



# SUSTAINABLE MANAGEMENT AND SUSTAINABLE COMPETITIVE ADVANTAGES

## SYLLABUS SUMMER TERM 2021

**Start:** 13 April 2021  
**Time:** Tuesday, 10:00-14:00  
**Mode:** Online

**Chair:** Strategic Leadership and Global Management  
**Lecturer:** Professor Dr. Dodo zu Knyphausen-Aufseß  
**Support:** Maren Wendland  
**Contact:** [wendland@strategie.tu-berlin.de](mailto:wendland@strategie.tu-berlin.de)  
**Website:** [www.strategie.tu-berlin.de](http://www.strategie.tu-berlin.de)

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## SCHEDULE SUMMER TERM 2021

The lecturing videos are to be watched before the live sessions in order to be capable to discuss about it. Therefore, we spared time in the beginning of each 4-hour block for you to have time to watch the videos. Please note, that the live sessions might start at a different time each week.

	DATE	TIME	TOPIC	FORMAT
1	April 13	10:15	Introductory lecture	Zoom
		12:00	Kickoff: The poster challenge	Zoom
2	April 20		Climate change & leadership for sustainability	Video 1
		11:15	Climate change & leadership for sustainability Q&A	Zoom
		12:00	Topic pitches & group formation	Zoom
3	April 27		Determinants of a sustainability strategy	Video 2
		11:15	Determinants of a sustainability strategy Q&A	Zoom
		12:00	Developing & formatting sustainability strategies (Dr. Nils Naujok, Strategy&)	Zoom
4	May 4		Restructuring in the food industry	Video 3
			Case: The Bayer/Monsanto merger	Video 4
		12:00	Restructuring in the food industry & Bayer/Monsanto Case Q&A	Zoom
5	May 11	10:15	Business and biodiversity (Boston Consulting Group)	Zoom
6	May 18		Sustainable business models and entrepreneurship	Video 5
		11:15	Sustainable business models & entrepreneurship Q&A	Zoom
		12:00	Social entrepreneurship & Phineo	Zoom
7	May 25	10:15	Interim presentation	Zoom
8	June 1	10:15	Sustainability reporting (KPMG)	Zoom
9	June 8		Growth & de-growth	Video 6
		11:15	Growth & de-growth Q&A	Zoom
		12:00	Hints for academic writing	Zoom
10	June 15	10:15	Circular economy (McKinsey)	Zoom
11	June 22		New & agile work	Video 7
		11:15	New & agile work Q&A	Zoom
		12:00	Discussion with Siemens expert	Zoom
12	June 29	10:15	Corruption & compliance (Harvard Multimedia case on Siemens)	Zoom
13	July 6	10:15	Poster presentations	Zoom
14	July 13	10:15	Poster presentations	Zoom

## MODULE CONTENT AND OBJECTIVES

The module focuses on the overlapping of strategic management and sustainable management. Therefore, it combines academic and theoretical issues as well as practice-related and interactive presentations, and workshops. Part of this module entails the participation of experts from different companies, especially consultancies, sharing their practical experience.

From a strategic management perspective, the term “sustainability” is well established in the context of achieving a viable competitive advantage, a firm possessing a unique combination of resources which enables it to maintain above-average profitability. However, this narrow understanding of the term “sustainability” is not adequate for integrating the basic tenets of sustainability management, i.e., developing and exercising responsibility in economic, social, and environmental dimensions.

Therefore, this module is dedicated to exploring the topic of strategies for sustainability from different perspectives and to re-think the axioms of strategic management from a sustainable management point of view. After an introductory part on key terms used in strategic and sustainability management, a coherent concept of a “sustainability perspective of strategic management” is developed. Several sessions deal with the environment and the idea of a circular economy, exemplified by looking at specific industries such as the food industry.

Finally, the module aims at understanding the concept of a “sustainability strategy”. It focuses on the corporate strategy, the business models, and their influencing factors which determine the strategic choices and performance implications in the economic, social, and environmental dimensions.

The module is offered to familiarize you with the overlapping demands on competitive and sustainable advantages. Therefore, we pursue the aim of enabling you to be put in the situation of a “sustainability manager”. In a scientific manner, you should identify, grasp, and analyze relevant sustainability problems and develop a theoretically sound suggestion for a practical solution.

## TEACHING PHILOSOPHY

As indicated above, in this module we offer you an insight into a wide range of topics and have recruited representatives from the field to give lectures or to clearly demonstrate the application relevance of the concepts presented. In the end, participation in these events is not obligatory for you, because our examination concept—which will be explained below—does not ask for their contents. We therefore rely on your intrinsic motivation to acquire relevant knowledge on the future of (strategic) management and hope that you will not only attend these sessions, but also watch the videos in preparation (if available) and then enrich the quality of the sessions with your questions and contributions to the discussion (principle of peer-group learning). If especially the sessions with the practitioners do not find sufficient interest, this would probably lead to the fact that these practitioners are no longer interested in cooperating with the TU Berlin in the future. That would, at least from our point of view, highly regrettable! So please remember that you not only have responsibility for your “peers” in this semester, but also for subsequent generations of students. – By the way, we also hope you are interested in the work of your peer students and the presentations they will contribute to our joint learning endeavor!

## ORGANIZATION AND ENROLMENT

The module is offered each summer semester and accounts for 6 ECTS.

The module is intended primarily for students of the master degree “Innovation Management, Entrepreneurship and Sustainability” (IMES), but students from other disciplines or universities are also welcome to enrol in our module. **The number of module participants is limited to 50.**

**In order to take the module, you have to register twice:**

### E-LEARNING PLATFORM ISIS

- Website: <https://isis.tu-berlin.de/course/view.php?id=23803> (password free)
- Internal registration deadline: 4 May 2021 (Survey)
- Access to reading material, lecture videos and zoom links
- Information and announcements
- Grouping

### QISPOS/EXAMINATION OFFICE

- Official registration deadline: 31 May 2021
- Withdrawal possible 31 May 2021

## PORTFOLIO EXAM AND GRADING

You will be graded based on a portfolio exam consisting of the following two parts:

EXAM PART	POINTS	EXTENT
Poster presentation (group work)	60 points	A0 poster + 10 min presentation
Written assignment (group work)	40 points	20-30 pages

You can score a maximum of 100 points. To pass the module, you must achieve at least 50 points in total regardless of what you have reached in each partial exam. As you see, both parts are group works, but you have the option to indicate individual contributions (see “Group Peer Assessment” below)

### GRADING SCALE

<b>1.0</b>	<b>1.3</b>	<b>1.7</b>	<b>2.0</b>	<b>2.3</b>	<b>2.7</b>	<b>3.0</b>	<b>3.3</b>	<b>3.7</b>	<b>4.0</b>	<b>5.0</b>
90	85	80	76	72	67	63	59	54	50	0

1.0, 1.3: excellent

1.7, 2.0, 2.3: good

2.7, 3.0, 3.3: satisfactory

3.7, 4.0: sufficient

5.0: not sufficient

## POSTER PRESENTATION AND WRITTEN ASSIGNMENT

The creation and presentation of posters takes place in groups of approx. 5 students. During the semester there are several blocks that deal with group work or work on the poster (see schedule). This includes input sessions on scientific work and poster design as well as the interim presentations.

### GROUPING:

During our kickoff session we will explain the group work and deliveries in detail to you. We also show you examples of posters from the last semesters. After that, you have one week time to come up with topic ideas. We want you to follow your own ideas that you are really interested in and motivated to work on.

In the group formation session you will have the opportunity to pitch your research ideas to your fellow students and get together in groups. This will be continued on ISIS if necessary.

### 1st DELIVERY: EXPOSÉ

EXPOSÉ	
Submission:	4 May 2021, 24:00, ISIS upload
Scope:	½ page (see template on ISIS)

### 2nd DELIVERY: INTERIM PRESENTATION

During the interim presentation you will present the progress of your project work. We individually discuss whether your research goal is clearly defined, your work is well structured and what you still need to work on.

INTERIM PRESENTATION	
Scope:	5-7 min presentation, followed by 5-7 min feedback und discussion, 5 content slides max.

### 3rd DELIVERY: POSTER SUBMISSION

POSTER AND FINAL PRESENTATION	
Submission:	2 July 2021, 24:00, ISIS upload
Format:	DIN A0/pdf
Software:	e.g., Scribus, Inkscape, Prezi, Power Point
Don't forget:	Group number, all members' names and student IDs have to appear on the poster

### 4th DELIVERY: FINAL PRESENTATION

In the last sessions you will present your final posters as first part of the exam. Before the presentation, you have to upload the e-posters on ISIS in our virtual gallery. This way, everyone can study the other groups' approaches and results. During the final presentations, we have time to ask questions and discuss the topics.

## FINAL PRESENTATION

Format:	Directly by sharing your pdf-poster or a Prezi presentation in the Zoom session
Scope:	10 min presentation, followed by 5-10 min feedback and discussion

## 5th DELIVERY: WRITTEN ASSIGNMENT

As the second part of the portfolio exam, each group has to upload a written assignment on ISIS. During the semester we will provide you with hints for academic writing.

## WRITTEN ASSIGNMENT

Submission:	10 September 2021, 24:00, ISIS upload
Format:	pdf
Scope:	20-30 pages
Don't forget:	Group number, all members' names and student IDs have to appear on the front page

## GROUP PEER ASSESSMENT (OPTIONAL)

If desired, groups can submit a peer assessment after the project work and before the grade is announced in order to individualize their grade. This way, committed students will get “more of the cake”, others less. Every vote in the team counts equally: Team members have to evaluate themselves as well as all their group members based on predefined evaluation criteria as e.g. problem-solving skills, motivation and reliability. The peer assessment procedure takes place anonymously and confidentially. **Each group member can express their wish for a peer assessment by email to the supporting assistant until the deadline for the written assignment. After that, all group members will be provided with an excel sheet in order to evaluate their individual performance.**

You can find more information on the peer assessment algorithm here: <http://webproject.lboro.ac.uk/academic-guidance/a-worked-example-of-the-scoring-algorithm/>.

## DETAILED DESCRIPTION OF WEEKLY SESSIONS

13 APRIL 2021

### INTRODUCTORY LECTURE

The module structure is based on the finding that strategic management is always interested in the relationship of systems—in our case: the business firm—and their environment. The latter does not merely relate to the natural environment but includes additionally, e. g., the industry in which the firm is embedded in, the economy, and the society as a whole. Exploring sustainability strategies for business firms also requires reflecting our socio-economic system in general. Therefore, we familiarize you with the key terms used in strategic and sustainable management. Building on this basis, we develop a more coherent concept of a sustainability perspective of strategic management. If you who have visited one of our bachelor modules, it might be helpful to re-read the module syllabi and to recapitulate what you have already learned.

### KICKOFF: THE POSTER CHALLENGE

In the second part of this session we will introduce you into the “Poster challenge” that is a major part of what we expect you to work on in this semester.

### INTERESTING READINGS FOR THE FIRST PART

Shrivastava, P., *Ecocentric management for a risk society* (1995). *Academy of Management Review* 20: 118-137.

Porter, M. E., & Kramer, M. R. (2011). *Creating shared value*. *Harvard Business Review*, 89(1/2): 62-77.

20 APRIL 2021

### CLIMATE CHANGE & LEADERSHIP FOR SUSTAINABILITY

The fact that economic activities have contributed decisively to climate change and continue to do so can hardly be disputed, provided that one assumes that climate change is man-made. This raises the question of what companies in particular could do to promote climate protection. Two concepts suggest themselves as a framework for this: that of “corporate social responsibility” (CSR) and that of sustainability. However, both concepts arouse suspicion—the suspicion of “greenwashing” suggests itself. I name some research activities at my department on these concepts and then some more general problem areas, in order to then show four perspectives on how one can imagine the role of companies in modern societies. With the more challenging perspectives, however, the question then quickly arises as to where the “energy” will come from to drive the necessary change. One answer mentioned in the literature is leadership. I present a case study on this: Unilever. I want to use this case study to actually demonstrate the significant role of a single leader—Paul Polman—but also to show how a company also ends up bowing to the laws of the existing economic system—shareholder capitalism. In the process, the greenwashing issue will come up again, and to some extent we ourselves will also have to consider what role we play in “the economy.” In conclusion, two approaches are mentioned as to how the further development of the “system” could be imagined.

**TOPIC PITCHES & GROUP FORMATION**

In the group formation session you will have the opportunity to pitch your research ideas to your fellow students and get together in groups. This will be continued on ISIS if necessary.

**INTERESTING READINGS FOR THE FIRST PART**

Henderson, R. M., Reinert, S. A., Dekhtyar, P., Migdal, A. (2018), Climate change in 2018: Implications for business. Harvard Business School 9-317-032 (<https://www.hbs.edu/environment/Documents/climate-change-2018.pdf>)

Gatti, L., Seele, P., Rademacher, L. (2019), Grey zone in – greenwash out. A review of greenwashing research and implications for the voluntary-mandatory transition of CSR. *International Journal of Corporate Social Responsibility* 4:6

27 APRIL 2021

**DETERMINANTS OF A SUSTAINABILITY STRATEGY**

What determines the choice of a sustainability strategy—why are some firms engaging in this area and others not? Research has identified a number of impact factors, such as governmental regulation, the values of managers (recall our session on leadership!), the bargaining power of supply chain partners, and economic considerations (the business case for corporate social responsibility). We provide a brief overview of some of the empirical results regarding the impact factors before we analyse the determining role of ownership more detailed. Additionally, we question whether family firms behave differently in terms of sustainability than other firms. The intuition is that families are more dependent on their local social context and have a stronger preference for long-term goals compared to companies with different ownership structures.

**DEVELOPING & FORMATTING SUSTAINABILITY STRATEGIES (DR. NILS NAUJOK, STRATEGY&)**

Our first practitioner talk! We want to learn how the development of a sustainability strategy can be supported by a strategy consulting company –how consultants approach such an effort and what experiences they make when dealing with clients who want to set the sustainability issue on their strategic agenda. Our guest is Dr. Nils Naujok, Vice president of Strategy& (formerly Booz and Company, now part of the PwC network); he will present us how the setup of sustainability-oriented strategy projects and how the “formatting” of these strategies look like—what results we can expect from those projects.

**INTERESTING READINGS FOR THE FIRST PART**

Faller, C., & zu Knyphausen-Aufseß, D. (2018), Does equity ownership matter for corporate social responsibility? A literature review of theories and recent empirical findings. *Journal of Business Ethics*, 150: 15-40.

Berrone, P., Cruz, C. C., Gomez-Mejia, L. R., & Larrazza Kintana, M. (2010). Socioemotional wealth and corporate response to institutional pressures: Do family-controlled firms pollute less? *Administrative Science Quarterly*, 55(1): 82–113.



4 MAY 2021

**RESTRUCTURING IN THE FOOD INDUSTRY**

Having discussed an overall vision for a sustainable strategy and its determinants, we pay attention to the industry level, meaning that we focus on a unit of analysis that Michael Porter—in his well-known work—mentions as the center of the strategic management discipline. The specific example we will focus on is the *food industry*, due to the fact that this industry is not only close to our personal life but it is also often seen as one core industry for the problem of hunger that, in turn, is a core issue in the global sustainability context. By food industry we understand the whole spectrum of food production and delivery, beginning with agriculture, covering producers of seed goods and pesticides as well as food producers such as Nestlé and Unilever, and ending at food retailers and super markets. The Heinrich Böll Foundation and two other partner organizations have recently published a study that heavily criticizes the increasing trend towards concentration on all levels of the food industry system, leading not only to problems such as food waste in parallel with undersupply but also to numerous environmental and social issues. Based on a presentation of the basic tenets of this study, we will focus our attention on the agriculture (sub-) industry and discuss a future outlook for this industry.

**CASE: THE BAYER/MONSANTO MERGER**

The Bayer/Monsanto merger, closed in 2018, is certainly a perfect example of the concentration tendencies that have been described in the aforementioned study. And it was indeed a very controversial case, as you will see in the video, taken from Deutsche Welle, and as we will discuss in the Q&A part of this session.

Video-Link: <https://vimeo.com/424289872>

**INTERESTING READING FOR THE FIRST PART**

Agrifood Atlas; see [http://www.foeeurope.org/sites/default/files/agriculture/2017/agrifood\\_atlas.pdf](http://www.foeeurope.org/sites/default/files/agriculture/2017/agrifood_atlas.pdf)

11 MAY 2021

**BCG WORKSHOP**

Topic to be defined.

18 MAY 2021

**BUSINESS MODELS & ENTREPRENEURSHIP**

This session is based on two assumptions. First, “Strategies for Sustainability” should also include the notion of a business model, or to be more precise: the notion of a *sustainable* business model. And second, sustainability is not only a relevant topic for established companies, it is also at the core of the business concept of many start-up companies. According to the so-called population ecology school of strategic management, established companies are inert—unable to adapt rapidly enough to changing environments. Consequently, new firms are needed that include sustainability as a blueprint in their DNA. In this session, we will outline this idea and discuss how one of the most well-known tools for developing

business models—Pigneur and Osterwalder’s “business model canvas”—can be used to develop and evaluate the sustainability dimension of business models.

## SOCIAL ENTREPRENEURSHIP & PHINEO

Another practitioner talk! Sustainable entrepreneurship can of course also mean *social* entrepreneurship, a concept that has received much attention in recent years. *Phineo* is a non-profit public limited company that helps established firms to identify those charity projects that really have *impact*, and social entrepreneurship initiatives to define their mission in a way that it is indeed promising to achieve such impact. This session helps us to understand the business model of Phineo and the contribution the company makes for leading social entrepreneurship initiatives to success.

### INTERESTING READINGS FOR THE FIRST PART

- Bocken, N. M. P.; Short, S. W.; Rhana, P. and Evans, S. (2013). A literature and practice review to develop sustainable business model archetypes. *Journal of Cleaner Production*, 65: 42-56.
- Schaltegger, S., Hansen, E. G., & Lüdeke-Freund (2016). Business models for sustainability: origins, present research, and future avenues. *Organization & Environment*, 29(1): 3-10.

25 MAY 2021

## INTERIM PRESENTATIONS

This week you will present the progress of your project work. We individually discuss whether your research goal is clearly defined, your work is well structured and what you still need to work on.

1 JUNE 2021

## SUSTAINABILITY REPORTING (KPMG)

Since corporate activities have an impact on future economy and society, it is necessary to ensure a long-term sustainable development of a company. Therefore, companies need a framework to collect, analyse and communicate the corporate sustainability information and manage sustainability in a corporate environment.

In the previous sessions, we have learned about the content of sustainability strategies and how to determine the choice of them, as well as the development and evaluation of sustainability-oriented business models. In this session, we want to deal with the *performance* indicators of sustainability strategies and we want to present which measurement approaches exist. The core idea is that Strategic Management as a discipline always has, as you may remember from our introductory session, a dedicated performance orientation. If we take this cornerstone seriously, it is indeed a relevant question how we can measure performance or, in other words, how we can extend the traditional measures of financial performance so that also the social or ecological implications of a specific strategy can be considered.

We have the pleasure to have representatives of KPMG with us, one of the worldwide leading accounting firms. In the first part of the workshop, KPMG will give you an overview of sustainability accounting and reporting by giving you an insight into inter alia KPMG findings and the KPMG sustainability report.

In the second part of the workshop, you will gain hands-on experience on developing sustainability reports based on the knowledge you acquired from the previous part.

**8 JUNE 2021**

### **GROWTH & DE-GROWTH**

Growth is one of the mantras of our economy. We tend to believe that growth is something positive and that the economy is prospering if the gross domestic product (GDP) is rising. A shrinking economy is seen as an economy in crisis. A similar kind of thinking applies to the company level—the growth of a firm as an indicator for success. However, scientists propagating a de-growth economy, building on the understanding that resources—particularly in the natural environment—are limited and, therefore, restrict the idea of continuous growth. Hence, they argue that there is a need for a sustainable qualitative growth—a growth that does not correlate with increasing resource consumption. What implications does this discussion have for our understanding of strategic management? Where does the growth imperative come from? Do we have a compelling concept of qualitative growth? How should companies prepare for a low-growth economy? This session will address these and related questions and their implications for our future research agenda.

### **HINTS FOR ACADEMIC WRITING**

As the semester progresses, you may become aware that the preparation of your posters should eventually lead to the writing of academic papers. We therefore offer you a small workshop on the "art" of academic writing, hoping that this knowledge can be useful for you later on when writing your master thesis.

### **INTERESTING READING FOR THE FIRST PART**

Capra, H., Henderson, H. (2009). Qualitative growth. A conceptual framework for finding solutions to our current crisis that are economically sound, ecologically sustainable, and socially just. [www.icaew.com/sustainablebusiness](http://www.icaew.com/sustainablebusiness).

**15 JUNE 2021**

### **CIRCULAR ECONOMY (MCKINSEY)**

How could an economy look like that saves resources and that is considered to be *sustainable*? One visionary idea to answer this question is the concept of a "Circular Economy", which aims at decoupling growth from the use of scarce resources, i.e. resources that are constrained by physical availability or negative externalities of use. This session is devoted to present this concept by a workshop held by a representatives of McKinsey & Co., a consulting company that has intensively worked on this concept with its clients and has also conducted a number of studies on behalf of the Ellen MacArthur Foundation, a UK-based institution which promotes the idea of a circular economy on diverse channels.

**READINGS**

Ellen MacArthur Foundation (2013): Towards a circular economy. Economic and business rationale for an accelerated transition advantage.

Murray, A., Skene, K., Haynes, K. (2017): The circular economy: An interdisciplinary exploration of the concept and application in a global context. *Journal of Business Ethics*, 140: 369-380.

**22 JUNE 2021****NEW & AGILE WORK**

All previous events in this module have focused on the ways in which companies can position themselves to compete with other companies, taking into account aspects of social and environmental sustainability. At least once, however, we also want to look inward ("Strategy begins at home", as Nobel Prize winner Oliver Williamson once put it) and turn to the question of how companies can realign their organizational and management structures—how they can contribute to democratization internally, which in turn may of course also positively influence the company's economic performance. Specifically, we want to focus here on the "New" or "Agile Work" movement, which has received a lot of attention in recent years. As input, we will use a video that you can watch on the Internet; in the session itself, we will then discuss the concept with a representative of *Siemens*, a company that has recently organized large-scale workshops on this topic.

Video-Link: <https://vimeo.com/122321254> (German with English subtitles)

**29 JUNE 2021****CORRUPTION & COMPLIANCE**

The last topic we want to address here—Corruption & Compliance—also has an internal reference, of course, because it is linked to the question of what culture and what mechanisms a company can develop to prevent or not prevent corruption. But of course the topic also refers externally—to dishonest means by which a company or its employees try to exert influence on business partners or institutions in order to gain advantages. In Germany, this topic really came to the fore in the corruption scandal involving Siemens, which cost the company's CEO at the time, Heinrich von Pierer, his job in 2004. We want to deal with this case with the help of a Harvard Multimedia case study.

**INTERESTING READING**

Castro, A., Phillips, N., Anzari, S. (2020) Corporate corruption: A review and an agenda for future research. *Academy of Management Annals* 14, pp. 935-968.

**6 and 13 JULY****POSTER PRESENTATIONS**

In these weeks you will submit your final e-posters and present your topics during our Zoom live sessions. Although it is necessary to divide the presentations over several weeks, we ask you to attend all presentations and show interest in the topics of your fellow students. We look forward to your work!