**‘Business Ethics and Corporate Social Responsibility’**

**Fall 2019**

**ADMS 3660 Section A**

**Monday 7:00-10:00 pm, Room DB 1005**

**(Note: Subject to Further Revision)**

**Course Director: Allan Greenbaum**

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Office hours: Monday 3-4

**Required Text:** Additional readings linked to or cited in this outline or posted on Moodle throughout the semester.

**Important Dates:**

**MID-TERM EXAM:** **October 7**

**MAKE UP TEST:** Day and room TBA,

**NOTE ON MAKE UP TEST**:

This test is **ONLY** for students who missed the mid-term for an urgent and valid reason. **Students must advise the instructor by email [eggplant@yorku.ca] of the reason for having missed the mid-term exam by noon October 10, and must email or bring to the make-up exam a completed "Attending Physician's Statement"** <http://www.cse.yorku.ca/~utn/attending_physician_statement.pdf>

 which must include the name and phone number of a contact person who can verify the reason for absence. Students who fail to take either the mid-term or the make-up mid-

term test will receive a grade of 0 on that test, with no exceptions.

**Last day to drop course without receiving a grade: November 8**

**FINAL ASSIGNMENT:** Posted online by, due by Turnitin on

**Business Ethics and Corporate Social Responsibility (AP/ADMS 3660B)**

**Course Outline**

**Course Description**: This course introduces students to the relevance and importance of ethics and social responsibility in business. Important learning objectives are to increase students’ awareness and understanding of ethical issues in business, and to provide students with useful conceptual tools to guide analysis and decisions. The ultimate intent of the course is to leave students better equipped to identify, think critically about, and resolve ethical issues that are encountered in one’s working life at the individual, organizational, and societal levels.

Some of the conceptual tools and frameworks to be discussed throughout the course include:

* Ethics versus the Law
* Moral Responsibility
* Moral Theory, Reasoning, and Development
* Ethical Decision-Making
* Corporate Social Responsibility Theory

The course will apply these conceptual tools and frameworks to the treatment by business of their various stakeholder groups including: shareholders; employees; consumers; suppliers, the natural environment, communities, and governments. The course concludes with a discussion of how companies can better establish ethical corporate cultures (e.g., compliance and ethics programs).

**Learning Objectives:**

1. To enhance awareness and increase understanding of the nature of business ethics in the Canadian as well as global business environment.
2. To examine the ethical implications of business practices from a stakeholder perspective.
3. To increase awareness of the challenges of business social responsibility.
4. To develop critical thinking skills via the application of concepts and theories to business cases.

**Required Readings:** The required readings are indicated in the class schedule below. The assigned readings should be done prior to the class for which they are assigned. Readings complement the lectures—they do not always cover the same material. Many of the readings are intended to demonstrate *how* business ethicists reason about and debate issues in business ethics and CSR. For this reason, rather than assigning readings on every topic covered in the lectures, I often assign several articles on one topic that illustrate different perspectives, or demonstrate the application of different theories, or that contribute to an on-going debate.

Some of the readings are linked are available on the public internet and are linked in the schedule. **Readings that are not linked are pay-walled but are available through the York library website. If you do not know how to access journal articles through the York website, consult the instruction document posted on Moodle under this syllabus.**

**Class Schedule**

**1. September 9. Introduction to Business Ethics and Social Responsibility; Introducing ethical frameworks**

**Reading**:

Seven Pillars Institute “[Moral theories](http://sevenpillarsinstitute.org/morality-101/moral-traditions)”

Peter Singer “[Opening the debate](http://bostonreview.net/forum/peter-singer-logic-effective-altruism)” and András Miklós response on [corporations and altruism](http://bostonreview.net/forum/logic-effective-altruism/andr%C3%A1s-mikl%C3%B3s-response-effective-altruism) in “Forum: the logic of effective altruism” *Boston Review* 1 July 2015 [on consequentialism]

Velasquez et al “[Justice and fairness](http://www.scu.edu/ethics/practicing/decision/justice.html)”;

Seven Pillars Institute “[Financial crisis 2008, perpetrators, and justice](http://sevenpillarsinstitute.org/essays/financial-crises-perpetrators-and-justice)” and “[Applying Rawls to finance](http://sevenpillarsinstitute.org/case-studies/applying-rawls-to-finance)”.

**2. September 16. Ethical Frameworks continued; Introducing Corporate Social Responsibility and stakeholder theories.**

**Reading:**

Norman Bowie “[A Kantian approach to business ethics](http://www.blackwellpublishing.com/content/BPL_Images/Content_store/Sample_chapter/1405101024%5C001.pdf)”

Thomas Donaldson and James P. Walsh (2015) “Toward a theory of business”, *Research in Organizational Behavior* 35 (2015) 181–207 [focus especially on pp.187-99]

**3. September 23: Critiques of stakeholder theory and alternative approaches**

**Reading:**

J. Hasnas (1998) “Normative theories of business ethics: a guide for the perplexed”, *Business Ethics Quarterly*  8(1): 19-42

M. Jensen (2002) "Value maximization, stake-holder theory, and the corporate objective function." *Business Ethics Quarterly*, 12(2): 235-256.

J. Heath (2006) “[Business Ethics Without Stakeholders](http://www.chass.utoronto.ca/~jheath/BEwithout.pdf),” *Business Ethics Quarterly*, 16(3): 533-557

**4. September 30. Ethical frameworks continued and applied; Ethical decision making in practice**

**Reading:**

Max H. Bazerman and Francesca Gino “[Behavioral Ethics](http://www.hbs.edu/faculty/Publication%20Files/ARLSS%20Behavioral%20Ethics_441735e0-25f5-477d-943d-dbf781ad3c3d.pdf): Toward a Deeper Understanding of Moral Judgment and Dishonesty”

G. de los Reyes et al (2017) “Beyond the ‘win-win’: creating shared value requires ethical frameworks” *California Management Review* 59(2): 142–167.

J. Margolis, H. Elfenbein and J. Walsh 2007 [Does it pay to be good](https://www.researchgate.net/publication/237455609_Does_it_pay_to_be_good_A_meta-analysis_and_redirection_of_research_on_the_relationship_between_corporate_social_and_financial_performance): a meta-analysis and redirection of research on the relationship of corporate social and financial performance.” Focus on pp.22-26

**5. October 7. Midterm Exam**

**\*See “Note on Make Up Test” on first page of this outline\***

**October 14 Reading week/Thanksgiving. No class**

**6. October 21: Take up exam. Issues for debate: whistle blowing**

James Rocha and Edward Song (2012) Pre-emptive anonymous whistle-blowing” *Public Affairs Quarterly* 26(4):257-271

**7.October 28. Issues for debate: Marketing**

T. L. Beauchamp, R. M. Hare and B. Biederman (1984) “Manipulative advertising” *Business & Professional Ethics Journal*, 3 (3/4): 1-30

Carl Elliot “[The drug pushers](http://www.theatlantic.com/magazine/archive/2006/04/the-drug-pushers/304714/)” *Atlantic* April 2006

 Kaushik Basu (2016) "[Markets and Manipulation: Time for a Paradigm Shift?](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2771472)" World Bank Policy Research Paper 7653

 [on exploitation of anchoring bias, see D. Robson “[The trick that makes you overspend](https://www.bbc.com/worklife/article/20190801-the-trick-that-makes-you-overspend)” BBC 2 Aug 2019]

**8. November 4. Issues for debate: Consumer safety; insider trading**

**Reading:**

Jennifer Moore (1990) “What is really unethical about insider trading?” *Journal of Business Ethics* 9(3):171-82

Patricia Werhane (1991) “The indefensibility of insider trading.” *Journal of Business Ethics* 10(9):729-31

P J Engelen and Luc van Liedekirke (2007) “The ethics of insider trading revisited” *Journal of Business Ethics* 74(4): 497-507

[Daniel Nathan and Brian Hoffman, “[Is exercising employee stock options illegal insider trading? Maybe](http://media.mofo.com/files/Uploads/Images/131205-Is-Exercising-Employee-Stock-Options-Illegal-Insider-Trading.pdf).” *New York Law Journal* 5 Dec. 2013]

**November 8. Last day to drop the course without receiving a grade**

**9. November 11. Issues for debate: employees in the supply chain**

**Reading:**

Ian Maitland 1997 ‘[The great non-debate over international sweatshops](http://philosophia.uncg.edu/media/phi361-metivier/readings/Maitland-Great%20Non-Debate.pdf)” British Academy of Management Annual Conference Proceedings.

J. Miller (2003) [“Why economists are wrong about sweatshops”](http://www.fordschool.umich.edu/rsie/acit/Documents/Miller-Challenge.doc) *Challenge* 46(1): 93-122

Richard Locke et al (2013)*Boston Review*[***forum***](http://bostonreview.net/forum/can-global-brands-create-just-supply-chains-richard-locke)on supply chains and CSR

**10. November 18. Issues for debate: Employees in the supply chain continued; restructuring and layoffs.**

Robert Kutner “[The age of double standards](http://prospect.org/article/age-double-standards)” *The American Prospect* 19 March 2012

Alec MacGillis (2013) “[Peabody Energy’s coal train has hauled health-care benefits away](http://www.newrepublic.com/article/113342/judge-approves-peabodypatriot-move-against-retired-coal-miners)” *The New Republic* 30 May 2013

Jerry Useem (2019) “[The stock-buyback swindle](https://www.theatlantic.com/magazine/archive/2019/08/the-stock-buyback-swindle/592774/)” *The Atlantic* August 2019

**11. November 25. Restructuring and layoffs continued; extractive industries, human rights and the environment**

**Reading:**

Shin Imai et al (2016) “[The ‘Canada Brand’: violence and Canadian mining companies in Latin America](https://justiceprojectdotorg1.files.wordpress.com/2016/11/canada-brand-report-version-2-2016-11-20.pdf)” Osgoode Hall Law School, Justice and Corporate Accountability Project. [read Part I and Part III]

Stephanie Boyd “[When push comes to shovels](http://www.corporateknights.com/channels/mining/when-push-comes-to-shovels-13545508/): fast growing Goldcorp says it takes corporate social responsibility seriously, but words don’t always line up with actions” Corporate Knights 3 Dec 2012

Lyuba Zarsky and Leonardo Stanley (2011) [*Searching for Gold in the Highlands of Guatemala*](https://ase.tufts.edu/gdae/policy_research/marlinemine.pdf)*: Economic Benefits and Environmental Risks of the Marlin Mine*. Tufts University

**12. December 2 Review and discussion of final assignment.**

**Student Assignments and Grading:**

|  |  |  |
| --- | --- | --- |
| **Assignment** | **Grade Weight** | **Due Date** |
|  |  |  |
| 1) Mid-Term Exam | 40% | October 7 |
| 3) Case Analysis Assignment | 60% | Posted online by November 27, due by Turnitin on December 13 |
| *TOTAL* | 100% |  |

***1) Mid-Term*** (40%)

The mid-term exam will be closed-book and cover all of the material from the beginning of the course, including readings, cases, videos, and lecture material. The mid-term will consist of multiple choice and short essay (i.e. one paragraph) questions.

***2) Case Analysis Assignment*** (60%)

The major assignment will cover all of the material in the course. No additional materials beyond the course will be required. The assignment will involve the ethical analysis of a case as well as possibly a few short essay questions. Instructions will be provided on how to submit the assignment. Late assignments will be subject to a grade deduction.

***3) Class Participation***

Much of the learning from the course comes from the analysis and discussion of the material. You are expected to have engaged with the material before class and to be prepared to provide thoughtful contributions in class to advance our understanding. Absences should occur only under exceptional circumstances.