DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS

LGST 2300: SOCIAL IMPACT AND RESPONSIBILITY
Spring 2024

Classroom: 109 SHDH
Office: 631 Jon M. Huntsman Hall
Class Times: Tuesdays, 3:30-6:30

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Office Hours: By appointment. Should you have any questions or concerns about the class, please do not hesitate to contact me via email petkoski@wharton.upenn.edu or phone.

OVERVEW

How to define and deal with social impact and responsibility of the key stakeholders, including corporations; investors; international financial institutions, such as the World Bank; United Nations; foundations; donors; non-government organizations; and development agencies? How to deal with the increased complexity and the dynamic of change of the external ecosystem? What role can business, through its core activities, innovations, and innovative partnerships, play in meeting local and global societal needs in protecting the environment, improving health, education and governance, empowering communities, eradicating poverty, etc.? Are these needs properly captured by environmental, social, and governance (ESG) priorities and the Sustainable Development Goals (SDGs)? What is the relationship between the SDGs and ESG? What is the impact of AI?

How to enhance environmental, social, and governance impact through leadership, social intrapreneurship and entrepreneurship, and disruptive social and AI innovations? What are the challenges of measurement and reporting impact? Can technology and AI help solve Sustainability/ESG related problems? Does business have a responsibility to help address these priorities? What is the responsibility of the other stakeholders? Are there limits to what can and should be done through business and innovative partnerships? What are successful examples of business and innovative partnerships approaches to meeting these needs and priorities? What is the role and responsibility of GEN-Z?

This survey course provides students the opportunity to engage in an analysis of these and other issues that lie at the foundation of environmental, social, and governance impact and responsibility as an area of study. The emphasis is on learning conceptual models and frameworks that help navigate the complexity and dynamism of real-life implementation, including issues arising within the award-winning social

enterprise projects identified by the World Bank's "Ideas for Action (I4A)[1]" and the "SDGs&Her[2]" initiatives, as well as ESG Research Papers published in the first volume of the Zicklin Review[3]. It moves beyond "one size fits all" approach and instead focuses on the choices that executives, managers, young professionals/employees, intrapreneurs, and entrepreneurs face in a specific strategic situation.

The aim of the course is to integrate and strengthen students' academic skills by applying them in cross-functional ways to the real-world Sustainability/ESG research papers or startup projects. The course addresses the aspects of human nature - the hidden biases and behaviors and emotions - that undermine shared understanding of the Sustainability/ESG issues and their implementation and takes the students through the questions intrapreneurs and entrepreneurs should address as they go from an idea to implementable solutions with purpose and impact. The course also requires students to grapple with current ethical, governance, and legal challenges that business organizations and entrepreneurs face, such as defining the purpose of a business, determining how to incorporate global standards and goals like the ESG and SDGs, and AI into a business strategy, and designing mechanisms to promote ethical behavior and combat such systemic challenges as corruption. **All these issues will be addressed through Sustainability/ESG related team research papers or startup projects.**

The course takes the students through the questions Sustainability/ESG/social entrepreneurs/intrapreneurs should address as they go from an idea to implementable solutions with purpose and impact. The students will have a choice to work on (1) community-based projects, with support from the Netter Center for Community Partnerships (https://www.nettercenter.upenn.edu/); and (2) Sustainability/ESG related research papers. As the students learn new concepts, they will immediately put their newly acquired knowledge to practice by directly applying what they learn in an actual Sustainability/ESG research paper or startup project. Students will be partnered with 2-3 other peers to

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[1] The I4A Initiative is jointly sponsored by the World Bank and Wharton's Zicklin Center for Business Ethics Research. It includes an annual competition for global social enterprise founders with new winners every year. Thousands of projects are submitted annually from over 140 countries. From these, a handful are honored with an award. Every year, the best proposals are published in M. Mohieldin and D. Petkoski (Editors), *"Financing and Implementing the Sustainable Development Goals – Ideas for Actions"*, The World Bank Group, 2015, 2016, 2017, 2018, 2019. The books are available online. For more details visit:http://www.ideas4action.org/
Facebook: https://www.facebook.com/ideas4action?view_public_for=1550087675237501.

[2] The SDGs&Her Initiative is jointly sponsored by the World Bank and Wharton's Zicklin Center for Business Ethics Research, in partnership with UNDP and UN Women. It includes an annual competition for women global social enterprise founders with new winners every year. Thousands of projects are submitted annually from over 140 countries. For more details visit: https://www.worldbank.org/en/who-we-are/news/campaigns/2020/sdgs-and-her-initiative.

[3] From the note "From the Editors": With the leadership and support of Dean Erika H. James, Wharton is placing the ESG movement and responsibility in business, more generally, at the forefront of our school's contribution to its many Stakeholders and their communities (The ESG Initiative, Wharton School). The Zicklin Center for Governance and Business Ethics Research is committing significant resources to this important project by launching the ZICKLIN REVIEW.

The ZICKLIN REVIEW is an on-line, "project-oriented" journal launched with a singular purpose: to offer a forum for young professionals and thought leaders (including our own undergraduate, MBA, and doctoral students) to address the most urgent development challenges of their generation—namely, challenges within the ethics, responsibility, and development space. We have high aspirations for how this project-oriented journal will reflect, shape, and impact thinking on campus and well beyond. The voices of those with the greatest stake in the successful outcome of "responsible development" deserve greater recognition. In this regard, our strategy with the ZICKLIN REVIEW builds on the influence and impact of the Ideas for Action and SDGs&Her Initiatives that the Zicklin Center jointly launched with the World Bank in 2014 and 2018, respectively.

work on actual research papers or projects under the guidance of the instructor and other experts. The students will be encouraged to interact directly with relevant stakeholders, including experts from the World Bank, the International Finance Corporation (IFC), International Labor Organization (ILO), German Development Agency (GIZ), Tanoto Foundation, and others. Interactions with multiple stakeholders will encourage students to deal with competing ideas, investigate contradictions, and consider multiple forms of evidence to make recommendations. Students suggestions will be shared with interested parties. Students will be engaged in the organization of and will present at a global actionable knowledge exchange conference, which will take place on April 26. Please put April 26 in your calendar.

Instructional Methods
The course uses readings, lectures, exercises, cases, I4A and SDGs&Her projects, Zicklin Review articles, individual and team assignments, and class discussion. Reading assignments provide an important foundation for class discussion and students are expected to come to class well prepared to discuss the reading materials. Lectures will be used to highlight key points from the readings and provide additional information to supplement the readings. The case discussions are mainly based on strategic (not financial and technical) issues. Exercises, cases, Zicklin Review articles, I4A and SDGs&Her projects will provide additional insights and opportunities to apply what students have learned to real-world issues. Because each student brings unique perspectives and experiences to the class, participation in class discussions and activities is essential to student's own learning as well as that of other class members. To further enrich students' learning, they will also receive feedback from external experts on their team Sustainability/ESG related research paper or project. Through cases, conceptual and academic readings, and guest lectures from practitioners – corporate, development organizations, and investment firms executives, the course is designed to help students address the question: ***"How should business enterprises, through their core activities, innovations and innovative partnerships, and business thinking be engaged to improve society in areas not always closely associated with business?"***

Expectations
Class will be conducted according to concert rules:
- Class starts and ends exactly on time. Students and faculty are expected to be timely.
- Students should remain in attendance for the duration of class, except in an emergency.
- Students should display nameplates.
- Aside from cases of major illness, an absence may be excused only with prior notice to the professor – who will decide in accordance with his own discretion whether or not to excuse the absence.
- No computers, tablets, or other electronic devices may be used in class. Nope, not kidding.

Policy on Use of Generative AI
You may use AI tools such as ChatGPT to assist you, such as for research, understanding concepts, or developing initial ideas. AI can be a valuable means to facilitate your learning; however, it should not be an alternative to learning. It is a violation of Wharton ethics rules to submit work that is entirely created by someone else, or by software such as AI tools. Plagiarism or other forms of cheating will be dealt with severely under relevant university procedures.

Be aware that AI tools are imperfect. They may be biased, inaccurate, or "hallucinate" false information. You are responsible for the content of your submissions, so review any AI-generated material carefully. If you use AI tools for assignments in this course, you are expected to disclose that in your response, and identify how you employed them. You should identify prompts you used, and the relationship of what the AI created to what you eventually submitted.

Guest Speakers and Resource
Guest speakers and resource experts will be invited to address the topics in the course, with emphasis on designing an ESG research paper or startup project. Resource experts will provide inputs on implementation challenges associated with the projects. The coursework in the class sessions, outlined below, will focus on models for student team' own Sustainability/ESG related research papers or startup projects.

TARGET AUDIENCE

As a survey course, the course is designed to meet the interests of a wide range of students, including those who seek careers in environmental, social, and governance impact and those interested in learning more about this quickly growing and visible area of business. The course is also designed for students whose primary interest is not necessarily business but are interested in learning how the application of business thinking can address challenges in their area of interest, such as science, education, AI, or health. The course is required for students pursuing the Secondary Concentration in Social Impact and Responsibility. No prior background is assumed and there are no prerequisites.

GRADING

Overall Contribution to Class (15%) The course is intended to engage students in critical, ecosystems and multi-framework thinking, problem solving, analysis, interpretation, and synthesizing information; and help them to develop the analytic skills and substantive framework to address challenges as they arise in addressing complex business and Sustainability/ESG/SDGs challenges. Many of these challenges will involve justifying one's position to those in disagreement. Students are encouraged to approach this course with a discovery driven mindset backed by rigor and due diligence. To this end, the course emphasizes articulating reasoned arguments. Class participation is an integral component of this emphasis. Class participation assumes students have completed all the course prep materials (readings, videos, challenge questions, etc.) on time and by the due date and they are prepared to discuss the content with their peers. In addition, "participation" is defined as quality contributions to class discussion and exercises. Class attendance, class participation, class debates, case study analysis, instructor evaluation, and peer ratings will comprise 15% of the grade. <u>Peer accountability:</u> Given the emphasis on teamwork for this course, the peer assessment will have a significant impact on the final grade. The Peer Rating component will work as follows. Each student will rate (on a secure website with confidentiality assured) each other student on a 1 (bottom) -- 10 (top) scale based on that peer's overall, demonstrated contribution to the class's learning and development, as well as projects work. Comments on each student's specific contributions will be solicited and weighed in the "Contribution to Class" grade awarded by the instructor.

Individual Assignments (40%) This includes weekly assignments, such as readings and case write-up, and Legacy and Reflection Papers.

Midterm Exam (15%) A midterm exam will account for 15% of the available points. The midterm exam will focus on utilizing the readings in case study analysis.

Projects Work (25%) At the very beginning of the semester, students, in teams, are required to select a Sustainability/ESG research paper or entrepreneurial project. Individual student's research paper or project work grade will be adjusted by her/his individual contribution assessed by the end of semester

peer evaluation. (See <u>Peer accountability</u> above for details).

Research Paper/Project Presentations (5%) Research Paper/Project Presentations will account for 5% of the available points. More details on the presentations and how they will be evaluated will be available on Canvas.

<u>Legacy Assignment:</u> Students will be required to submit a short note two pages in length (12-point type, doubled spaced) on *My Legacy*: *In 2050, when you look back at your life (both personal and professional) what will you consider to be your main achievement – your legacy?* Pass/Fail grade.

Final grades may be adjusted to conform to an acceptable distribution. This curve may increase or decrease the final grade awarded.

<u>Change of Grades:</u> With the exception of clerical/coding errors, there will be no change of grades issued after final grade sheets are delivered to the University Registrar.

Note: More details on the assignments, including readings and case write-ups, and Legacy and Reflection Papers, as well as the due date will be available on Canvas. Individual and team assignments must be completed and submitted by the due date.

INSTRUCTOR

Djordjija Petkoski is a Lecturer and Senior Fellow at the Wharton School and serves as an adviser and consultant to the World Bank, ILO, IOE, OAS, other development organizations, governments, and global companies. Most recently, his research, capacity development, and consulting activities include: Helping Sustainability/ESG Executives – corporate leaders and investors - make their Sustainability/ESG Ecosystem Journey more inclusive and impactful; Innovative Innovations - understanding of how entrepreneurs and intrapreneurs think and feel about innovating in the Sustainability/ESG space; Actionable and impactful innovative partnerships; Addressing legacy through deeper understanding of the personal and professional journey, enlightened by passion, purpose, core values, and conscience; The integrating role of HR in the context of Sustainability/ESG, diversity, equality, and inclusion (DEI), and Gen-Z; New approach to Executive Education by utilizing Couching and Actionable-Transformative-Capabilities Development. His recent research and consulting have revolved around the utilization of AI in the framing and resolving complex, dynamic problems. His focus is on the corporate strategies and organizational cultures that foster sustainable development, inclusive of the responsible implementation of AI technologies. At Wharton, he teaches courses on responsibility in global management, corporate responsibility and ethics, global social impact, and social impact and responsibility in the MBA, undergraduate, and executive programs. He held various senior positions at the World Bank, including head of the Business, Competitiveness and Development Program. During his nearly 20 year tenure at the World Bank he focused on multi-disciplinary and multi-stakeholder approach to business and development issues; competitiveness and sustainable development at the national and corporate level; anti-corruption and ethics; collective action and the changing role of business in society; corporate social responsibility, creating shared value, the base of the pyramid; innovation, entrepreneurship, intrapreneurship; knowledge exchange; and leadership and leading and managing change[4]. He co-

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[4] https://www.linkedin.com/in/djordjija-petkoski-a4a43661/

launched Ideas for Action (I4A) [5] and SDGs&Her[6], joint initiatives created by the World Bank and the Zicklin Center at Wharton. I4A and Africa COVID-19 Challenge[7] are knowledge and action-oriented platforms that provide young leaders around the world with a unique opportunity to help (1) shape the international development agenda with emphasis on the Sustainable Development Goals (SDGs) and ESG; and (2) build capacity to combat COVID-19 in Africa using ideas and innovations from young entrepreneurs. He is co-editor of the Zicklin Review, and the author or co-author of 15 books and over 180 articles and reports. He is a frequent guest at the Knowledge@Wharton Sirius Satellite Radio. In addition to two Ph.D. (one in Economics and one in Electrical Engineering), he has an MPA from Harvard Kennedy School. He was a Fulbright Scholar at Harvard University and a Visiting Scholar at Massachusetts Institute of Technology.

COURSE OUTLINE

There is no textbook for this course. This syllabus and the readings **are subject to change** at the discretion of the instructor to accommodate the flow and interests of the class and the schedule of guest speakers. If unsure of any assignments, please ask for clarification at the end of class. The reading for each class must be completed before the lesson for which it is assigned.

SUMMARY:

Class 1, January 23
NEW NORMAL: WHAT'S A BUSINESS FOR; WHOSE RESPONSIBILITY; OVERVIEW OF THEMES; QUESTIONS; AND APPROACHES

Class 2, January 30
WHY SUSTAINABILITY/ESG/SDGs; WHAT'S THE NEED FOR MEASUREMENT AND REPORTING AND HOW HARD IS TO MEASURE SOCIAL AND ENVIRONMENTAL IMPACT?

Class 3, February 6
SUSTAINABILITY/ESG JOURNEY: FROM AN IDEA TO IMPLEMENTABLE SOLUTIONS WITH PURPOSE AND IMPACT; IS SUSTAINABILITY REPORTING OVERSOLD?

Class 4, February 13
ENHANCING IMPACT THROUGH LEADERSHIP, ESG/SOCIAL/AI ENTREPRENEURSHIP, AND DISRUPTIVE INNOVATIONS

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[5] The I4A Initiative has reached nearly 2,000,000 individuals by print and social media. Over 12,000 registered teams with more than 40,000 students and young professionals from 142 countries and territories sent nearly 6,000 proposals. In addition, Ideas for Action hosts special events at the IMF and World Bank Annual Meetings. For more details visit: http://www.ideas4action.org/

[6] Petkoski co-chairs the World Bank, Wharton, UNDP, and UNWomen SDGs&Her Initiative – an online competition for women micro-entrepreneurs to showcase how they are supporting the SDGs through their business operations (https://www.worldbank.org/en/programs/sdgs-2030-agenda/brief/sdgs-and-her).

[7] At the very beginning of the COVID-19 pandemic, the Zicklin Center for Business Ethics Research at the Wharton School and its many partners launched a new initiative: Building Capacity to Combat COVID-19 in Africa: Ideas and Innovations from Young Entrepreneurs. (https://www.worldbank.org/en/who-we-are/news/campaigns/2020/sdgs-and-her-initiative)

Class 5, February 20
STAKEHOLDER CAPITALISM AND STAKEHOLDER STRATEGY

Class 6, February 27
CREATING SHARED VALUE; ADDRESSING COMPLEX GLOBAL DEVELOPMENT CHALLENGES and MIDTERM REVIEW

Class 7, March 12
MIDTERM EXAM

Class 8, March 19
THE HARD TRUTH ABOUT DEI; CREATING SUSTAINABILITY/ESG/AI CULTURES; and Midterm Exam Review

Class 9, March 26
FINACING FOR SUSTAINABILITY/ESG AND DEVELOPMENT; ECOSYSTEM STRATEGY; AND INESTORS' ESG JOURNEY

Class 10, April 2
RESPONSIBILITIES IN FRONTIER MARKETS: BoP AND THE ROLE OF FOUNDATIONS AND NONPROFITS

Class 11, April 9
LEADING AND MANAGING CHANGE: FROM PERSONAL TO ORGANIZATIONAL CHANGE FOR SOCIAL IMPACT; FUTURE PROOF ORGANIZATIONS; AND FIGHTING CORRUPTION

Class 12, April 16
STRATEGICALLY ENGAGING WITH INNOVATION ECOSYSTEM

Class 13, April 23
SUSTAINABILITY/ESG IN THE AGE OF AI

Class 14, April 30
RESEARCH PAPERS AND PROJECTS PRESENTATION; TAKEAWAYS, AND COURSE REVIEW

Feedback

I am committed to making this course a valuable learning experience for you and I will make any necessary changes to keep us on track. I strongly encourage anyone with specific or general questions regarding the course structure, content, or discussions to contact me via email or phone.