

MASTER COURSE
DEVELOPMENT ECONOMICS
AND
INTERNATIONAL STUDIES
INTERNATIONAL BUSINESS ETHICS II (IBE II)

(SEMINAR)

WINTER TERM

I. **COURSE DESCRIPTION**

This seminar builds on the foundation laid throughout IBE I held in the summer semester. As the theoretical foundations of business ethics, CSR and sustainability have been laid, it is the purpose of IBE II to address the practical implementation of these concepts.

Despite the fact that CSR and sustainability are given increasing attention in all realms of society, many for-profit and non-profit-organizations have not succeeded in implementing sustainability and CSR on a strategic level. Instead, their efforts remain cosmetic or “window-dressing”, as Milton Friedman called it, and thus do not contribute a significant value to the organization and society. In these cases, CSR and sustainability usually do not reach the core business and remain outside of the value chain.

It is the purpose of this module to convey how a strategic CSR and sustainability concept can be developed and implemented in an organization. To support this aim, we will do “real life” case studies, meaning cases of firms from different continents that have successfully or unsuccessfully tried to approach CSR strategically.

II. **PRELIMINARY READING (Note: All texts and cases will be provided on studon after our introductory session!)**

In addition to the cases mentioned below, please read the following texts, which will be provided in studon.

- Porter, M.E. and Kramer, M.R. 2006. “Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility.”
- Cetinkaya, B. 2011. “Developing a Sustainable Supply Chain Strategy”. Sustainable Supply Chain Management
- Galbreath, J. (2008). “Building corporate social responsibility into strategy”. European Business Review.
- Fifka, M. and Loza Adauí, C. (2015). “Managing Stakeholders for the Sake of Business and Society”. New Perspectives on Corporate Social Responsibility

III. REQUIREMENTS

The final grade consists of case study work (40 %) and a seminar paper (60 %). Moreover, students also have to show an 80 % rate of attendance.

Case Study Work: In our seminar, we will form four groups, thus the number of students per group depends on class size.

Each group is to work on three cases (the cases are the same for all groups), in advance and then present its answers and suggestions in class. The time for the presentation of EACH case is 15 to 25 minutes, which implies that each group has to prepare three presentations of 15 to 20 min each. All group members are to present for each case.

The Cases:

1. PMI'S VISION OF A SMOKE-FREE FUTURE: CAN A TOBACCO COMPANY BE SUSTAINABLE?

The case covers PMI's move away from traditional tobacco products on to more healthy alternatives. In this transformation, many stakeholders have voiced opinions and lobbied for or against the consideration of smoke free tobacco and similar products as healthy alternatives.

You are to represent one of these stakeholders and make your case in a hearing! Prepare your position and your arguments and present them to PMI and the other stakeholders. The four groups are (we will distribute who is going to assume the role of which group in our preparatory meeting):

1. The Union - Tobacco Control
2. The Center for Consumer Freedom
3. The United States Food and Drug Administration
4. The Vanguard Group

2. REEL GARDENING: PURSUING A SOCIAL MISSION THROUGH MARKET MECHANISMS

The case is about a social enterprise in South Africa that seeks to provide nutritious and sustainable food for low-income households and school children not only in South Africa but also all over the world. Over the course of time, the company is struggling with a dilemma many social enterprises run into: maintaining financial stability and being true to the original mission.

In your presentation, you should address the following issues:

- What business model(s) should Reel Gardening adopt to achieve its dual mission of social contribution and profitability?
- Should Reel Gardening pursue growth through market or product expansion? What would be the critical resources for each of these two growth options?
- What governance and control mechanisms should Reid implement to ensure sustainable growth while pursuing the company's social mission through market mechanisms?
- Considering its innovative yet uncomplicated products and the import restrictions of plant seeds in many countries, how could Reel Gardening prevent imitation and successfully expand globally in the long term?

3. HUAWEI: STRUGGLING TO DEVELOP A MORE SUSTAINABLE SUPPLY NETWORK

The case is about Huawei's efforts to engage suppliers in China into more CSR and sustainability, but many of the efforts to establish a more sustainable supply chain were unsuccessful.

In your presentation, you should address the following questions:

- Why are Huawei's initiatives failing to develop a more sustainable supply network?
- What characteristics of Huawei's supply network could hamper the diffusion of sustainability among suppliers? How?
- Building on the preceding analysis, what other initiatives could Huawei undertake to engage more Chinese suppliers on sustainability?

Seminar Paper: You can freely choose a topic on an aspect of CSR/sustainability/business ethics management, **but the paper cannot be on one of the companies we covered in class!** One possibility is the **development of a CSR strategy**: Each student should select one company – preferably you select the company you work for or have worked for – and **develop a CSR strategy for that company following the steps of the model we will use**. If the company has already become involved with CSR, you should consider that when developing your strategy. Analyze what the company is currently doing with regard to CSR. In other words, what is each firm doing *well* with regard to its CSR activities? What is each firm doing *poorly*? **Is it strategic what the company is doing?**

There are many sources you can use:

- The experiences you have made in the company.
- Use and analyze the firm's homepage and reports and other first-hand materials
- In addition to published materials by your focal firm, utilize sources in the business press, business journals and of competitors to build a composite picture of the social and environmental performance of your firm.

Final Paper Deliverable:

- Your paper shall be of a length of in between 4.000 and 5.000 words, including appendices and bibliography.
- **The date for handing in the seminar paper is March 18, 2024.**
- Please apply the formal instruction guide for the preparation of seminar papers, Bachelor theses or Master theses at the Institut für Wirtschaftswissenschaft, which is available online.

IV. GENERAL NOTES

A seminar is a form of interactive knowledge generation which draws on the knowledge of the participants on the one hand and their participation in the discourse on the other. It is expected of you that you engage in discussion and field questions to your classmates that are presenting.

The slides are available for download on studon. **The password is: ibe2**