

# 'Business Ethics and Corporate Social Responsibility'

## (ADJUSTED S1/ADMS 3660 Section C)

### ONLINE-SUMMER 2020

Faculty of Liberal Arts and Professional Studies

School of Administrative Studies

York University

**ADMS 3660 Section C : Room:** ONLINE

**Course Director:** Avraham Kleiman, B. Comm., M.B.A.

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Office hours: schedule by appointment

**Required Text:** *Business and Society: Ethics, Sustainability and Stakeholder Management*, Carroll, Brown, and Buchholtz, 10<sup>th</sup> Canadian Edition (2018), Cengage Learning : ITP Nelson Publisher.

There may also be supplemental readings distributed to students or posted on the course website throughout the semester.

**Important Dates:** MAY 15<sup>TH</sup> : Last date to enroll in Term courses without instructor's permission;

JUNE 8<sup>ST</sup> : Last date to drop course without receiving a grade.

Please refer to Moodle site for additional info <https://registrar.yorku.ca/enrol/dates/su19>

**MID-TERM EXAM:** SUNDAY MAY 31<sup>ST</sup> 10:00 AM ; Room: **TBA**

**READING DAYS:** N/A

**MAKE UP MID TERM TEST: SUBJECT TO CONFIRMATION:** JUNE 3<sup>RD</sup> WEDNESDAY 10:00 AM ROOM TBA

**Mid-Term Review Session with Markers:** WEDNESDAY JUNE 10<sup>TH</sup> 7:00 PM ROOM TBA

**Special Dates:** X

**Internet Course Moodle Website URL:** <https://moodle.yorku.ca/>

#### **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 me of having missed the mid-term exam by the end of THE DATE OF THE MIDTERM and must provide a completed "Attending Physician's Statement" (<http://www.atkinson.yorku.ca/Council/Students/physicianStatement.pdf>) TO THE FRONT DESK of room 282 Atkinson prior to writing the make up test 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. (*including emergencies, family or friend celebrations, transportation difficulties, work-related matters, documented medical/health related absences, or for any other reason*).

#### **Additional Notes Group 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 and late peer assessments will be subject to a grade deduction in accordance with standard policy.

This assignment will be completed in groups of no more than 5 students. The final assignment mark has two components:

1. The Final paper assignment mark will be worth 80% of total assignment grade of 60% [48%]
2. The peer assessment mark will be worth 20% of total assignment grade of 60%. [12%]

The goal of this assignment is to help you develop critical cooperative team work skills. It will test your ability to inspire and motivate other team members towards a common group goal and measure of the ethical skills you have learned through the course.

## Business Ethics and Corporate Social Responsibility 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:

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

### Student Assignments and Grading:

Assignment	Grade Weight	Due Date
1) Mid-Term Exam	40%	<b>MAY 31<sup>ST</sup> (SUNDAY 10:00 AM)</b>
2) Case Analysis Assignment	60%	<b>Due Friday JUNE 19<sup>TH</sup> 12:00 NOON</b>
<i>TOTAL</i>	100%	

#### 1) *Personal Ethical Dilemma* (Mandatory submission; pass/fail grade)

Students will be required to submit an actual ethical dilemma that they have encountered in a work environment. Please refer to the website and/or class PowerPoint for details. The write-up should include two parts: Part A - a brief description of the situation, the central issue or dilemma, and the possible options (clearly identify them); Part B - how the dilemma was resolved including any remaining issues. Dilemmas may be selected for discussion throughout the course (but not returned to students). **No more than 1 page.** The assignment is due by hard copy at the beginning of session 2.

#### 2) *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, short answer, and short essay questions.

#### 3) *Group Case Analysis Assignment* (60%)

The final exam will be a take home case done within the context of a group. Each group will be an average of 5 students. All communications of a group can be managed through online facilities. The purpose of the group is to simulate a real-life problem-solving experience where cooperation and teamwork are needed. The groups will be formed by me after the midterm exam. The final case mark will be a composite of the groups actual case analysis [80% of the final mark] and a peer review of the group participants [20% of the mark], details to follow. The major assignment will cover all of the material in the course. No additional materials beyond the course will be required.

#### 4) *Class Participation*

While there is no formal class participation grade, you are still expected to contribute to online discussions as well as answer the survey questions. Failure to contribute to online discussions could impact borderline grades. The instructor reserves the right to verify the extent to which students have visited the Moodle course website in order to access the course material. Note, past experience suggests that students who fail to access the site and engage with the material do poorly.

SESSION	Week of	Topic	Readings/Cases
<b>Session 1</b>	<b>MAY 11</b>	<b>Introduction to Business Ethics and Social Responsibility</b> <ul style="list-style-type: none"> <li>• What is business ethics?</li> <li>• What is social responsibility?</li> <li>• Ethics versus the law</li> </ul>	<ul style="list-style-type: none"> <li>• Readings: Chapter 1</li> <li>• Video Case: Parable of the Sadhu</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Session Summary:</i> The goal of the introductory session is to familiarize students with the subjects of business ethics and corporate social responsibility. In order to do this, basic definitions of key concepts are provided and discussed, as well as myths regarding business ethics debunked. For example, is 'ethics' the same thing as the law, religion, and etiquette? Is business ethics an oxymoron? Is business ethics important? If so, how? The session concludes with the 'Parable of the Sadhu' case and a discussion how it might relate to a typical business ethics dilemma. In this case, an investment banker must decide whether to save a sadhu (i.e., an Indian holy man) or continue with his life-long dream of climbing in the Himalayan mountains</li> </ul>			
<b>Session 2</b>	<b>MAY 11</b>	<b>Ethical Frameworks</b> <ul style="list-style-type: none"> <li>• Moral responsibility</li> <li>• Moral development</li> <li>• Moral theory</li> </ul>	<ul style="list-style-type: none"> <li>• Readings: Chapters 7 &amp; 8</li> <li>• <b>Note: Ethical Dilemma Assignment Due</b></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Session Summary:</i> During this session, the basic tools are provided for engaging in ethical analysis and decision making. A number of topics are covered such as the stages of moral development, moral responsibility, and the moral reasoning process. The question of who is or should be a stakeholder is discussed. The session then begins to introduce several of the moral standards one can use to engage in ethical decision-making, which forms the central building block or tool of analysis for the course. The moral standards initially covered will include: core values; relativism; and egoism.</li> </ul>			
<b>Session 3</b>	<b>MAY 18</b>	<b>Ethical Frameworks</b> <ul style="list-style-type: none"> <li>• Moral reasoning process</li> <li>• Moral theory</li> </ul>	<ul style="list-style-type: none"> <li>• Readings: Chapters 7 &amp; 8</li> <li>• Case 10: Pay Day Loans</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Session Summary:</i> This session continues to outline the remaining key moral standards one can use for ethical decision making, including: utilitarianism; Kantianism; moral rights; and justice/fairness. The session concludes with a discussion of the 'IBM and the Final Solution' case, involving IBM's sale of equipment used by the Nazis during WWII. Students will be asked to apply all of the moral standards in analyzing the case and determining whether the firm acted in an ethical manner.</li> </ul>			
<b>Session 4</b>	<b>MAY 18</b>	<b>Corporate Social Responsibility</b> <ul style="list-style-type: none"> <li>• Social responsibility theory</li> <li>• Stakeholder theory</li> </ul>	<ul style="list-style-type: none"> <li>• Readings: Chapters 2 &amp; 3</li> <li>• Additional Handout (on course website): Milton Friedman's "The Social Responsibility of Business is to Increase its Profits"</li> <li>• Mark Schwartz and David Saiia, "Should Firms Go 'Beyond Profits'? Friedman versus Broad CSR" <i>Business and Society Review</i>, 2012, 117(1): 1-31</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Session Summary:</i> This session moves the discussion from moral standards to the debate over the proper extent of a business firm's obligations towards society. The preliminary issue asked is as follows: Are firms even capable of being held morally responsible, or only their agents? Following this question, the key issue to be debated follows: Is business merely obligated to maximize profit for its shareholders while obeying the law, or are there additional ethical and/or philanthropic obligations as well, as reflected by The Body Shop? By the end of the session students should not only understand CSR theory, but formulate their own position on the CSR debate. Two video cases help assess appropriate CSR. In the first case, the public drug firm Merck must decide whether to develop a drug that can cure millions of people of river blindness, even when prospective customers are too poor to pay for the medicine. In the second case, CEO Aaron Feuerstein must decide whether to relocate his textile firm's factories following a devastating fire.</li> </ul>			
<b>Session 5</b>	<b>MAY 25</b>	<b>Employees: Obligations</b> <ul style="list-style-type: none"> <li>• Greed and conflicts of interest</li> <li>• Insider trading</li> <li>• Theft and fraud</li> <li>• Whistle-blowing</li> </ul>	<ul style="list-style-type: none"> <li>• Readings: Chapter 17</li> <li>• Case 9: To Hire or not to Hire</li> <li>• Case</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Session Summary:</i> The following sessions involve more of a practical application of the previous frameworks initially discussed (i.e., moral standards and CSR theory) to a variety of topics, typically focusing on particular stakeholders. The first stakeholder group involves employees, and the challenge of behaving ethically in the workplace. We begin by discussing the notion of greed versus self-interest, and ask 'Is greed good?' We then refer to the topic of conflicts of interest including giving and receiving gifts and entertainment, insider trading, and theft and fraud. The Martha Stewart case examines the issue of possible insider trading. The session concludes with a debate over when it is permissible or even obligatory to blow the whistle on one's colleagues or employer due to legal or ethical misconduct.</li> </ul>			

<b>Session 6</b>	<b>MAY 25</b>	<b>Employees: Rights</b> <ul style="list-style-type: none"> <li>Discrimination and harassment</li> <li>Privacy</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Readings: Chapters 18, &amp; 19</li> <li>Case 34: Looks Discrimination at A and F</li> <li>Case 39: Workplace Spying</li> </ul>
<ul style="list-style-type: none"> <li><i>Session Summary:</i> This session deals with the rights of employees from an ethical perspective. The issue of discrimination and sexual harassment is discussed, as well as the right to health and safety of employees. The right to privacy of employees versus the rights of employers to monitor their employees is also discussed.</li> </ul>			
<b>Session 7</b> <ul style="list-style-type: none"> <li><b>MAY 31 SUNDAY MID TERM EXAM</b></li> </ul>			
<b>Session 8</b>	<b>JUNE 1</b>	<b>Consumers: Protection</b> <ul style="list-style-type: none"> <li>Consumer protection</li> <li>Product recalls</li> </ul>	<ul style="list-style-type: none"> <li>Readings: Chapter 14</li> <li>Case 21: McDonalds – The Coffee Spill</li> </ul>
<ul style="list-style-type: none"> <li><i>Session Summary:</i> This session moves the discussion to the obligation firms have towards their customers or clients. Various positions on manufacturer's obligations are presented, including the contract view (i.e., buyer beware), due care (i.e., seller take care), or social cost (i.e., seller beware).</li> </ul>			
<b>Session 9</b>	<b>JUNE 1</b>	<b>Consumers: Marketing</b> <ul style="list-style-type: none"> <li>Marketing ethics</li> <li>Pricing, quality, labeling</li> </ul>	<ul style="list-style-type: none"> <li>Readings: Chapter 13</li> <li>Case 5: Direct to consumer Advtg.</li> <li>Case 20: Big Pharma's Marketing Tactics</li> </ul>
<ul style="list-style-type: none"> <li><i>Session Summary:</i> The ethical issues involved in marketing products and services to consumers are discussed. Special attention to marketing to vulnerable groups such as children, or ethical concerns due to the marketing of certain products (e.g., cigarettes or alcohol), are covered.</li> </ul>			
<b>Session 10</b>	<b>JUNE 8</b>	<b>Global Business Ethics and Review</b> <ul style="list-style-type: none"> <li>Bribery</li> <li>Repressive Regimes</li> <li>Overseas Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Readings: Chapter 9 and 10</li> <li>Case 17: Chiquita Bananas</li> <li>Case 15: Nike Inc.</li> </ul>
<ul style="list-style-type: none"> <li><i>Session Summary:</i> This session focuses on doing business abroad, when one's home country's legal or ethical standards may conflict with those where one is doing business. Students will be expected to develop their own personal position on the debate: When in Rome, should one 'do as the Romans do'? Or should one do what one does at home? The Union Carbide in Bhopal India case will be discussed in relation to this issue. Several issues will be discussed as part of this debate including bribery ,doing business in countries with repressive regimes, and dealing with overseas suppliers ('Nike Inc.' case).</li> </ul>			
<b>Session 11 FINAL CASE POSTED</b>	<b>JUNE 8</b>	<b>Natural Environment and the Community</b> <ul style="list-style-type: none"> <li>Triple bottom line</li> <li>Homocentric vs. Eco-centric</li> <li>Social reporting and auditing</li> </ul>	<ul style="list-style-type: none"> <li>Readings: Chapters 15</li> <li>Case 1: Wal-Mart: The Main Street Merchant of Doom</li> </ul>
<ul style="list-style-type: none"> <li><i>Session Summary:</i> This session focusses on the strategic opportunities of resource management and interrelated ethical choices. It also deals with the concept of our environmental footprint and how new choices for sustainability offer a new horizon of business options.</li> </ul>			
<b>Session 12</b>	<b>JUNE 15</b>	<b>Shareholders and the Ethical Business Firm</b> <ul style="list-style-type: none"> <li>Corporate governance</li> <li>Ethics programs (e.g., codes, training)</li> </ul>	<ul style="list-style-type: none"> <li>Reading: Chapter 4</li> <li>Case 16: Coke and Pepsi in India</li> </ul>
<ul style="list-style-type: none"> <li><i>Session Summary:</i> This concluding session deals with the concepts of corporate structure and its failure in the marketplace. We review Sarbanes Oxley and Bill C139 [Canada]. As well we look at what is needed when trying to build an ethical corporate structure.</li> </ul>			
<b>Due Friday FINAL CASE</b>	<b>JUNE 19</b>	<b>CASE ANALYSIS ASSIGNMENT POSTED ON LINE JUNE 8<sup>TH</sup> DUE ON FRIDAY JUNE 19 NO LATER THAN 12 NOON</b>	

## **COURSE REQUIREMENTS FOR REMOTE LEARNING**

Several platforms will be used in this course (e.g., Moodle, Canvas, Zoom, etc.) through which students will interact with the course materials, the course director / TA, as well as with one another. Please review the syllabus to determine how the class meets (in whole or in part), and how office hours and presentations will be conducted. Students shall note the following:

- Zoom is hosted on servers in the U.S. This includes recordings done through Zoom.
- If you have privacy concerns about your data, provide only your first name or a nickname when you join a session.
- The system is configured in a way that all participants are automatically notified when a session is being recorded. In other words, a session cannot be recorded without you knowing about it. Technology requirements and FAQs for Moodle can be found here - <http://www.yorku.ca/moodle/students/faq/index.html>

This course requires the use of online proctoring for examinations. The instructor may use an online proctoring service to deliver the exam(s), which would be administered through the Learning Management System (e.g. Moodle, Canvas, etc.). Students are required to have access to minimum technology requirements to complete examinations. If an online proctoring service is used, students will need to become familiar with it at least five days before exam(s). For technology requirements, Frequently Asked Questions (FAQs) and details about the online proctoring service visit – [link to be added]. Students are required to share any IT accommodation needs with the instructor as soon as they are able.

## **RELEVANT UNIVERSITY REGULATIONS**

**Deferred Exams:** Deferred standing may be granted to students who are unable to write their final examination at the scheduled time or to submit their outstanding course work on the last day of classes. Details can be found at <http://myacademicrecord.students.yorku.ca/deferred-standing>

As communicated to the University community on March 13, 2020, Senate Executive has agreed to **waive until further notice the requirement for students to submit an Attending Physician's Statement in support of a request for deferred standing or petitions**

In order to apply for deferred standing, students must register at <http://apps.eso.yorku.ca/apps/adms/deferredexams.nsf>

Followed by handing in a completed DSA form and supporting documentation directly to the main office of the School of Administrative Studies (282 Atkinson) and add your ticket number to the DSA form. The DSA and supporting documentation must be submitted no later than five (5) business days from the date of the exam. These requests will be considered on their merit and decisions will be made available by logging into the above mentioned link. No individualized communication will be sent by the School to the students (no letter or e-mails).

Students with approved DSA will be able to write their deferred examination during the School's deferred examination period. No further extensions of deferred exams shall be granted. The format and covered content of the deferred examination may be different from that of the originally scheduled examination. The deferred exam may be closed book, cumulative and comprehensive and may include all subjects/topics of the textbook whether they have been covered in class or not. Any request for deferred standing on medical grounds must include an Attending Physician's Statement form; a "Doctor's Note" will not be accepted.

**Academic Honesty:** The Faculty of Liberal Arts and Professional Studies considers breaches of the Senate Policy on Academic Honesty to be serious matters. The Senate Policy on Academic Honesty is an affirmation and clarification for members of the University of the general obligation to maintain the highest standards of academic honesty. As a clear sense of academic honesty and responsibility is fundamental to good scholarship, the policy recognizes the general responsibility of all faculty members to foster acceptable standards of academic conduct and of the student to be mindful of and abide by such standards. Suspected breaches of academic honesty will be investigated and charges shall be laid if reasonable and probable grounds exist.

Students should review the York Academic Honesty policy for themselves at:

<http://www.yorku.ca/secretariat/policies/document.php?document=69>

Students might also wish to review the interactive on-line Tutorial for students on academic integrity, at:

<https://spark.library.yorku.ca/academic-integrity-what-is-academic-integrity/>

**Grading Scheme and Feedback Policy:** The grading scheme (i.e. kinds and weights of assignments, essays, exams, etc.) shall be announced, and be available in writing, within the first two weeks of class, and, under normal circumstances, graded feedback worth at least 15% of the final grade for Fall, Winter or Summer Term, and 30% for 'full year' courses offered in the Fall/Winter Term be received by students in all courses prior to the final withdrawal date from a course without receiving a grade, with the following exceptions:

*Note: Under unusual and/or unforeseeable circumstances which disrupt the academic norm, instructors are expected to provide grading schemes and academic feedback in the spirit of these regulations, as soon as possible.* For more information on the Grading Scheme and Feedback Policy, please visit: <http://www.yorku.ca/univsec/policies/document.php?document=86>

**In-Class Tests and Exams - the 20% Rule:** For all Undergraduate courses, except those which regularly meet on Friday evening or on a weekend, tests or exams worth more than 20% will not be held in the two weeks prior to the beginning of the official examination period. For further information on the 20% Rule, please visit: <http://secretariat-policies.info.yorku.ca/policies/limits-on-the-worth-of-examinations-in-the-final-classes-of-a-term-policy/>

**Reappraisals:** Students may, with sufficient academic grounds, request that a final grade in a course be reappraised (which may mean the review of specific pieces of tangible work). Non-academic grounds are not relevant for grade reappraisals; in such cases, students are advised to petition to their home Faculty. Students are normally expected to first contact the course director to discuss the grade received and to request that their tangible work be reviewed. Tangible work may include written, graphic, digitized, modeled, video recording or audio recording formats, but not oral work. Students need to be aware that a request for a grade reappraisal

may result in the original grade being raised, lowered or confirmed. For reappraisal procedures and information, please visit the Office of the Registrar site at: <http://myacademicrecord.students.yorku.ca/grade-reappraisal-policy>

**Accommodation Procedures:** LA&PS students who have experienced a misfortune or who are too ill to attend the final examination in an ADMS course should not attempt to do so; they must pursue deferred standing. Other students should contact their home Faculty for information. For further information, please visit: <http://ds.info.yorku.ca/academic-support-accomodations/>

**Religious Accommodation:** York University is committed to respecting the religious beliefs and practices of all members of the community, and making accommodations for observances of special significance to adherents. For more information on religious accommodation, please visit: <https://w2prod.sis.yorku.ca/Apps/WebObjects/cdm.woa/wa/regobs>

**Academic Accommodation for Students with Disabilities (Senate Policy)**

The nature and extent of accommodations shall be consistent with and supportive of the integrity of the curriculum and of the academic standards of programs or courses. Provided that students have given sufficient notice about their accommodation needs, instructors shall take reasonable steps to accommodate these needs in a manner consistent with the guidelines established hereunder. For more information, please visit the Counselling and Disability Services website at <http://www.yorku.ca/dshub/>

York's disabilities offices and the Registrar's Office work in partnership to support alternate exam and test accommodation services for students with disabilities at the Keele campus. For more information on alternate exams and tests please visit <http://www.yorku.ca/altexams/>

Please alert the Course Director as soon as possible should you require special accommodations.