

# ROTTERDAM SCHOOL OF MANAGEMENT ERASMUS UNIVERSITY

## BMME085, SUSTAINABLE STRATEGIES

Lecturers:	Dr. Frank Wijen; Renée Rotmans, M.Sc.
Contact:	Dr. Frank Wijen (fwijen@rsm.nl)
Coordinator:	Dr. Frank Wijen
Structure:	Academic lectures; field research; student presentations
Assessment:	Individual assignments (50%) Group assignments (50%)
Conditions for access to tests (yes/no):	No
Period (Block):	3
Exam period:	3
ECTS:	6
Entry requirements or required background knowledge, if applicable:	No
Study level (Master programme):	MSc Strategic Management
Course schedule (courses.eur.nl link):	<a href="http://rsm.sinoonline.nl/channel/pub/rooster.html?mod=BMME085-17">http://rsm.sinoonline.nl/channel/pub/rooster.html?mod=BMME085-17</a>

### Course Overview

Corporate sustainability, inclusive business, corporate (social) responsibility, and shared value creation have been widely embraced by a wide variety of firms. These buzz words basically refer to a firm's pursuit of social and ecological objectives in addition to the classic economic goals. But what does a strategy to achieve corporate sustainability really look like?

Building on the well-known article "Are you sure you have a strategy?" by Hambrick & Fredrickson (2005), five components of a sustainable strategy will be identified: a sustainability logic (why to go for sustainable business?), sustainability arenas (how to position sustainable business in different markets?), sustainability

differentiators (how to make a difference?), sustainability vehicles (how to engage a variety of stakeholders?), and sustainability staging (how to unfold a sustainable strategy over time?).

## Learning Goals

The objectives of the course are as follows:

- To gain an in-depth theoretical understanding of the components and interrelations of economically, environmentally, and socially sustainable strategies
- To critically evaluate and compare different theories on sustainable strategies
- To chart the 'real-life' practices of sustainable business opportunities and threats
- To apply theoretical insights to the actual setting of a firm pursuing a sustainable strategy
- To develop the skills to analyze all factors and actors relevant to an actual sustainable business project

## Course Materials

The main readings for this course, which can be downloaded from the university library, are as follows:

- Aguilera, R., Rupp, D., Williams, C., & Ganapathi, J. 2007. Putting the s back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of Management Review*, 32(3): 836-863.
- Bansal, P. 2005. Evolving sustainably: A longitudinal study of corporate sustainable development. *Strategic Management Journal*, 26: 197-218.
- Bansal, P., Gao, J., & Qureshi, I. 2014. The extensiveness of corporate social and environmental commitment over time. *Organization Studies*, 35(7): 949-966.
- Bansal, P., & Roth, K. 2000. Why companies go green: A model of ecological responsiveness. *Academy of Management Journal*, 43(4): 717-736.
- Bansal, P., & Song, H.C. 2017. Similar but not the same: Differentiating corporate sustainability from corporate responsibility. *Academy of Management Annals*, 11(1): 105-149.
- Campbell, J. 2007. Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32(3): 946-967.
- Crilly, D., & Sloan, P. 2012. Enterprise logic: Explaining corporate attention to stakeholders from the 'inside-out'. *Strategic Management Journal*, 33: 1174-1193.
- Hambrick, D., & Fredrickson, J., 2005. Are you sure you have a strategy? *Academy of Management Executive*, 19(4): 51-62.
- Henisz, W., Dorobantu, S., & Nartey, L. 2014. Spinning gold: The financial returns to stakeholder engagement, *Strategic Management Journal*, 35: 1727-1748.
- Henriques, I., & Sadosky, P. 1999. The relationship between environmental commitment and managerial perceptions of stakeholder importance. *Academy of Management Journal*, 42(1): 87-99.
- London, T., & Hart, S. 2004. Reinventing strategies for emerging markets: Beyond the transnational model. *Journal of International Business Studies*, 35: 350-370.
- Lubin, D., & Esty, D. 2010. The sustainability imperative. *Harvard Business Review*, May: 42-50.

- Marquis, C., Zhang, J., & Zhou, Y. 2011. Regulatory uncertainty and corporate responses to environmental protection in China. *California Management Review*, 54(1): 39-63.
- McWilliams, A., & Siegel, D. 2011. Creating and capturing value: Strategic corporate social responsibility, resource-based theory, and sustainable competitive advantage, *Journal of Management*, 37(5): 1480-1495.
- Mitchell, R., Agle, B., & Wood, D. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4): 853-886.
- Orsato, R. 2006. Competitive environmental strategies: When does it pay to be green? *California Management Review*, 48(2): 127-143.
- Perez-Aleman, P., & Sandilands, M. 2008. Building value at the top and the bottom of the global supply chain: MNC-NGO partnerships, *California Management Review*, 51(1): 24-49.
- Pfeffer, J. 2010. Building sustainable organizations: The human factor. *Academy of Management Perspectives*, 24(1): 34-45.
- Porter, M., & Kramer, M. 2011. Creating shared value: How to reinvent capitalism—and unleash a wave of innovation and growth. *Harvard Business Review*, January-February: 62-77.
- Rivoli, P., & Waddock, S. 2011. “First they ignore you...”: The time-context dynamic and corporate responsibility. *California Management Review*, 53(2): 87-104.
- Sharma, S., & Vredenburg, H. 1998. Proactive corporate environmental strategy and the development of competitively valuable organizational capabilities. *Strategic Management Journal*, 19: 729-753.
- Smith, C. 2003. Corporate social responsibility: Whether or how? *California Management Review*, 45(4): 53-76.
- Surroca, J., Tribo, J., & Zahra, S. 2013. Stakeholder pressure on MNEs and the transfer of socially irresponsible practices to subsidiaries. *Academy of Management Journal*, 56(2): 549-572.
- Wang, R., Wijen, F., & Heugens, P. 2017. Government’s green grip: Multifaceted state influence on corporate environmental actions in China. *Strategic Management Journal*. Forthcoming.
- Wijen, F. 2007. Institutionalization as a prerequisite for sustainable corporate development. In S. Sharma, M. Starik, & B. Husted (Eds.), *Organizations and the sustainability mosaic: Crafting long-term ecological and societal Solutions*. Cheltenham & Northampton: Edward Elgar: 106-132 (available on: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=984455](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=984455)).
- Wijen, F., & Van Tulder, R. 2011. Integrating environmental and international strategies in a world of regulatory turbulence. *California Management Review*, 53(4): 23-46.
- Zadek, S. 2004. The path to corporate responsibility. *Harvard Business Review*, December: 125-132.

## Class Schedule

The class schedule, which may be subject to changes, is as follows:

Date, Time, Place	Topic	Readings	Required preparation and deadline
All sessions		Required: <ul style="list-style-type: none"> <li>• Article Bansal &amp; Song (2017)</li> </ul>	

		<ul style="list-style-type: none"> <li>Article Hambrick &amp; Fredrickson (2005)</li> </ul>	
30 January, 14.00-16.45, G3-21	Sustainability logic	Required: <ul style="list-style-type: none"> <li>Article Aguilera et al. (2007)</li> <li>Article Bansal &amp; Roth (2000)</li> <li>Article Porter &amp; Kramer (2011)</li> </ul> Supplementary : <ul style="list-style-type: none"> <li>Article Campbell (2007)</li> <li>Article Smith (2003)</li> </ul>	Individual assignment 1, due 30 January, 13.00
6 February, 14.00-16.45, Theil (C) 2-6	Sustainability arenas	Required: <ul style="list-style-type: none"> <li>Article London &amp; Hart (2004)</li> <li>Article Marquis et al. (2011)</li> <li>Article Surroca et al. (2013)</li> </ul> Supplementary : <ul style="list-style-type: none"> <li>Article Wang et al. (2017)</li> <li>Article Wijen &amp; Van Tulder (2011)</li> </ul>	Individual assignment 2, due 6 February, 13.00
13 February, 16.00-18.45, Mandeville (T) 3-16	Sustainability differentiators	Required : <ul style="list-style-type: none"> <li>Article McWilliams &amp; Siegel (2011)</li> <li>Article Orsato (2006)</li> <li>Article Sharma &amp; Vredenburg (1998)</li> </ul> Supplementary : <ul style="list-style-type: none"> <li>Article Henriques &amp; Sadorsky (1999)</li> <li>Article Lubin &amp; Esty (2010)</li> </ul>	Individual assignment 3, due 13 February, 13.00
20 February, 14.00-16.45, Theil (C) 2-6	Sustainability vehicles	Required: <ul style="list-style-type: none"> <li>Article Mitchell et al. (1997)</li> <li>Article Henisz et al. (2014)</li> <li>Article Perez-Aleman &amp; Sandilands (2008)</li> </ul> Supplementary : <ul style="list-style-type: none"> <li>Article Crilly &amp; Sloan (2012)</li> <li>Article Pfeffer (2010)</li> </ul>	Individual assignment 4 and Group progress report, due 20 February, 13.00
27 February, 14.00-16.45, Theil (C) 2-6	Sustainability staging	Required: <ul style="list-style-type: none"> <li>Article Bansal (2005)</li> <li>Article Bansal et al. (2014)</li> <li>Article Zadek (2004)</li> </ul> Supplementary : <ul style="list-style-type: none"> <li>Article Rivoli &amp; Waddock (2011)</li> <li>Book chapter Wijen (2007)</li> </ul>	Individual assignment 5, due 27 February, 13.00

6 March, 14.00-17.45, Mandeville (T) 3-35	Sustainability in action		Group report, due 6 March, 13.00 Group presentation
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## Course Information

You will first discover state-of-the-art literature at the interface of corporate strategy and corporate sustainability. Each of the five academic sessions will cover one core strategy component. You will study relevant articles and make an individual assignment prior to the session. During the classes we will discuss strengths and limitations of the readings, relate each component to other strategy elements, and apply the topic to actual business practices. The first two hours will be dedicated to academic lecturing and discussion, while the final hour will offer students the space to ask the lecturer questions and to consult with fellow students on the group fieldwork. To warrant a focused session, the use of laptops and smartphones is not allowed.

Next to the classroom setting, you will conduct fieldwork in a group of students. You will observe a concrete firm that has recently implemented a sustainable strategy. In particular, you will identify a concrete (successful or failed) project—the environmental certification of a particular product, the internationalization of a ‘sustainable product’, development of inclusive business, etc.—and analyze this project using conceptual insights from the academic literature. Drawing on interviews and secondary data, you will comprehensively grasp the essence and details of the project, critically analyze the strengths and limitations of the adopted strategy, and offer constructive suggestions to improve the focal company’s practices. Every group will present the analysis and suggestions during the sixth and final session of the course.

Students are strongly advised to attend all classes. Attendance of workshops is not mandatory, but attendance will be noted and only students who have regularly partaken are eligible for additional lecturer feedback outside classes. Furthermore, students are clearly expected to have read the required readings in advance and must have submitted their assignments prior to the respective workshops. By doing so, they will maximize their chance of successfully passing this course. All relevant course documents can be found on Canvas.

## Examination

The assessment of this course consists of five individual and one group take-home exam assignments, all of which can be found on Canvas. Each individual assignment counts for 10% of the overall grade. The individual and group exam assignments need to be submitted as a Word or pdf document via the dedicated Canvas page. They must be original work and may be checked on plagiarism. All exam assignments must be uploaded prior to the respective session (see the schedule above).

The group work (group exam assignment, consisting of a written report plus an oral presentation) will account for the remaining 50% of the grade. Each group member gets the same grade. The clear expectation is that all group members offer a fair and even contribution to the group presentation. In case one or several group members fail to do so, groups are strongly encouraged to quickly sort out these free-riding issues internally. Should this not work out, the course coordinator should be advised, after which corrective measures (including the option of excluding one or several group members from the course) may be taken. Students who do not pass the course may retake one or several assignments by 20 March 2018 at the latest.

## Perusal

General explanations concerning the exam assignments will be provided during each session. For individual feedback, there will be one, centrally organized, opportunity for students to review the way in which their work was assessed. The date, time, and place of this perusal will be announced on Canvas.

## Assessment

<b>Course: Sustainable Strategies</b>	<b>Assessment formats</b>					
Educational goals:	Individual assignment 1:	Individual assignment 2:	Individual assignment 3:	Individual assignment 4:	Individual assignment 5:	Group assignment:
Theoretical understanding of sustainable strategies	X	X	X	X	X	
Evaluate and compare theories of sustainable strategies	X	X	X	X	X	
Chart opportunities and threats of sustainable business practices	X	X	X	X	X	X
Apply theoretical insights to actual sustainable practices						X
Develop skills to analyse an actual sustainable business project						X
Weighting	10%	10%	10%	10%	10%	50%
Opportunity to resit within academic year	Yes	Yes	Yes	Yes	Yes	Yes

Form of examination	Take-home	Take-home	Take-home	Take-home	Take-home	Take-home Presentation
Group/ individual	Individual	Individual	Individual	Individual	Individual	Group