

Standard Course Outline

Title: Sustainability and the Business Organization

I. General Information

Course Number	GBA 600 and GBA 601
Title	<u>Sustainability and the Business Organization</u>
Units	6.0 credits
Prerequisites	IS 600, ACCT 600, MGT600, HRM 600, FIN 600, MKTG 600, Intermediate Microeconomics, completion of all relevant toolboxes.
Course Coordinator	Professors Herb Hunt, Ingrid M. Martin, and Rod Smith
SCO revised by	Professors Herb Hunt, Ingrid M. Martin, Wade E. Martin, and Rod Smith
Date prepared/revised	September 2013

II. Catalog Description

This course will integrate skills from the various business functional areas to address the complexity of decision making for the organization and its stakeholders to meet the goal of sustainable development, where sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

III. Curriculum Justifications

The course has four main components that allow each individual's analytic talents to emerge: (1) problem-solving exercises/experiential activities, (2) case analyses and discussions using HBR (Harvard Business School) cases or other equivalent level cases, (3) development of a project based on how to solve a sustainable business problem, and (4) other types of analytical group exercises such as in-class simulation games and other active learning games. Class participants will have to think at various corporate levels to maximize their learning experience including at

the levels of V.P. of Accounting/Finance, V.P. of CSR/Sustainability, V.P. of Marketing, V.P. Human Resources, etc.

IV. Curriculum and Course Goals and Objectives

The MBA curriculum is designed to provide students with the opportunity to develop knowledge and skills in local and global business practices. The program of study is intended to engage learners in integrative learning experiences across professional personal, content, and skill areas. Courses within the MBA curriculum should include at least one and up to two of the following:

- **Critical Thinking Skills**- students will be able to demonstrate conceptual learning, critical thinking, and problem solving skills.
- **Interpersonal, Leadership, and Team Skills** - students will be able to demonstrate interpersonal communication and leadership skills to work in a dynamic and diverse world, both independently and in a team environment.
- **Social Responsibility Skills** - students will be able to demonstrate awareness and knowledge of social responsibility, ethical leadership, and corporate citizenship in the domestic and global environment.
- **Business functions Skills** - students will be able to demonstrate knowledge of today's dynamic business environment through an understanding of all business functions, practices, and related theories and be able to integrate this functional knowledge in order to address business problems.
- **Quantitative & Technical Skills** - students will possess quantitative and technical skills enabling them to analyze, interpret, and communicate business data effectively and to improve business performance.
- **Knowledge of the Domestic & Global Environment** – students will be able to demonstrate knowledge of today's dynamic business environment (e.g. legal, regulatory, political, cultural, and economic) especially the links between our region and the global business world.

Course Goal

The goal of this course is to develop integrative knowledge and skills in addressing the complexity of decision making for the organization and its stakeholders to meet the goal of sustainable development.

Course Learning Outcomes

Upon completion of this course students are expected to be able to:

- analyze a given sustainable business situation,
- devise realistic and feasible sustainable business alternatives,
- suggest a specific sustainable strategy(ies) for the business;
- demonstrate knowledge of the steps necessary to implement the strategy(ies).

Curriculum Learning Outcomes

Upon completion of this course students are expected to be able to demonstrate:

1. Critical Thinking Skills:

As evidenced by:

- Demonstrating understanding of the integrative roles of all the functional areas of an organization
- Addressing of business problems and strategic decision- making related to sustainable development.
- Analysis of a sustainable business situation by identifying and evaluating related information and available research in order to develop realistic and feasible strategic plan alternatives.

2. Social Responsibility Skills:

As evidenced by:

- Demonstrating awareness and knowledge of social responsibility, ethical leadership, and corporate citizenship in the domestic and global environment.

V. Preparation for Course

To be well prepared for the course, students should review the following course material and Toolboxes:

- Microeconomics and macroeconomics sections of Toolboxes
- Financial accounting of Toolboxes and Acct 600
- MGMT 600, HRM 600
- MKTG 600
- Finance section of Toolboxes and FIN 600

VI. Outline of Subject Matter

This is a listing of the subject matter that must be covered in this course. It does not preclude other topics that are part of the Accounting, Environmental Economics, HRM, Marketing, and Strategy. Is also is a suggested ordering of topics based on the premise that this is a broad-based integrative course. As this class is a seminar class, all the materials used should be case studies for class participation, experiential exercises, class discussions of related current events as well as examples/simulations from the chosen textbook(s) and/or readings.

The **possible** topical outline for the module is the following:

Week	Active Teaching Hours per faculty:	Concept (suggested ordering of topics):	Possible Active Learning Tools
1		Sustainability as an Integrating Theme ➤ Sustainability is multi-	<i>Experiential exercise to introduce students to sustainable</i>

		<p><i>disciplinary</i></p> <ol style="list-style-type: none"> 1. Integrating Accounting, Economics, Management, & Marketing 2. Where do these functional areas converge 3. Where do these functional areas diverge <p>➤ <i>Student Learning Goals for this Course</i></p> <ol style="list-style-type: none"> 1. What is meant by the term 'sustainability' 2. What role does the organization play in achieving 'sustainability' 3. What are internal factors that the organization controls 4. What are the external factors beyond the control of the organization 5. How does the organization take advantage of the opportunities 6. Critically analyze the various dimensions of sustainability <p>➤ <i>Course Dynamics</i></p> <ol style="list-style-type: none"> 1. Encourage constructive dialogue representing a variety of opinions (supported by fact). 2. Provide balanced information in the readings and encourage students to contribute from their readings. <p>➤ <i>Integrative Written Case Analysis</i></p> <ol style="list-style-type: none"> 1. HBS case and guidelines on how to proceed 2. Individual student project 3. Integrative project <p>➤ <i>Semester Project</i></p> <ol style="list-style-type: none"> 1. Project is a group project. 2. Each group will choose their own project. 3. The project needs to integrate the diverse themes of 	<p><i>business practices and problems.</i></p> <p><i>For example: have students each define sustainability on a note card and put all of those definitions up around the room. This will lead into the discussion of the term.</i></p> <p><i>Another example: Have students free write about what they think the course is going to be about and their perspectives. (Assessment of critical thinking and Social Responsibility learning objectives – pre-measure of these two learning objectives)</i></p>
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		<p>sustainability and functional areas.</p> <p>Introduction & Overview</p> <ul style="list-style-type: none"> ➤ <i>Develop the Big Picture (Environmental Economics, Accounting, Strategy, HRM, Marketing)</i> <ol style="list-style-type: none"> 1. Basic review of markets - 2. Define sustainability – <ol style="list-style-type: none"> a. Can the market take care of sustainability (need to relate back to the micro/macro toolboxes)? b. Where do markets succeed and where do they fail. c. Sustainability as an integrative framework 	
2		<p>Consumer as Stakeholders</p> <ul style="list-style-type: none"> ➤ <i>Sustainable Consumption</i> <ol style="list-style-type: none"> 1. Household ecology 2. Activities – acquire, use, dispose, recycle 3. Brand Communities 4. Co-developing/co-marketing/co-producers <ul style="list-style-type: none"> ➤ <i>Consumer motivation</i> <ol style="list-style-type: none"> 1. Hierarchy of Needs 2. Goals <ul style="list-style-type: none"> ➤ <i>Consumer Decision Making Processes</i> <ol style="list-style-type: none"> 1. Need recognition, Info Search, Evaluation, Choice, Post-purchase <ul style="list-style-type: none"> ➤ <i>Involvement</i> <ol style="list-style-type: none"> 1. Extensive, limited, routine problem solving 2. High vs. low levels of involvement <ul style="list-style-type: none"> ➤ <i>Culture and Sustainability</i> <ol style="list-style-type: none"> 1. Material culture and values 	<i>HBR Case Discussion</i>
3		<p>Consumer as Stakeholders</p> <ul style="list-style-type: none"> ➤ <i>Segmentation and Positioning</i> 	<i>HBR Case Discussion</i>

		<ol style="list-style-type: none"> 1. The Emerging Green Market 2. Segmenting the Green Market 3. Positioning for Sustainability 4. Taking the Green Position in B2B <p>Product Footprint:</p> <ul style="list-style-type: none"> ➤ <i>Supply Chain/Distribution Channel/Logistics (Marketing)</i> <ol style="list-style-type: none"> 1. Product Life Cycle (Accounting/Env. Econ) 2. Measurement issues – (e.g.) nonmarket valuation, true social cost of product vs. market cost of product, TRI database (Accounting, Env. Econ) 3. Sustainable Product Strategy (Marketing) 	
4		<p>Product Footprint:</p> <ul style="list-style-type: none"> ➤ <i>Supply Chain/Distribution Channel/Logistics (Marketing)</i> <ol style="list-style-type: none"> 1. Product Life Cycle (Accounting/Env. Econ) 2. Measurement issues – (e.g.) nonmarket valuation, true social cost of product vs. market cost of product, TRI database (Accounting, Env. Econ) 3. Sustainable Product Strategy (Marketing) <ul style="list-style-type: none"> ➤ <i>Externalities (Env. Econ)</i> ➤ <i>Sustainable projects and tradeoffs (e.g. Porter’s Competitive Advantage, Pollution Prevention Pays, Polluter Pays Principle)</i> 	<p><i>Exercise in PLC</i></p> <p><i>Exercise in measuring and evaluating ‘externalities’ for the firm (Assessment of critical thinking learning objective)</i></p>
5		<p>Product Footprint:</p> <ul style="list-style-type: none"> ➤ <i>Supply Chain/Distribution Channel/Logistics (Marketing)</i> <ol style="list-style-type: none"> 4. Product Life Cycle (Accounting/Env. Econ) 5. Measurement issues – (e.g.) nonmarket valuation, true 	<p><i>HBR Case Discussion</i></p>

		<p>social cost of product vs. market cost of product, TRI database (Accounting, Env. Econ)</p> <p>6. Sustainable Product Strategy (Marketing)</p> <ul style="list-style-type: none"> ➤ Externalities (Env. Econ) ➤ Sustainable projects and tradeoffs (e.g. Porter's Competitive Advantage, Pollution Prevention Pays, Polluter Pays Principle) 	
6		<p>Product Footprint:</p> <ul style="list-style-type: none"> ➤ Cost Accounting <ol style="list-style-type: none"> 1. Pricing (supply-side) <ol style="list-style-type: none"> a. Accounting Cost b. Economic Cost 2. Pricing (demand-side) <ol style="list-style-type: none"> a. Are consumers willing-to-pay a premium for sustainably produced products? b. How does a firm differentiate their product? <p>•</p>	
7		<p>Application: International constraints or opportunities (e.g. ISO 14000, BASAL Convention, CITIES)</p>	<p><i>Simulation exercise (Assessment of critical thinking learning objective)</i></p>
8		<p>Monitoring/Information Needs</p> <ul style="list-style-type: none"> ➤ Financial Accounting (Accounting) <ol style="list-style-type: none"> 1. reporting requirements 2. communications etc. ➤ Auditing & Tax (Accounting & Env. Econ) ➤ Public Disclosure (Accounting & Env. Econ) ➤ Monitoring & Enforcement as public policy (TRI database, etc.) ➤ 	<p><i>Experiential exercise (Assessment of critical thinking learning objective)</i></p>
9		<p>Now what do we do/Putting it</p>	<p><i>HBR Integrative</i></p>

		altogether <ul style="list-style-type: none"> ➤ <i>Corporate Sustainability Strategy (Strategy)</i> ➤ <i>Compliance (in external reporting, ISO 14000, legal reports, green reports, informing stakeholders)???</i> ➤ <i>Marketing and the Future of Sustainability</i> ➤ <i>Operating in a constrained/regulated market</i> 	<i>written case analysis due – individual assignment (assessment of Critical Thinking & Social Responsibility learning objectives)</i> <i>Case discussion based on separate set of integrative questions from same case.</i>
10		Group project presentation	<i>Closing discussion on the Sustainability framework and the integration of functional areas</i>

VII. Outside Learning Activities

Learning takes place in and outside of the classroom. For the MBA student to truly learn all the concepts, principles, and integrative knowledge that is required to solve business problems based in sustainability, this includes the following active learning efforts outside of the time spent in the class each Saturday.

- Readings provided by faculty as well as other students, guests speakers, etc.
- Continuous reading of current events, etc. related to topics of sustainability business practices.
- Listening to podcasts on iTunes U and blogs, etc. which encourage the student to think about sustainability issues that affect all stakeholders.

VIII. Methods of Instruction

When reading the book in preparation for class it is essential that the students take an *active* approach including lecture, case analyses, simulations, and other types of experiential exercises and games. *The best-prepared student is often the one who comes to class with questions about how the concepts and methods can be applied.* Finally, the students should expect to return to the book after class or while reviewing, in order to refine and consolidate their knowledge.

A recommendation for a pedagogical tool to apply the concepts that have been taught in GBA 600/601 could be a integrative HBS (or similar types) cases. This type of learning tool provides the student with opportunities to apply and practice the skills and concepts that they have learned in the first part of the course. **At this level of instruction, MBA students must have some type of pedagogical tools for active learning that are beyond the undergraduate level of lecture and multiple choice examinations.**

Instructors in planning the exams, and other grading procedures, should adhere to

the relevant [University Policy on “Grades, Grading Procedures, and Final Assessments, Final Course.”](#)

The textbooks for this course should be chosen in accordance with the [University Policy on textbooks](#). There are many appropriate textbooks for this course; it is generally agreed that none of them is perfect. The following suggestion is based on the special nature of this core MBA course:

- Students will arrive at this course with a strong foundation in Accounting, Finance, MIS, Statistics, Marketing, Human Resource Management, Strategy,
- Students will have a level of maturity that will enable them to look at a broader picture via more advanced cases, simulations, group projects and
- Any textbook used for this course **must** be an MBA-level, graduate textbook and any readings that are assigned must be MBA-level readings and cases.
- Examinations **must** be essay-type and/or problem solving questions and the use of multiple-choice questions is not acceptable.
- Group projects must demonstrate the ability to integrate the tools from a variety of business functional areas in the context of sustainability and business decision making.

Some possible textbooks include the following:

Accounting:

1. Sustainability Accounting and Reporting (Eco-Efficiency in Industry and Science), Stefan Schaltegger, Martin Bennett and Roger Burritt (eds.), Springer, 2006.
2. Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental and Economic Impacts, Marc J. Epstein, Berrett-Koehler Publishers, 2008

Corporate Strategy and Operations:

1. Sustainability Strategies: When Does it Pay to be Green? Renato J.Orsato, INSEAD Business Press, 2009.
2. Harvard Business Review on Green Business Strategy, Harvard Business Review Paperback Series, 2007.
3. Green Logistics: Improving the Environmental Sustainability of Logistics, Alan McKinnon, Sharon Cullinane, Michael Browne, Anthony Whiteing, Kogan Page 2010.

Environmental Economics:

1. Life Cycle Management: A Business Guide to Sustainability, United Nations Environment Program, 2007.
2. Vision 2050: The new agenda for business, World Business Council for Sustainable Development, 2010.

Human Resource Management:

1. The Sustainable MBA: The Manager's Guide to Green Business, Giselle Weybrecht Wiley, ISBN: 978-0-470-74114-6, January 2010
2. Environmental Leadership Equals Essential Leadership: Redefining Who Leads and How, John C. Gordon and Joyce K. Berry, Yale University Press, 2006.

Marketing:

1. Sustainable Marketing, John Schouten and Diane Martin, Prentice Hall, forthcoming, January 2011.
2. Sustainability Marketing: A Global Perspective, Frank Martin Betz and Ken Pattie, Wiley, 2009.

Some Suggested Cases:

Harvard Business School cases, Ivey Business School cases, or other advanced level cases that focus on a business problem from multiple perspectives.

Some examples of integrative cases:

1. **Ikea's Global Sourcing Challenge: Indian Rugs and Child Labor**, HBS #9-906-415. It includes topics and concepts such as CSR, economic benefits and strategic risks of outsourcing, brand image, global strategic issues, managerial decision making, global ethics, social and economic impacts.
2. **Green Rubber and the Revolution of the Rubber Recycling Business**, #HKU835. It includes topics and concepts such as environmental concerns, corporate strategies, green marketing, business development, organizational theory.
3. **Product Red**, HBS #9-509-013. It includes topics and concepts such as branding, target marketing, social marketing, product development, business models, CSR, Sustainability.
4. **Go Red Heart Awareness for Women**, HBS #9-507-026. It includes topics and concepts such as positioning, branding, corporate funding streams, how to create a movement, CSR.
5. **Forest Stewardship Council**, HBS #9-303-047. It includes concepts and topics such as strategy, leadership, corporate governance, financial sustainability.
6. **Care Kenya: Making Social Enterprise Sustainable**, Ivey 905M56. It includes topics and concepts such as development, social enterprise/entrepreneurship, business strategy, profitability, social health.
7. **Maria Yee Inc.: Making 'Green' Furniture in Chin: Stanford Case (HBS # SI110-PDF-ENG)** Subjects: Brand management, Business & society, Environmental management, Green buildings, Green marketing, Manufacturing, Pollution control, Social responsibility, Supply chain, Women in business.
- 7.8. **bp and Corporate Greenwash: Ivey Case (HBS #905C10-PDF-ENG)**

Subjects: Codes of ethics, Human resources management, Marketing management, Public relations.

~~8.9.~~ **Windhorse Farm's Eco-Woodshop Guitar Top Decision:** Ivey Case (HBS # 908M66-PDF-ENG) Subjects: Green buildings, Human resources management, Marketing, Natural resources, New process, Organizational behavior.

~~9.10.~~ **Purity Oil Sales** (AICPA Professor Practitioner Case Program).
Subjects: Accounting, Financial reporting, Business strategy, Corporate social responsibility.

~~10.11.~~ **MultiPaint, Inc.** (World Resources Institute). Subjects: Accounting, Corporate strategy, Ethics, Marketing, Public relations, Corporate social responsibility.

~~11.12.~~ **Union Carbide's Bhopal Plant (A, B)** (HBS 9-795-070, 9-796-035).
Subjects: Accounting, Finance, Ethics, Corporate social responsibility, HRM, Corporate strategy.

Some Simulation/Experiential Games:

- *Trading game for marketable pollution permits (a cap n' trade scheme)*
- Group negotiation exercise
- Introductory exercises
- Design a hiring (or training or incentive) plan that supports the sustainability strategy.

IX. Methods of Assessment/Evaluation

Assessing and evaluating course and curriculum learning outcomes is achieved through written case analysis, computer-based simulations, an individual portion of the group project, and several experiential exercises. Details are as follows:

Learning Outcome	Possible methods of Assessment/Evaluation
Course Learning Outcome:	As evidenced by:
Analyze a given sustainable business situation	- Experiential exercise - Individual portion of Group Project - Simulation games - Individual written case analysis
Devise realistic and feasible sustainable business alternatives	- Experiential exercise - Individual portion of Group Project - Simulation games - Individual written case analysis
Suggest a specific sustainable strategy(ies) for the business;	- Experiential exercise - Individual portion of Group Project - Simulation games - Individual written case analysis
Demonstrate knowledge of the steps necessary to implement the strategy(ies).	- Experiential exercise - Individual portion of Group Project - Simulation games - Individual written case analysis
Curriculum Learning Outcome:	As evidenced by:

<p>Critical Thinking Skills as evidenced by:</p> <ul style="list-style-type: none"> • Demonstrating understanding of the integrative roles of all the functional areas of an organization • Addressing of business problems and strategic decision- making related to sustainable development. • Analysis of a sustainable business situation by identifying and evaluating related information and available research in order to develop realistic and feasible strategic plan alternatives. 	<ul style="list-style-type: none"> - Experiential exercise - Individual portion of Group Project - Simulation games - Individual written case analysis
<p>Social Responsibility Skills as evidenced by:</p> <ul style="list-style-type: none"> • Demonstrating awareness and knowledge of social responsibility, ethical leadership, and corporate citizenship in the domestic and global environment. 	<ul style="list-style-type: none"> - Experiential exercise - Individual portion of Group Project - Individual written case analysis

X. Instructional Policy Requirements

The students are expected to comply with the universally accepted norms of considerate and courteous behavior, and with all University rules and policies found in the current [University Catalog](#), including the [Withdrawal Policy](#) and [Policy on Cheating and Plagiarism](#). It will be assumed that the students will adhere to the tenets of *academic integrity* as articulated in [Dean’s Letter on Academic Integrity](#) throughout this course. Instructors may specify their own policies with regard to plagiarism, withdrawal, absences, etc. as long as these policies are consistent with the above mentioned University polices.

It is expected that all students to attend classes regularly and to be responsible from all materials covered in class, regardless of their attendance. Make-up exams are strongly discouraged and will only be given with documented proof of an excused absence. Acceptability of the excuse will be determined based on the appropriateness of the documents. It is important that the student provides all documentation without special prompting from the instructor. The student should give earliest possible notification of an anticipated excused absence. The students refer to [the specific university policy](#) on these issues.

Occasionally adjustments in the course assignments become necessary. The students should be notified about changes, if any, and, whenever possible, they should be consulted in advance about any changes.

Students with Disabilities: Students with disabilities are responsible for notifying their instructor as early as possible of their needs for an accommodation of a verified disability. A student with a disability is urged to consult with Disabled Student Services as soon as possible in order to identify possible accommodations to enhance academic success.