
MNO/CFB 3375: CORPORATE SOCIAL RESPONSIBILITY AND ETHICAL LEADERSHIP

Summer 2013 – Taos, August Term (*April 2013 Draft*)

Professor: Dr. Robert W. Rasberry
Office: 371 Crow/ @ TAOS ATAP
Phone: 469-222-8508 (cell)
E-Mail: rasberry@smu.edu

COURSE OVERVIEW

The design of this course offers a set of readings and cases aimed at integrating **ethical reflection**, **business decision-making**, and **business related human rights issues**. Three primary criteria have guided the selection and organization of these materials: **topical relevance** for contemporary business majors and professionals, **curricular relevance** to the BBA program at Southern Methodist University, and **conceptual relevance** to applied ethics.

While business organizations focus on commercial acts, and especially the maximizing of profits for their shareholders, they do so in a social environment that relies upon laws and ethics. As a result basic human rights are critical to a successful operation. For this reason the course will interlace human rights elements, in each of the three sections, through the readings, cases, and all materials that will be used.

The syllabus and main text for the course covers three major areas that move outward in concentric circles. In **Section A**, you will become acquainted with moral traditions of the West, and examine ethical quandaries faced by individuals and managers. You will also be introduced to the emphasis on human rights that exists within important documents like America's Declaration of Independence, the Bill of Rights, and the U.N.'s Universal Declaration of Human Rights.

Section B, explores numerous ethical cases from the organizational world that is framed by shareholder and stakeholder relationships. As a result of America's strong legal network the term "human rights" is seldom used in reference to domestic commercial events. However, the road to being a human rights supporting company moves from obeying laws, to developing organizational norms, and finally embracing a corporate culture with shared values that support and respect human rights. Consequently, the readings and cases in this section consistently refer to the "**rights**" of stakeholders such as employees, customers, communities, vendors, and others. In many of these resources we will note that human rights issues are at play, or need to be added, to both the domestic and global corporate market.

Section C, opens out to more systemic issues, specifically the larger roles that ethics plays in a democratic society, the conduct of business on the international scene, and sustainability.

LEARNING OUTCOMES

Upon successful completion of this course, you should be able to:

- Describe different ethical theories such as utilitarianism, Kantian ethics, rights and duties, and virtue ethics.
- Identify personal core values, describe why they are significant, how they drive actions, and how you would “voice” them in difficult situations.
- Describe stakeholder management and give several examples of stakeholders.
- Describe the concept of corporate social responsibility.
- Define corporate governance and explain the requirements and specific part of the organization that is responsible for this oversight.
- Define Human Rights and describe some of the declarations, codes and guidelines used to move businesses and governments toward support of these rights.
- Apply an ethical theory to a managerial issue.

Course Credit Opportunities: This course is very flexible as to course credit options. It can be used for either Cox course credit or for Cultural Formations CFB course credit. The course is also eligible for credit for the major and minor in the Embry Human Rights Program.

Course Prerequisites: For Cox School of Business majors: MNO 3370: Management. For non-Cox majors: 6 credit hours of ANY combination of social science courses from human rights, economics, sociology, psychology, anthropology, or political science; AND completion of the sophomore year.

REQUIRED COURSE MATERIALS

In place of a textbook, a collection of current readings, cases, and instructor notes will be used for learning purposes in this course. This material will be accessible through Blackboard, Access, and a CD which will be distributed by the instructor. The instructor and guest speakers will distribute additional materials in class.

ACHIEVING THE COURSE OBJECTIVES

A. Readings

You are expected to complete all required readings prior to the class session. The readings are both complementary and supplementary to classes and cases. The content of the readings will be considered the “starting point” as background for class discussions.

B. Class and Case Discussion

Classes will involve the case-study method where the case describes a difficult business situation, and places you in the role of decision-maker. Some cases are simple, others are more complex and can take more time to prepare than their length suggests. As a result, must use rigorous analysis, the identification of options, and the creation of recommendations, prior to the class.

In preparing for the discussions you must first, **clarify what you really believe**. Second, you must then **decide how you will present your beliefs in the classroom**. Finally, in class you must **carefully articulate for your classmates the reasons for your prescribed actions**.

C. Writing Assignments

You will complete two writing assignments. Short descriptions are listed below.

1. Giving Voice to Values

Your first written assignment requires that you identify several “values” that you have clarified as being extremely important for you. You will briefly describe your chosen values, the role they have played in your life, and how you plan to protect and use them in your chosen profession. Given that life, and especially jobs, present situations where your values come under attack, you must pick a potential value conflict that you anticipate you will encounter. In the last part of the paper you will describe ways that you plan to “protect your values, “ and more specifically steps you will take to “give a voice to your values.” **This assignment is due on August 7, and is worth a possible 50 points.**

2. Corporate Ethics, Social Responsibility, Governance and Human Rights Paper

You will choose a *Fortune 100* company for this assignment, and you will survey the company’s on-line applied programs in the areas of ethics, social responsibility, human rights, and sustainability. You will review the company’s governance process with the help of *The Board Analyst* database. **This assignment is due on August 16, and is worth a possible 100 points.**

D. Final Examination

The format for the final exam will be essay questions based on case analysis. It will be comprised of a set of short to medium length cases with exam questions that ask you to apply course theories and concepts to the cases. The exam will be open note and open book----Why the open format? Because, the exams are designed to assess the application of what you have learned from the readings and class sessions to actual ethics situations (rather than a focus on rote memorization and regurgitation). This open format makes for a more challenging exam, but also for a much more engaging and powerful learning experience.

What's the path to success with a case study-open book format:

- A. Read each assignment and case before class so that the topics are already familiar when we
meet to discuss.
- B. As you read, make copious notes in the margins about the big picture ideas. These margin
notes will provide you with convenient road-map markers for reference during the exams.
- C. After each class session, spend a few minutes reviewing your notes to do a meta-assessment
of your understanding about what we discussed during class. Make notes as needed for
items to discuss at the start of the next class session.
- D. Complete the Sample Exam Questions for written practice and feedback.

GRADING

	Your Points
Case Discussion	50
Voice to Values Paper	50
Corporate Code/Governance paper	100
Final Examination	<u>150</u>
Total (all points are approximations)	350

GRADE SCALE

93 percent + A 90 percent + A- 87 percent + B+ 83 percent + B
80 percent + B- 77 percent + C+ 73 percent + C 70 percent + C-
67 percent + D+ 63 percent + D 60 percent + D- 60 percent - F

CLASS POLICIES

Professionalism: There is no long list of do and don't behaviors for this course. Rather, all behaviors such as classroom interactions, use of technical toys, completing course assignments, punctuality, etc., are to be guided by the highest levels of professional and ethical standards of personal conduct.

Disability Accommodations: The SMU-in-Taos campus is not staffed for assessment and documentation of disability accommodations. If you will need academic accommodations for a disability, please have all documentation completed with the SMU Disability Accommodations & Success Strategies (DASS) Office at the Dallas campus before arrival at the Taos campus. Please have the official DASS authorization letter sent to your professor by May 24, 2013 at the Dallas campus.

Religious Holy Days: If the observance of a religious holy day includes a requirement that will prevent you from attending a class session, please make an appointment to meet with your professor after the first class session on June 1 to discuss.

Honor Code: The SMU Faculty has the responsibility of encouraging and maintaining an atmosphere of academic honesty by being certain that students are aware of the value of it, that they understand the regulations defining it, and that they know the penalties for departing from it. The faculty should, as far as is reasonably possible, assist students in avoiding the temptation to violate the honor code.

Students must share the responsibility for creating and maintaining an atmosphere of academic honesty and integrity. Students should be aware that personal experience in completing assigned work is essential to learning. Permitting others to prepare their work, using published or unpublished summaries as a substitute for studying required materials, or giving or receiving unauthorized assistance in the preparation of work to be submitted are directly contrary to the honest process of learning. Students who are aware that others in a course are cheating or otherwise acting dishonestly have the responsibility to inform the professor and/or bring an allegation to the SMU Honor Council.

As a student you have the responsibility of knowing the regulations of the SMU Honor Code (found in the SMU Policies For Community Life), and the penalties for departing from it. This includes all areas of dishonesty including plagiarism, cheating on tests, use of the work of others (published or unpublished), and the observance and knowledge that others are cheating. If you are uncertain if a behavior is a violation of the SMU Honor Code, you have an obligation to contact your course professor for clarification

SCHEDULE AND OUTLINE

(Draft, April 2013- Changes will be made until the first day of class)

Taos Summer Schedule – August 5-22, 2013

SECTION A: Ethical Quandaries For Individuals and Managers

August 5 (1) *Course Introduction: Individual Values, Ethics, and Moral Courage*

- What are Values and Ethics, and why are they important?
- We will discuss the business ethics field, and the course.

A. Readings:

1. “What is Ethics?”
2. “Everyday Ethics”
3. “A Framework for Thinking Ethically”
4. “Values Based Leadership”
5. “Keeping Your Colleagues Honest”

B. DVD Case: “Malden Mills”

C. Assignments:

1. Complete the “What’s Important to Me?” Inventory
2. Read Assignment 1, “Voicing Your Values” and start your preparation.

August 6 (2) *Ethical Principles, Theories, and Human Rights*

A. Ethical Principles Reading:

1. “Description of Ethical Principles”

B. Ethical Theory Readings:

1. “Calculating Consequences: The Utilitarian Approach”
2. “Rights”
3. “Justice and Fairness”
4. “Common Good”
5. “Ethics and Virtue”
6. “Ethical Relativism”
7. “Integrity”
8. “Moral Courage”

C. Human Rights and Ethical Decision Making Readings:

1. "The Declaration of Independence"
2. "The Bill of Rights"
3. "The Declaration of the Rights of Man and Citizen"
4. "The U.N. Declaration of Human Rights"

D. Cases:

1. The Parable of the Sadhu"
2. "Individual Ethical "Dilemmas" (Receive in class)

SECTION B: Ethical and Human Rights Responsibilities of Organizations

August 7(3) *The SHAREHOLDER Model: The Modern Corporation and Profit Maximization*

A. Readings:

1. "The Social Responsibility of Business is to Increase its Profits"
2. "Toward an Ethical Culture"
3. "A Company's Ethical Climate"
4. "The Fiduciary Relationship: A Legal Perspective"

B. DVD Case: "The Corporation"

C. Recommended Readings:

1. "Codes of Conduct"
2. "Code Construction and Content"
3. "Common Ethical Code Provisions"
4. "Governance Practices Compliance"
5. "Lockheed" Board Analyst Review
6. "Lockheed" Code of Conduct (Will be sent PDF)

D. Assignment:

1. "Corporate Ethics, CSR, and Governance Worksheet"

E. Preview of the PRRC Board Process

1. "The Pecos River: Water of Life and Love"
2. "Water War Plagues Pecos Valley"

August 8 (4) *Observation of the PRRC Board of Directors Meeting*

This class will be a laboratory experience as we host and observe the Pecos River Resolution Corporation (PRRC) members holding a Board meeting. Following the Board meeting and lunch we will participate with them in Strategic Planning Session.

August 9 (5) *Organizational Whistleblowing*

A. *Readings:*

1. "Whistleblowing in the Public Sector"
2. "Encouraging Internal Whistleblowing"
3. "Whistleblowers: Why You Should Heed Their Warnings"
4. "Notes on Voicing Values"
5. "Laws that Protect Whistleblowers"
6. "Increasing the Odds: Results of the Dodd-Frank Law"

B. *Video Cases:* "Bad Medicine," "U.S. V. Drake"

August 12 (6) *Corporate Responsibility: Protecting the Rights of Customers, Employees, the Community and All Stakeholders*

A. *Readings:*

1. "Top 10 Corporate Responsibility Stories of 2011"
2. "The Top 10 Trends in CSR for 2012"
3. "Why Corporate Responsibility Lives"
4. "It's Not Share of Wallet Any More; It's Share of Heart"
5. "What Is It That Only I Can Do?"
6. "Companies Fail to Engage Consumers"

B. *Cases:*

1. Product Safety Case: "Ford Pinto"
2. "Inside Japan's Nuclear Meltdown" (DVD case)
3. "Merck and River Blindness"

August 13 (7) *The Law, Dishonesty, and Hidden Costs*

A. *Readings:*

1. "Leadership in the Age of Transparency"
2. "Why Environmental Externalities Matter to Institutional Investors"
3. "It's Legal But it Ain't Right"
4. "Top 10 2012 Business and Human Rights Issues"
5. "International Labor Organization's Declaration on Fundamental Principles and Rights at Work"
6. "Human Rights Strategies for Corporations"
7. "Human Rights, Corporate Accountability Guide"

B. *DVD Cases:* "Jack Abramoff: The Lobbyist's Playbook," "The Blowout"

August 14 (8) *The Opening of Pandora’s Box: Dropping the Atomic Bomb. A Field Trip to Los Alamos*

A. Readings:

1. “The Chronological History of Nuclear Weapons
2. “Segments of President Truman’s Diary”
3. “Truman and the Bomb”
4. “The Decision to Drop the Bomb”

B. DVD:

In preparation for the field trip: “A Town That Never Was”

C. Field Trip to Los Alamos

This visit will highlight the past significance of Los Alamos in the Manhattan Project and development of the Atomic Bomb. We will visit the Bradbury Science and Los Alamos Historical Museums, and will be led by a native of Los Alamos who had direct contact with the National Labs.

SECTION C: Systemic Issues and The Confusing Role of Business in a Global Economy

August 15 (9) *Developing A Global Social Initiative to Fight Corruption and Bribery, and to Create Transparency*

A. Readings:

1. “Are Overconfident Executives More Inclined to Commit Fraud?”
2. “10 Truths You Need to Know About Fraud”
3. “Foreign Corrupt Practices Act”
4. “Quick Counsel”
5. “Ethical Leadership at Work”

B. DVD Cases: “Cooking the Books,” “It Takes One to Know One”
“Chiquita”

August 16 (10) *Corporate Responsibility and the Protection of Human Rights in the Global Community*

A. Cases:

1. “Hitting the Wall: Nike and International Labor Practices”
2. “Collaborating with Activists” (Starbucks: A Different Approach with NGOs)

B. Assignment: The “Corporate Code” Assignment is due and the “Take Home Final” will be handed out.

August 19 (11) *Are We Headed Toward Extinction? Part I*

A. *Readings:*

1. “Could We Be in the Midst of a Mass Extinction?”
2. “We’re Underestimating the Risk of Human Extinction”

B. *Field Trip:*

Today we will tour “Earthships”...sustainable “Green” buildings made with recycled materials.

August 20 (12) *Corporate Responsibility and Human Rights Within The Global Supply Chain*

A. *Case:*

B. *Readings:*

1. “Why Sustainability is now the Key Driver of Innovation”
2. “Mr. Green Jeans”
3. “WalMart’s Supply Chain”

C. *DVD:*

1. “So Right So Smart”

D. *Final Exam is Due*

August 21 (13) *Corporate Responsibility and Philanthropy; Social Entrepreneurship and Business*

A. *Readings:*

1. “Philanthropy’s New Agenda: Creating Value”
2. “Serving the World’s Poor Profitably” (In-Class Handout)
3. “Indian Firms Shift Focus to Poor”
4. “Social Entrepreneurship”
5. “Creating a World Without Poverty: Social Business”
6. “Social Business”

B. *Video Case:* “Greg Mortenson,” “One Laptop Per Child,” “The New Heros”

August 22 (14) *Leave Taos*