



## DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS

### LGST 2300: SOCIAL IMPACT AND RESPONSIBILITY

Spring 2023

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Classroom: JMHH F50

Office: 631 Jon M. Huntsman Hall

Class Times: Mondays, 3:30-6:30

Professor: Djordjija Petkoski

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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](mailto:petkoski@wharton.upenn.edu) or phone.

### OVERVIEW

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?

How to enhance environmental, social, and governance impact through leadership, social intrapreneurship and entrepreneurship, and disruptive social innovations? What are the challenges of measurement and reporting impact? Can technology help solve ESG related problems? Does business have a responsibility to help address these priorities? 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 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. It moves beyond “one size fits all” approach and instead focuses on the choices that executives, managers, 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 ESG research or startup projects. The course addresses the aspects of human nature - the hidden biases and behaviors and emotions - that undermine shared understanding of

the 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 like the ESG and SDGs into a business strategy, and designing mechanisms to promote ethical behavior and combat such systemic challenges as corruption. ***All these issues will be address through ESG related team research or startup projects.***

The course takes the students through the questions 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) ESG related research projects. 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 ESG research or startup project. Students will be partnered with 2-3 other peers to work on actual 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), and other. The interaction 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.

### **Instructional Methods**

The course uses readings, lectures, exercises, case studies, individual and team assignments, and class and group discussions. 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, case studies, and ESG projects will provide additional insights and opportunity to apply what students have learned to real-world issues. Writing assignments will be tailored to meet students' individual needs and interests. Because each student brings unique perspectives and experiences to the class, participation in class and group 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 projects. 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?”***

### **Guest Speakers and Resource**

Guest speakers and resource experts will be invited to address the topics in the course, with emphasis on designing a 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 ESG related research project or startup (I4A type entrepreneurial) project.

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## **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 also is designed for students whose primary interest is not necessarily business but are interested to learn how the application of business thinking can address challenges in their area of interest, such as science, education, 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 (20%)** The course is intended to engage students in critical, systems 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 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 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 20% of the grade. Peer accountability: 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 (30%)** 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 (30%)** At the very beginning of the semester, students, in teams, are required to select an ESG research or entrepreneurial project. Individual student's project work grade will be adjusted by her/his individual contribution assessed by the end of semester peer evaluation. (See Peer accountability above for details).

**Project Presentations (5%)** 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.

Legacy Assignment (Due Date: **Beginning of Second Session**): 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?* Students should bring a hard copy to be submitted at the beginning of the second session as well as send the assignment by email prior to class. Pass/Fail grade.

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

Change of Grades: 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 ESG Executives – corporate leaders and investors - make their 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 ESG, diversity, equality, and inclusion (DEI), and Gen-Z; New approach to Executive Education by utilizing Coaching and Actionable-Transformative-Capabilities Development. 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<sup>1</sup>. He co-launched Ideas for Action (I4A)<sup>2</sup> and SDGs&Her<sup>3</sup>, joint initiatives created by the World Bank and the Zicklin Center at Wharton. I4A and Africa COVID-19 Challenge<sup>4</sup> 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 the author or co-author of 15 books and over 180 articles

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<sup>1</sup> <https://www.linkedin.com/in/djordjija-petkoski-a4a43661/>

<sup>2</sup> 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/>

<sup>3</sup> 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>).

<sup>4</sup> 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.africacovidchallenge4a.com/>)

and reports. He is 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 11**

**NEW NORMAL: WHAT'S A BUSINESS AND INTRAPRENEURSHIP, ENTREPRENEURSHIP FOR; WHOSE RESPONSIBILITY; OVERVIEW OF THEMES; QUESTIONS; AND APPROACHES**

#### **Class 2, January 23**

**WHY ESG; WHAT'S THE NEED FOR MEASUREMENT AND HOW HARD IS TO MEASURE SOCIAL AND ENVIRONMENTAL IMPACT?**

#### **Class 3, January 30**

**INNOVATION JOURNEY: FROM AN IDEA TO IMPLEMENTABLE SOLUTIONS WITH PURPOSE AND IMPACT – IS SUSTAINABILITY REPORTING OVERSOLD?**

#### **Class 4, February 6**

**ENHANCING IMPACT THROUGH LEADERSHIP, ESG/SOCIAL ENTREPRENEURSHIP, AND DISRUPTIVE INNOVATIONS**

#### **Class 5, February 13**

**THE COST OF AND MANAGING COMPLEXITY; VALUES; AND THE EVOLUTION OF ESG/SOCIAL ENTREPRENEURSHIP**

#### **Class 6, February 20**

**THE HARD TRUTH ABOUT DEI AND INNOVATIVE CULTURES and MIDTERM REVIEW**

#### **Class 7, February 27**

**MIDTERM EXAM**

**Class 8, March 13**

**ESG/SOCIAL INNOVATION: HOW ORGANIZATIONS CREATE SOCIAL VALUE AND CAN TECHNOLOGY HELP SOLVE SOCIAL PROBLEMS? ESG JOURNEY; and Midterm Exam Review**

**Class 9, March 20**

**THE CHANGING LANDSCAPE OF SOCIAL-IMPACT INVESTING: FINANCING FOR ESG AND DEVELOPMENT; ESG PRINCIPLES; AND INVESTORS' ESG JOURNEY**

**Class 10, March 27**

**RESPONSIBILITIES IN FRONTIER MARKETS: BoP AND THE ROLE OF NONPROFITS**

**Class 11, April 3**

**LEADING AND MANAGING CHANGE: FROM PERSONAL TO ORGANIZATIONAL CHANGE FOR SOCIAL IMPACT; THE ROLE OF WOMEN LEADERS; AND THE CHANGING ROLE OF FOUNDATIONS**

**Class 12, April 10**

**GLOBAL ENTREPRENEURIAL ECOSYSTEM: MANAGING THE ECOSYSTEM, AND STAKEHOLDER/INCLUSIVE CAPITALISM**

**Class 13, April 17**

**THE CHALLENGE OF ESG IMPLEMENTATION - ARE INNOVATIVE PARTNERSHIPS AND GOOD GOVERNANCE AN ANSWER?**

**Class 14, April 24**

**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.