



Seminar 496
Seminar in Corporate Social Responsibility

Spring Term 2012

Course Objective

The course assesses the landscape of Corporate Social Responsibility (CSR) in theory and practice. It introduces the major themes and players that currently drive the agenda. The aim of the class is to bridge theory and practice of CSR by highlighting the implementation challenges of CSR. These challenges are closely linked to the perceived legitimacy of corporate activities.

The course sensitizes students for ethically critical issues and highlights aspects of responsibility on the organizational level and the individual level. The students will develop and present relevant topics of this field and will learn more about ongoing research projects at the Chair of Foundations of Business Administration and Theories of the Firm.

The class sessions will be interactive, with emphasis on discussion. Students will be expected to read the texts that are listed on this syllabus, write their papers, and prepare a presentation.

Administrative Details

Time: Tuesdays from 8:00h to 12:00h.

Location: Seminarraum UNK-E-2, Universitätsstr. 84, 8006 Zürich
(Tram-Station Winkelriedstr., Line 9 & 10).

In the first session the course outline will be presented and students have to sign up for a topic. In order to get credit for the course, students have to write a seminar paper, present their findings to the class, and participate in the seminar meetings. The participants are limited to 24 students.

The deadline for the module-booking of this course is March 16, 2012. The successful completion of the seminar accounts for 3 ECTS-Points, which can be credited to MA: BWL 5. The students will be provided with a course book including the reading material at the beginning of the course. **The deadline for handing in the seminar papers is June 10, 2012.**

Questions concerning the seminar can be directed to Christian Vögtlin;
email: christian.voegtlin@uzh.ch



Introductory Literature on How to Write Scientific Papers (in German):

Bänsch, A. 2003. *Wissenschaftliches Arbeiten: Seminar- und Diplomarbeiten*, 8. Auflage, München: Oldenbourg.

Sachs, S. & Hauser, A. 2002. *Das ABC der betriebswirtschaftlichen Forschung: Anleitung zum wissenschaftlichen Arbeiten*, Zürich: Versus.

Theisen, R. 2002. *Wissenschaftliches Arbeiten: Technik-Methodik-Form*, 11. Auflage, München: Vahlen.

For further guidelines on how to write scientific papers, please refer to: <http://www.business.uzh.ch/professorships/as/teaching/themenliste.html>

Handbooks Related to the Seminar Topics:

Brenkert, G.G. & Beauchamp, T.L. 2010. *The Oxford handbook of business ethics*. 1. Auflage. Oxford, New York: Oxford University Press.

Crane, A., McWilliams, A., Matten, D., Moon, J. & Siegel, D.S. 2008. *The Oxford handbook of corporate social responsibility*. Oxford, New York: Oxford University Press.

Doh, J.P. & Stumpf, S.A. 2005. *Handbook on responsible leadership and governance in global business*. Cheltenham: Edward Elgar.

Scherer, A.G. & Palazzo, G. 2008. *Handbook of research on global corporate citizenship*. Cheltenham: Edward Elgar.

Yukl, G. 2006. *Leadership in organizations*. 6. Auflage. New Jersey: Pearson Prentice Hall.

A Note on Plagiarism

Plagiarism is defined as the use of another person's words without quotation marks and without appropriate citation of the source. Plagiarism is theft of intellectual property, and therefore is a very serious ethical offense. It will not be tolerated in this class. Any evidence of plagiarism in a student paper will result in a failing grade for the course.

It is also inappropriate to use very long quotes from an author even if the material is properly cited and enclosed in quotation marks. Such a practice raises the possibility that the student does not really understand the material (s)he is quoting. Ideas should be expressed in the student's own words except for the occasional use of quotations from other sources to highlight or support specific points.



Course Outline:

The following research questions can guide you in preparing your presentations as well as your papers:

- (1) What is the theoretical/scientific relevance?
- (2) What is the practical relevance of the topic you analyze?
- (3) What are the challenges for multinational corporations or their employees in relation to the topic you analyze?
- (4) What are possible solutions?
- (5) What are theoretical and practical implications that can be derived from these solutions?

The texts that everybody is required to read as a preparation for each seminar session are in italics. You find them also in the reader for the seminar. The students preparing the presentations should do further literature research. As a starting point, you can use the introductory references attached to each theme.

Theme 1: Introduction into the Field of CSR: The Implications of Globalization

The seminar will start with a general introduction into the field of Corporate Social Responsibility (CSR). An emphasis will be placed on the challenges of globalization and the post-national constellation for the multinational corporation. Further, the general themes of the seminar will be introduced and the research program of the Chair of Foundations of Business Administration and Theories of the Firm in relation to issues of CSR will be presented.

References:

Beck, U. 2000. *What is globalization?* Cambridge: Polity Press.

Habermas, J. 2001. *The postnational constellation: Political essays*. Cambridge, UK: Polity Press.

Scherer, A.G. & Palazzo, G. 2008. *Globalization and corporate social responsibility*. In A. Crane, A. McWilliams, D. Matten, J. Moon & D.S. Siegel (Hrsg.), *The Oxford Handbook of Corporate Social Responsibility*. Oxford: Oxford University Press, S. 413-431.

Scherer, A.G., Palazzo, G. & Matten, D. 2009. Globalization as a challenge for business responsibilities. *Business Ethics Quarterly*, 19(3): 327-347.

Theme 2: How to Write your Seminar Paper

In the first session you will get an additional introduction on how to write your seminar paper. We will examine the structure and content of a scientific paper and highlight the important aspects you need to consider when preparing your presentation and paper.



Theme 3: Guest Lecturer: Adrian Siegrist, Dr. Ina Maria Kaufmann, sustainserv

Sustainserv is a management consultancy based in Zurich, Switzerland and Boston, Massachusetts that offers smart, structured and simple solutions to corporations of all sizes to help them integrate sustainability into their strategies, operations and communications.

Adrian Siegrist is a senior consultant at sustainserv. He has several years of international experience, working as a carbon & energy consultant managing projects. Key areas include carbon footprinting for multinational corporations, assessing opportunities for cost and carbon reductions, and providing custom built solutions/tools, particularly related to logistics activities. Adrian has wide and profound subject matter expertise and holds a Master of Science from ETH Zurich, with a major in atmospheric physics.

Ina Kaufmann is a consultant at sustainserv. She brings her broad expertise to bear on diverse sustainable strategy development projects as well as organizational reporting. She has a strong background in research and teaching at the University of Zurich and is still working on research projects connected to the implementation challenges of CSR.

Theme 4: Theoretical Foundation: Corporate Social Responsibility (CSR)

In an ongoing globalization process, organizations are faced with changing environmental conditions and growing demands of internal and external stakeholders. This in turn enhances the pressure on firms to engage in corporate social responsibility initiatives in order to address these challenges.

The expanding role of the business corporation in society is discussed in the scholarly literature under the umbrella term of corporate social responsibility. CSR is becoming a broad field within management research. Its scholarly roots can be traced back to the 1950s. Yet, it gained momentum in the 1990s and evolved into a concept that is discussed from very different theoretical perspectives and that is defined in multiple ways. The aim of this session would be, first to give an overview of the concept of CSR and its related theories and critically evaluate them in the light of the globalization challenges and current empirical developments.

References:

Carroll, A.B. 1991. The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. **Business Horizons**, 34(4): 39.

Carroll, A.B. 1999. Corporate social responsibility: Evolution of a definitional construct. **Business & Society**, 38(3): 268-295.

Garriga, E. & Melé, D. 2004. Corporate social responsibility theories: Mapping the territory. **Journal of Business Ethics**, 53: 51-71.

Waddock, S. (2008): Corporate Responsibility/Corporate Citizenship: The Development of a Construct, in: Scherer, A.G./Palazzo, G. (Eds.): **Handbook of Research on Global Corporate Citizenship**, Cheltenham, S. 25-49.



Theme 5: Theoretical Foundation: Corporate Citizenship and the Firm as a Political Actor

Globalization can be understood as the intensification of social interrelations among distant locations. This process is initiated and advanced by a number of decisive factors (e.g., political decisions on deregulation and liberalization; political upheavals; technological advancements; and socio-cultural processes). As a result, the regulatory power of nation state governance is eroding and multinational corporations begin to operate increasingly in a complex and uncertain environment with gaps in regulation and ill-defined rules of appropriate business conduct.

It can be observed that business organizations have started to change their role from one of simply following the rules to one of co-creating the rules of the economic game. They already assume social and political responsibilities that once were regarded as belonging to government (e.g., the production of public goods). As such, business firms engage in political activities or behave as political actors on a global level. These developments have implications for the role of the firm. Theoretical conceptualizations have begun to address this new, political role. The aim is to provide an overview of the challenges of globalization for the firm, as well as critically reflect on the political role organizations are assuming.

References:

- Crane, A., Matten, D. & Moon, J. 2008. The emergence of corporate citizenship: Historical development and alternative perspectives. In A.G. Scherer & G. Palazzo (Hrsg.), **Handbook of Research on Global Corporate Citizenship**. Cheltenham: Edward Elgar, S. 25-49.
- Matten, D. & Crane, A. 2005. Corporate citizenship: Toward an extended theoretical conceptualization. **Academy of Management Review**, 30(1): 166-179.
- Scherer, A.G. & Palazzo, G. 2007. Toward a political conception of corporate social responsibility: Business and society seen from a Habermasian perspective. **Academy of Management Review**, 32(4): 1096-1120.
- Scherer, A.G. & Palazzo, G. 2011. *The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy*. **Journal of Management Studies**, 48(4): 899-931.

Theme 6: The Corporation in Global Business: Aspects of Global Governance

Global governance is concerned with how to govern global activities and how to impose rules and regulations in a transnational context. Due to the globalization process, nation states lose part of their regulatory power over the multinational corporation. Yet, the capacity of nation state governance is only partly compensated by the contributions of international organizations and private or civil society actors, such as industry associations, business firms or NGOs.

In global governance, private actors and civil society actors engage with the production of public goods either with the help of governmental institutions or without their support. The



aim is to analyze the interplay between the different actors who participate in global governance and to critically reflect on the role of the multinational corporation therein. Exemplary cases to focus upon would be the UN Global Compact or questions of the global spread of human rights.

References:

- Abbott, K.W. & Snidal, D. 2010. International Regulation without International Government: Improving IO Performance through Orchestration. **Review of International Organizations**, 5(3): 315-344.
- Kobrin, S.J. 2009. Private Political Authority and Public Responsibility: Transnational Politics, Transnational Firms, and Human Rights. **Business Ethics Quarterly**, 19(3): 349-374.
- Scherer, A.G., Palazzo, G. & Baumann, D. 2006. Global rules and private actors: Toward a new role of the transnational corporation in global governance. **Business Ethics Quarterly**, 16(4): 505-532.
- Wolf, K.D. 2008. *Emerging patterns of global governance: The new interplay between the state, business and civil society*. In A.G. Scherer & G. Palazzo (Hrsg.), **Handbook of Research on Global Corporate Citizenship**. Cheltenham: Edward Elgar, S. 225-248.

Theme 7: The Corporation in Global Business: Building and Securing Organizational Legitimacy

Gaining and maintaining organizational legitimacy is one of the main challenges organizations in global business are facing. Legitimacy is crucial for an organization, as it improves its survival chances, grants better access to resources, and reduces the chances of opposition for the organizations constituencies.

In recent years, corporations have experienced a change in their public perception. Business organizations and their representatives are increasingly confronted with heterogeneous legal environments and increasing societal expectations that transcend mere economic performance through a growing concern for social and environmental issues. This in turn has increased the need for organizations to secure or (re-)build their (moral) legitimacy.

This challenge offers a starting point for the evaluation of strategies relating to legitimizing organizational conduct. The aim is therefore, to analyze the challenges of and possible reactions to gaining and maintaining organizational legitimacy in global business.

References:

- Bitektine, A. 2011. Toward a theory of social judgments of organizations: The case of legitimacy, reputation, and status. **Administrative Science Quarterly**, 36(1): 151-179.
- Palazzo, G. & Scherer, A.G. 2006. Corporate legitimacy as deliberation: A communicative framework. **Journal of Business Ethics**, 66(1): 71-88.



Scherer, A.G., Palazzo, G., and Seidl, D. 2011. **Legitimacy strategies in a globalized world: Organizing for complex and heterogeneous environments.** University of Zurich, Chair of Foundations of Business Administration and Theories of the Firm: Working Paper No. 202.

Suchman, M.C. 1995. *Managing legitimacy: Strategic and institutional approaches.* *Academy of Management Review*, 20(3): 571-610.

Theme 8: Guest Lecturer Prof. Dr. Kevin B. Lowe

Kevin B. Lowe is the Burlington Industries Research Excellence Professor at the University of North Carolina at Greensboro where he also serves as the Head of Department in Business Administration for the Bryan School of Business and Economics.

Professor Lowe's research on human resource management, leadership, and cross-cultural management has appeared in a number of diverse outlets including *The Leadership Quarterly*, *Academy of Management Journal*, *Journal of International Business Studies*, *International Journal of Human Resource Management*, *Journal of Business Ethics*.

Dr. Lowe is currently serving a three year term as an Associate Editor of *The Leadership Quarterly*, a position he twice held over the period 1998-2003.

Dr. Lowe has been actively involved with a number of organizations. His professional and research partners include ConocoPhillips, the Center for Creative Leadership, Wells Fargo Corporation, American Airlines, Delta Airlines, C. D. Earls and Associates, Cone Mills, Joe's Stone Crab, Lorillard, Motorola Corporation, Piedmont Triad Film Commission, Citibank, Premier Cruise Lines, Vencor and the World Bank-Philippines.

Theme 9: Implementing CSR: The Role of Organizational Structures

After focusing on the macro-level of the business firm in an international context, we now turn to questions on implementing CSR. This session starts with evaluating the challenges of the globalization process and an increased engagement in CSR for the intra-organizational environment. Relevant topics in relation to the role of organizational structures in implementing CSR include e.g. implications for corporate governance, standardized ethics initiatives, as well as softer means of ethical cultures in organizations.

The introductory article is focused on the impact of compliance based programs as an organizational mechanism to manage ethics. Yet, the focus of your investigation may well be chosen elsewhere. The aim is to give an introduction of the challenges of implementing CSR for the organization, thereby highlighting different challenges on the organizational level.



References:

- Paine, L.S. 1994. Managing for organizational integrity. **Harvard Business Review**, 72(2): 106-117.
- Shadnam, M. & Lawrence, T.B. 2011. Understanding widespread misconduct in organizations: An institutional theory of moral collapse. **Business Ethics Quarterly**, 21(3): 379-407.
- Thompson, G.F. 2008. The interrelationship between global and corporate governance: Towards a democratization of the business firm? In A.G. Scherer & G. Palazzo (Eds.), **Handbook of Research on Global Corporate Citizenship**: 476-500. Cheltenham: Edward Elgar.
- Trevino, L.K., Weaver, G.R., Gibson, D.G. & Toffler, B.L. 1999. Managing ethics and legal compliance: What works and what hurts. **California Management Review**, 41(2): 131-151.

Theme 10: Implementing CSR: Challenges and Implications for HRM

The ethical challenges of globalization and the post-national constellation for the human resource management (HRM) function of global business firms have hardly been addressed. Yet, HRM is highly affected by these processes. HRM is a crucial function as it influences the attitudes, capabilities, and motivations of organizational members to contribute to CSR and to support the corporate engagement with global governance and the production of global public goods. This applies to all the HR functions such as selection, appraisal, compensation, and development which can either support or impede the behaviour of organizational members so that they become able to contribute to the CSR policy of their organization and help making decisions that are ethically justified. The aim is to analyze the challenges of engaging in CSR for human resource management.

References:

- Buller, P.F. & McEvoy, G.M. 1999. Creating and sustaining ethical capability in the multi-national corporation. **Journal of World Business**, 34(4): 326-343.
- Greenwood, M.R. 2002. *Ethics and HRM: A review and conceptual analysis*. **Journal of Business Ethics**, 36(3): 261-278.
- Preuss, L., Haunschild, A. & Matten, D. 2009. The rise of CSR: implications for HRM and employee representation. **International Journal of Human Resource Management**, 20(4): 953-973.
- Taylor, S., Beechler, S. & Napier, N. 1996. Toward and integrative model of strategic international human resource management. **Academy of Management Review**, 21(4): 959-985.



Theme 11: Implementing CSR: Responsible Leadership, Christian Vögtlin

An ongoing globalization process that is present in all relevant parts of social life, from economic to cultural globalization, has implications for the way leaders in business organizations interact. Leaders working in organizations are on the one hand faced with a growing global competition and the increased economic pressure to maximize profits exerted by their shareholders and international stockholders. On the other hand, they have to respond to growing demands of multiple internal and external stakeholders. This challenge of interacting with many different stakeholder groups in a pluralizing society has triggered research on responsible leadership.

The complexity and dynamic of global business require from organizations a continuous adaption to new circumstances. These challenges of securing the legitimacy of the organization and the reaction to unforeseen stakeholder demands are difficult to anticipate and to incorporate in a strict process of planning. Leaders in organizations have first, the position power, the resources and the discretion; and second the flexibility in contrast to structural solutions to react to short term events adequately and in due time. The questions that remain are: what do these challenges imply for leadership? And how can leaders address them?

References:

- Ciulla, J.B. 2005. The state of leadership ethics and the work that lies before us. **Business Ethics: A European Review**, 14(4): 323-335.
- Pless, N., Maak, T., & de Jongh, D. 2011. Special issue on responsible leadership. **Journal of Business Ethics**, 98(S1).
- Voegtlin, C., Patzer, M., & Scherer, A.G. 2012. Responsible leadership in global business: A new approach to leadership and its multi-level outcomes. **Journal of Business Ethics**, 105(1): 1-16.
- Waldman, D.A. & Galvin, B.M. 2008. *Alternative perspectives of responsible leadership*. **Organizational Dynamics**, 37(4): 327-341.

Theme 12: Guest Lecturer Dr. John Tobin, Alexandra Mihailescu, Credit Suisse

Dr. John Tobin is Managing Director and Head of Public Policy - Sustainability Affairs at Credit Suisse and Alexandra Mihailescu is a Sustainability Officer working on his team. Ms Mihailescu and Mr Tobin will talk about their extensive experience on sustainability in the banking sector and the associated reputational risk management considerations at a multinational bank. They will highlight the complexity and multidisciplinary of emerging sustainability issues and elaborate on how a company can evaluate these potential risks.



Theme 13: Implementing CSR: The Role of Individual Behaviour

On the one hand, scholars have discussed issues of CSR on the macro- and meso-level of the firm extensively. On the other hand, there is a growing body of research concerning individual ethical behaviour. Yet, not much has been done to link these issues on the macro-level with the micro-level of individual behaviour in organizations. This section shall provide you with an overview of research on the micro-level of ethical behaviour and decision making. It will be your task to connect these issues to the general theme of the seminar on CSR.

References:

- James, H.S. 2000. Reinforcing ethical decision making through organizational structure. **Journal of Business Ethics**, 28(1): 43-58.
- Reynolds, S.J. 2006. A neurocognitive model of the ethical decision-making process: Implications for study and practice. **Journal of Applied Psychology**, 91(4): 737-748.
- Trevino, L.K., Butterfield, K.D. & McCabe, D.L. 1998. The ethical context in organizations: Influences on employee attitudes and behaviors. **Business Ethics Quarterly**, 8(3): 447-476.
- Trevino, L.K., Weaver, G.R. & Reynolds, S.J. 2006. Behavioral ethics in organizations: A review. **Journal of Management**, 32(6): 951-990.

Theme 14: Implementing CSR: Organizational Sensemaking

Organizational sensemaking plays a decisive role for the implementation of CSR. Organizational CSR-engagement requires a constant awareness of stakeholder concerns and external environmental developments. Sensemaking is the first step in recognizing potential CSR issues from the environment. A general understanding of sensemaking describes the process as placing stimuli in some kind of framework or as developing cognitive maps of the environment. This means that external environmental cues or information is placed by individuals into some kind of known framework or practice that helps to make sense of what is perceived.

Organizational practices create shared mental representations of how things are done and of what is regarded as important. They shape how the external reality is perceived and influence e.g., which information is regarded as relevant and how the organizational members engage with stakeholders. The aim of this session is to discuss the role of sensemaking processes in relation to CSR and to identify the challenges associated with these processes.

References:

- Basu, K. & Palazzo, G. 2008. Corporate social responsibility: A process model of sensemaking. **Academy of Management Review**, 33(1): 122-136.
- Maitlis, S. & Lawrence, T.B. 2007. Triggers and enablers of sensegiving in organizations. **Academy of Management Journal**, 50(1): 57-84.



- Vaara, E. & Tienari, J. 2008. A discursive perspective on legitimation strategies in multinational corporations. **Academy of Management Review**, 33(4): 985-993.
- Weick, K.E. 1995. **Sensemaking in organizations**. Thousand Oaks: Sage.

Texts in the reader in alphabetical order:

- Basu, K. & Palazzo, G. 2008. Corporate social responsibility: A process model of sensemaking. **Academy of Management Review**, 33(1): 122-136.
- Garriga, E. & Melé, D. 2004. Corporate social responsibility theories: Mapping the territory. **Journal of Business Ethics**, 53: 51-71.
- Greenwood, M.R. 2002. Ethics and HRM: A review and conceptual analysis. **Journal of Business Ethics**, 36(3): 261-278.
- Scherer, A.G. & Palazzo, G. 2011. The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. **Journal of Management Studies**, 48(4): 899-931.
- Scherer, A.G. & Palazzo, G. 2008. Globalization and corporate social responsibility. In A. Crane, A. McWilliams, D. Matten, J. Moon & D.S. Siegel (Hrsg.), **The Oxford Handbook of Corporate Social Responsibility**. Oxford: Oxford University Press, S. 413-431.
- Suchman, M.C. 1995. Managing legitimacy: Strategic and institutional approaches. **Academy of Management Review**, 20(3): 571-610.
- Trevino, L.K., Weaver, G.R., Gibson, D.G. & Toffler, B.L. 1999. Managing ethics and legal compliance: What works and what hurts. **California Management Review**, 41(2): 131-151.
- Trevino, L.K., Weaver, G.R. & Reynolds, S.J. 2006. Behavioral ethics in organizations: A review. **Journal of Management**, 32(6): 951-990.
- Waldman, D.A. & Galvin, B.M. 2008. Alternative perspectives of responsible leadership. **Organizational Dynamics**, 37(4): 327-341.
- Wolf, K.D. 2008. Emerging patterns of global governance: The new interplay between the state, business and civil society. In A.G. Scherer & G. Palazzo (Hrsg.), **Handbook of research on global corporate citizenship**. Cheltenham: Edward Elgar, S. 225-248.