Corporate Social Responsibility: Defining Models and Understanding Partnerships in Social Finance (PADM-GP 2127)

“Corporate Social Innovation”

Instructor: Bulbul Gupta (bgupta@nyu.edu)

Class Date and Time: Monday - Friday, 10am-3pm

Course Duration: 6/18/2018 – 6/22/2018

Office Hours: Each day just before class 9:30am-10am, or just after 3-3:30pm @ classroom, as needed, OR reach out by text to schedule call (650-776-3133)

Course Location: Building: 7E12, Room 125
Location: 7 East 12th Street, New York; Room 125.

Course Description:
Corporate social innovation is an evolving practice of organizations of varying size and purpose to integrate business activities with models that produce social and environmental outcomes. The course will rigorously explore the evolution and modalities of corporate social innovation, with particular attention to cross-sector collaboration, the utility of social finance and financial institutions relationship with corporate responsibility, impact measurement, and other relevant emergent trends. This course looks specifically at how corporate innovation is practiced today with particular attention to how models of cross-sector partnerships have advanced the field.

Through selected academic, practitioner and current news articles, lectures, case studies, guest presentations, written assignments, and facilitated discussion students engage with relevant theory, practice, challenges, opportunities, and other trends relevant to business’ role in addressing public problems.

Course Learning Objectives: Students who successfully complete this course will be able to:

- Understand the evolution, modalities, incentives, and motivations for Corporate Social Innovation
- Identify and analyze key components of an innovation strategy, within larger corporate strategy, investors, and key stakeholders
- Understand and explain the role of cross-sector collaboration in CSR, particularly in the financial services industry
- Critically and carefully discuss emergent trends and practices (e.g. cross-sector partnerships, social finance) relevant to the modalities of social innovation & finance
- Identify strategies and techniques to navigate typical management challenges and opportunities relevant to a broad range of social impact & innovation issues relevant to government, business and the non-profit sector
Course Outline: Classes will include a lecture component, facilitated discussion, a guest speaker almost daily, case challenges, brief breaks, and class debate. Active, consistent class participation is expected throughout the course and there will be many opportunities in every class for students to participate. If students do not feel like they are able to participate in a class, please provide advance notice. A review of session preparatory materials is expected for each class. These materials will reflect the interdisciplinary nature of the topic and diverse interests; including academic and practitioner-friendly publications, public and private manager resources, and exposure to current and historically significant developments.

Course Requirements: Class will begin promptly at 10am. Full attendance is expected given the short duration of the class. If you need to miss one, or part of one, please let me know in advance. More than one will result in a significant reduction. Students are expected to actively and thoughtfully participate in each session’s discussion questions. The syllabus includes a list of required preparatory reading to be completed prior to class. Assignments must be completed on time as late submissions will not be accepted.

Guest Speakers:
Professor has confirmed speakers from the CSR, social innovation, and sustainable investing field to come in as guest speakers from time to time including the following as possible for the content below:
- Paula Luff, former HESS Oil, now Inherent Capital
- Jody Rasch, Veg Invest
- Melissa Wiegel, NatureVest
- Alana Libow, Dannon

Grading and Assessment:
This course will abide by the Wagner School’s general policy guidelines on incomplete grades, academic honesty, and plagiarism. It is the student’s responsibility to become familiar with these policies. All students are expected to pursue and meet the highest standards of academic excellence and integrity. Grading for the course will consist of:

Classroom Engagement (30% of grade)
- Attendance is a necessary, but insufficient contribution for a high class engagement grade. The 1-week version will especially have higher standards for in-class participation given decreased time for in-depth written assignments.
- Consistent participation in class is expected of all students. No question is too small – we’re all here to learn together in a fast changing field.
- Contributions to the class should ideally also reflect an understanding of the readings having been done.

Mid-term assignment: 1-page Memos Day 1 – 3 & Mini Presentations Daily (40% of grade)
- Three 1-page papers (single space, 11pt font) from Day 1 – Day 3 produced in response to Case Challenges presented by guest speakers in class, worked on each day. (See questions in final below, to consider for these action memos)
- Each guest speaker will present their work, as well as a specific social innovation challenge for you to spend some time each day addressing. We will give you some key questions to research and uncover. You will break into pairs to work over a lunch and some time afterwards, roughly 12-1:30/2pm each day, and return to present your potential solutions/ideas, etc.
Additional information and guidance will be provided in class.

**Final assignment: Team Partnership Presentation and Short Memo** (30% of grade)
- Students will self-select or be placed into teams of 4 on Day 1, to design a multi-stakeholder social innovation partnership & pitch for Day 5.
- Students will be expected to jointly present for 10 minutes in class. The presentation should include:
  - Problem statement – Why you chose that company, industry alliance, etc. to make social impact and innovation recommendations for?
  - Solution – Why and How do you think your partnership is a solution to this challenge they’re facing?
  - What are some of the pros and cons, considerations, costs, etc for each players in the partnership to consider? >> Why would they do it anyway?
    - What more information might you need to build the business case?
    - Costs (doesn’t have to be detailed financial analysis, but some understanding of each kind of cost they’d have to factor)
  - How can this partnership help move the needle in innovation?
    - What are some of the costs to society of not doing this?
    - How can tools like the Conscious Brand Assessment (and their “6 Key Indicators of Conscious Brand”, etc on website), or the B Impact Assessment support understanding when we know we’re being more conscious?
- Students will also submit a 2-page memo individually on how they arrived at the decision for their own partnership, challenges that they faced and issues that they collectively agreed upon, what readings or resources they pulled ideas from, cost considerations, etc.
- Class participation counts separately from team presentation grade.
- Teams will receive a joint grade for this final assignment.
- Additional information will be provided in class, and you will get class time Thursday and Friday to work on this also.

**Expectations:**
- No Time for Late Papers – submit by 7pm each night if any final edits
- Syllabus as Contract; Groundrules below
- Format/grammar, etc.
- Critical thinking
- Respect is a two-way street
- LinkedIn policy

**Academic Integrity:** As permitted under New York University by-laws and disciplinary procedures, the faculty of the Wagner Graduate School of Public Service adopts procedures for informal resolution of complaints and for cases of formal student discipline. The procedures described in the Academic Oath.

**Groundrules:**
- See something, say something
- Tolerance, practice what you preach. Open ended questions. NYU Bias Hotline if needed
- Need help? Access the Wellness Center – don’t wait.
➢ Writing Center as needed – great resource
➢ Moses Center for Students with Disabilities.

Please Remember These Safety Tips:

- Be aware of your surroundings, especially when walking alone.
- Using a smartphone or other device, especially with ear buds, can be distracting and may make you a vulnerable target for an assailant.
- Trust your instincts. If you feel that you are being followed or may be in danger, seek out others - a store, or an open NYU facility that has Security Officers posted.
- If you are a victim of a crime, call 911 and then report it to the Department of Public Safety immediately at (212) 998-2222.
- NYU's Student Health Center, Wellness Exchange, and Sexual Misconduct Prevention, Assistance, Counseling & Education, all have services to assist and support victims of sexual assault or sexual misconduct.

Students with Disabilities: New York University is committed to providing equal educational opportunity and participation for students with disabilities. It is the University’s policy that no qualified student with a disability be excluded from participating in any University program or activity, denied the benefits of any University program or activity, or otherwise subjected to discrimination with regard to any University program or activity. More on the Disability Policy can be found here.

Course Overview:

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Detailed Class Descriptions: The following section describes each session’s core components and the materials required to prepare for class discussion.

Class 1: Introduction:
- Discuss learning objectives and expectations for the course
- Detailed review of course syllabus and assignments
- Review Speakers, Case challenges, 1-pagers & talks

Understanding the Evolution from CSR to Corporate Social Innovation - Intentions, Incentives, Purpose
- What does Corporate Social Innovation mean to you? Hopes? Fears? Future?
- Understanding the changes in language of social innovation – from pure risk mitigation and compliance to innovation, purpose-driven orientations
- Review social innovation’s history, evolution, intentions, and incentives – in order to understand its motivations and potential paths forward
  a. when is it used to procure a license to operate in a country, region, or local community?
  b. When is it used for blue-washing, green-washing, now “impact-washing” the company’s corporate practices?
- Review pushback from pro-CSR to anti-CSR, shareholder primacy, as well as what corporations can learn from emerging markets, non-profits, and policymakers
  Guest presentation – Jody Rasch, Vegan Investor

Required Class Preparation Materials:

- FAIRR, Factory Farming: Assessing Investment Risks, 2016 report (posted in NYU Classes – must read for guest speaker coming Day 1. Read as much as you can)

- Journal of Applied Corporate Finance - ESG Integration in Investment Management: Myths and Realities (for all guest speakers) shared in Classes website


- C.K. Prahalad, Fortune at the Bottom of the Pyramid, Chapter 1: http://knowledge.wharton.upenn.edu/article/the-fortune-at-the-bottom-of-the-pyramid-eradicating-poverty-through-profits/

- Dr. Vivienne Ming, Socos Labs: The Future of Human Potential: https://www.youtube.com/watch?v=d4fxmSdrchs

OPTIONAL:
Class 2:

People, Planet, Profit: Innovation & Sustainability for Social Impact

- Engage in discourse relevant to the financial significance of CSR programming: SASB – how to read a 10K disclosure statement for corporate materiality
- Explore the spectrum of CSR measure what CSR measurement entails, and discussing existing opportunities and challenges in measurement
- Review how to incorporate KPIs to measure what matters re sustainability from boardroom to copy room to ensure it's managed
- Introduction to social finance and its connection to financial institutions and CSR.
  - Guest Speaker – Melissa Wiegel, NatureVest (a social finance initiative of the Nature Conservancy)

Required Class Preparation Materials:

- Corporate Sustainability: First Evidence on Materiality (in Classes website – skim through for speakers)
- Is “Being Green” Rewarded in the Market?: An Empirical Investigation of Decarbonization and Stock Returns* (Posted in NYU Classes – try to skim through it)
- Changing Climate, Changing Diets: Pathways to Lower Meat Consumption (posted in NYU Classes, related to all guest speakers, skim through)
- Danone on Sustainability – https://www.youtube.com/watch?v=RW3d5LbBCOk
- WEF – Compact for Responsive & Responsible Leadership, launched 2016

OPTIONAL:

- Ceres – Sustainability Roadmap - http://www.ceres.org/roadmap
Discuss final memos & presentations; and decide team members

Mission Statements: PR, CSR, or Just R-Reality?: Are Companies walking the walk on Corporate Social Innovation?

Discuss final memos & presentations; and decide team members

Critically examine what companies say in Mission Statements against their CSR strategies, core business approaches, spending, hiring practices, etc. → does it align? Does it seem genuine?

Discuss the design, implementation and evaluation of CSR programs – where does it fit?

Explore how public movements, policy, and international agreements influence key modalities of CSR – especially in CPG, apparel, extractives (often largest dichotomy in sourcing and extractive practices v livelihoods of those they source from)

What evidence does one have to examine to see if a company is talking the talk v walking the walk?

Guest Speaker: Alana Libow, Dannon North America

Required Reading Materials:

- Towards the Circular Economy, Accelerating the scale-up across global supply chains, WEF, 2015
  - Circular Economy Overview, MacArthur Foundation
- Capital Institute, Regenerative Capitalism Field Guide, John Fullerton, 2015
- UN Sustainable Development Goals (SDGs) and how companies are reporting against these goals. Links: https://sustainabledevelopment.un.org/?menu=1300
- 1% Pledge – Salesforce model – new generation of tech companies modeling after http://pledge1percent.org/overview.html
  - www.box.org

OPTIONAL:

- Kim Scott, Change Management: http://firstround.com/review/warning-this-is-not-your-grandfathers-talent-planning/
- Leadership is a Conversation: https://hbr.org/2012/06/leadership-is-a-conversation
Class 4:

Q&A from speakers and papers to date; for final papers & presentations Class 5

Finding Purpose: Engaging Employees as a Core Asset

Discuss final memos & presentations; and decide team members

- The building of the smart, future economy
- How does a company value its core asset – its people?
- Rethinking what it means to be human in a post-capitalist age
- Nature of the changing relationship in the future of Work & Workers
- Review common managerial and leadership problems relevant to CSR
- Baking innovation & social responsibility into social models: the case for diversity & inclusion, engagement, and leadership planning
  - Explore Volunteer Engagement v. Skills Based Volunteering v. Core Business Engagement for Employees (designing products & services differently)
  - Diversity & Inclusion – what prevents companies in the West from being more diverse in their makeup, and inclusive in participation of voices, perspectives?
    - How do we drive towards improved D&I on Boards, C-Suite, Managers?
  - Distributed teams – best practices for employee engagement?
- How do we prove ROI for hiring more diverse teams, improving management, improving employee engagement?

Required Class Preparation Materials:


OPTIONAL:

Class 5:

**FINAL TEAM PRESENTATIONS OF BUSINESS CASE FOR CORPORATE SOCIAL INNOVATION**

**Partnerships: Collaborate or Die**

- How do we use technological innovation to connect people around the world to maximize social impact, inter-connectedness, good & peace in the world instead?
- How do we make Capitalism & Markets work where they currently have market failure?
  - Discuss the trends and implications of cross-sector partnerships to maximize innovation
  - Discuss the value proposition, public issues, and increasing relevance of partnerships: when to partner, and when NOT to partner? What makes a good partner for your work?
- How to speak the language of each other’s sector?
- Explore the role of thought leadership and convening in influencing the social innovation agenda for public and private organizations
- Discuss the benefits and challenges of initiatives that assemble public and private interests.
- Identify and analyze local, state, national, and international initiatives to advance CSR
- Explore the next frontier for social finance, cross-sector partnerships, and corporate responsibility
- Class evaluation
  - Guest presentation – Paula Luff, Inherent Capital

**Required Class Preparation Materials:**

- WEF – [What is Shareholder Activism & How Should Businesses Respond](https://www.weforum.org/agenda/2017/07/what-is-shareholder-activism-how-should-businesses-respond/)? 2017
- Peter Singer, Effective Altruism: [https://www.ted.com/talks/peter_singer_the_why_and_how_of_effective_altruism](https://www.ted.com/talks/peter_singer_the_why_and_how_of_effective_altruism)

**OPTIONAL:**

- **Project Breakthrough** – John Elkington with the UN Global Compact
- Towards a Plan B for Business, The B Team, July 2016 (founded by Sir Richard Branson, Virgin)
OTHER SUGGESTED FUTURE CSR READINGS:

CSR:

THEORY, MODELS, ANALYSIS:

- SSIR, Roger Martin, Sally Osberg – Social Entrepreneurship: The Case for Definition: https://ssir.org/articles/entry/social_entrepreneurship_the_case_for_definition
- Benefit Corporation Impact Assessment Case Studies, read one (Etsy, Patagonia, Ben & Jerrys) - http://www.bimpactassessment.net/
- B-Corp companies and B-Corp assessments - example assessment & case study from the website: http://bimpactassessment.net/case-studies/ruth-muiruri
- Gray, B., & Stites, J.P. 2013. Sustainability through partnerships: Capitalizing on collaboration (NOTE: A review of Chapter 2 and 3 is adequate)
- Bryson, J., Crosby B., & Stone, M. Designing and Implementing Cross-Sector Collaborations: Needed and Challenging, Public Administration Review. 75(5), 647-663. NOTE: Please only review the appendix (page 17)


The Intersector Project. P-TECH Case Study. 2014.


ROLE OF GOVERNMENT:


ENVIRONMENTAL SUSTAINABILITY:

  - NOTE: Familiarity with the key structure and components of the CSR report is sufficient. The entire report does not need to be read.
- Dakota Access Pipeline, Wells Fargo CSR - [https://www.wellsfargo.com/about/corporate-responsibility/dakota-access-pipeline/](https://www.wellsfargo.com/about/corporate-responsibility/dakota-access-pipeline/)
- 17 Banks that fund the DAPL: [http://www.yesmagazine.org/people-power/how-to-contact-the-17-banks-funding-the-dakota-access-pipeline-20160929](http://www.yesmagazine.org/people-power/how-to-contact-the-17-banks-funding-the-dakota-access-pipeline-20160929)
- American Sustainable Business Council
- BCtA has an overview on companies working with small holder farmers and financing for them. Details are: [http://www.businesscalltoaction.org/sites/default/files/resources/SmallholderFarmingAndFinanceReport_0.pdf](http://www.businesscalltoaction.org/sites/default/files/resources/SmallholderFarmingAndFinanceReport_0.pdf)
- Chaklader, B. & Gautam, N. “*Efficient Water Management through Public-Private Partnership model: An experiment in CSR by Coca Cola India,*” Vikalpa, December 2013

DIVERSITY, INCLUSION, EQUITY >> BELONGING:

- LRN – Dov Seidman, Principle Prophet: [http://content.time.com/time/specials/packages/article/0,28804,2091589_2092033_2101686,00.html](http://content.time.com/time/specials/packages/article/0,28804,2091589_2092033_2101686,00.html)
Social Finance Resources:

  NOTE: Please prioritize familiarizing yourself with the “How it Works” section.
- Acumen – Corporate Innovation Partnerships with Companies, Social Entrepreneurs
  Note: Please prioritize pages 16-40 of the report.
  NOTE: A review of illpages 2-19 is sufficient.