesday, January 16	Intro to class
Monday, January 21	“CSR/Sustainability Boot Camp” <u>Read:</u> What We Know and Don’t Know about CSR, 932-936 (middle of the page), from 936-948 (middle) read just the summaries for all 3 sections and browse the tables, 948-954, then for pages 954-960 skim but pay attention to the argument for micro-level research
Wednesday, January 23	Guest speaker: Bill Marquard, Director, Deloitte Consulting <u>Read:</u> Finding the AND
Monday, January 28	Group project instructions: Guest speaker, Drew Elegante, General Manager, The State <u>Read:</u> Project Description The State (on Sakai) Due: Group composition
Wednesday, January 30	Group Project Work Due: Executive Briefing Bring payment for Design Thinker (\$35 cash or check to UND)
Monday, February 4	Business Case – Macro <u>Read:</u> (1) The Business Case for CSR and (2) Green to Gold, chapters 1 (Eco-Advantage) and 12 (Eco-Advantage Strategy)
Wednesday, February 6	Walmart case

- Read: Readings given in class on 1/30
- Monday, February 11 Design Thinker simulation
- Prep: Each group needs at least one laptop and read (1) Design Thinker Product Sheet; (2) Design Thinker Pre-read; (3) 2008 Brown - Design Thinking
- Due: Make sure to visit State Theatre by this date.**
- Wednesday, February 13 Design Thinker simulation
- Prep: Each group needs at least one laptop and simulation homework (given in class on 2/11)
- Monday, February 18 Applied Design, Base of the Pyramid, and Biomimicry
- Read: (1) Cradle to Cradle, chapters 4 (Waster Equals Food) and 6 (Putting Eco-Effectiveness Into Practice); (2) BOP Protocol, read Introduction pp: 1-5 and skim through rest; and (3) Biomimicry Primer
- Wednesday, February 20 Debrief case studies
- Due: Case studies**
- Monday, February 25 Whole systems change: using Appreciative Inquiry to create sustainable value
- Read: (1) Practice of Appreciative Inquiry; (2) Building a Green City on a Blue Lake
- Wednesday, February 27 **Visit to Geddes Hall (LEED Gold certified) – meet in McNeill Library on 1st floor. Please bring to class your coats and appropriate clothing for walking outside.**
- Due: One page project progress report**
- Friday, March 1 Guest speaker: Matt Breitfelder, Managing Director, Human Resources, BlackRock
Meet in Jordan Auditorium 10:40am - 12:00pm
- Only excused absences allowed (e.g., other class or obligation that cannot be moved). E-mail instructor ahead of time for permission.*
- (optional) informal pizza lunch with Matt Breitfelder in Giovanini Commons from 1:30 – 3:00pm

Monday, March 4	Exam
Wednesday, March 6	No class – this is to make up for class previous Friday
Monday, March 18	C-Roads Climate simulation <u>Prep:</u> (1) Read Stern Review The Economics of Climate Change and (2) e-mail carbon footprint to Patrick Murphy murphy.392@nd.edu (instructions given in class on 2/25)
Wednesday, March 20	Climate Change – key issues <u>Prep:</u> readings to be assigned in class on Monday
Monday, March 25	Guest speaker: Mike Skelly, President, Clean Line Energy Partners
Wednesday, March 27	Interview debrief and time to work on group projects Due: Interviews
Wednesday, April 3	Reporting/certification <u>Prep:</u> reading assigned to groups in class on 3/27
Monday, April 8	Water <u>Prep:</u> readings to be assigned in class on 4/3 Due: One page project progress report
Wednesday, April 10	Peer co-teaching session <u>Prep:</u> your peer co-teaching presentation Due: peer co-teaching written assignment
Monday, April 15	Guest Speaker – Mike Flores, Vice President Worldwide Restaurant Development, McDonalds <u>Read</u> first 12 pages of McDonald’s Annual Report (on Sakai)
Wednesday, April 17	Business Case – Micro <u>Read:</u> (1) How Does Doing Good Matter? (at a minimum read pages 1-14, skim through the rest paying special attention to the section on Implications for Practice on pp. 25-26); and (2) skim through Making Your Impact at Work

Monday, April 22	Buffer session – if we were not able to finish any of the previous topics, they might be covered in this session. Also, this session could potentially be on another topic that the class is interested in.
Wednesday, April 24	Time to work in project groups (at least half the class time)
Monday, April 29	Case Project presentations Due: Case Project Report (written copy in class; electronic version e-mailed by 5pm, 4/28)
Wednesday, May 1	Exam

Note: this schedule is subject to change at the discretion of the instructor. Any changes will be announced in class. ALL CHANGES WILL BE REFLECTED IN THE SYLLABUS ON SAKAI. If you are not in class, it is your responsibility to find out about announcements in class. This can be done by asking classmates and/or checking the most recent version of the syllabus (on Sakai).