KNW/MNO 3375:
CORPORATE SOCIAL RESPONSIBILITY
AND ETHICAL LEADERSHIP

May Term 2018 – Taos
Professor:  Dr. Robert W. Rasberry
Office:  371 Crow/ @ TAOS ATAP
Phone:  214-768-3514
Cell:  469-222-8508
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 human rights issues. Four primary criteria have guided the selection and organization of these materials: conceptual relevance to applied ethics, topical relevance for contemporary business majors and professionals, curricular relevance to the BBA program at Southern Methodist University, and historical and geographical relevance to New Mexico.

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 ethical cases from the organizational world that are 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 AS APPLIED TO THE UNIVERSITY CURRICULUM

For Pillar: Philosophical and Religious Inquiry and Ethics (level 2) (PRE 2)

1. Students will be able to demonstrate the ability to critically reflect on or apply the theoretical methods of, one of the fields of philosophy, religious studies, or ethics via a focus on a specific area or set of issues.

Specifically, students will be able to:
   • Describe different ethical theories such as rights and duties, utilitarianism and virtue.
   • Identify personal core values, describe why they are significant, how they drive actions, and how one can “voice” them in difficult situations.
   • Describe stakeholder management and give 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.

Since this course carries the “Pillar Offering” a final “End of Semester: Ways of Knowing” assignment will be given. It will present two comprehensive questions to which you will provide written answers. This will be due at the same time your final paper is due. The paper is worth a possible 50 points.

For Proficiency: Oral Communication (OC)

1. Students will be able to select and use appropriate forms of evidence in a public presentation.
2. Students will be able to design verbal messages to suit particular audiences and purposes.
3. Students will be able to use visual cues (such as presentation software, staging, props, costumes, makeup, and gesture) to enhance a public presentation. (You will use Power Point slides with text, pictures, etc.)

Student Learning Outcomes will be assessed using the required in-class presentation.

For Proficiency: Written Communication (W)

1. Students will state and defend a thesis with adequate attention to analysis and evidence.
2. Students will demonstrate an understanding of essay and paragraph development and organization.
3. Students will craft sentences with attention to audience, purpose, and tone, as well as sentence variety and diction.
4. Students will demonstrate proper use of grammatically and mechanically correct English.

Three five page papers will be required to complete this proficiency.
Course Credit Opportunities: This course is very flexible as to course credit options. It can be used for: Cox course credit, Cultural Formations CFB course credit, Embry Human Rights major or minor credit, and the new University Curriculum for Pillars (Philosophical and Religious Inquiry and Ethics (level 2) and both Oral and Written Communication Proficiencies credit.

***If you are an Accounting Major you cannot take this course. Instead take ACCT 3391, which is required for all accounting students who plan to take the CPA examination in Texas.***

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. Your instructor will provide all materials.

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. Quizzes may be used to insure reading.

B. Class and Case Discussion

Classes will involve the case-study method were the case describes an ethical 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, you 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.

Because of the importance of the case discussion process, the following grade scale will be used to evaluate your participation with each case and with general class discussions. On many class days you might have multiple entries for the class and case discussion grade.

0 = Not in class.
1 = In class but NO PARTICIPATION.
2 = SOME COMMENTS MADE but the content was a repeat of other questions/answers, and/or not significant in substance.
3 = EXCELLENT PARTICIPATION. You took a stand and supported it in a quality way. Comments were thought provoking and helped move the discussion into new realms.
C. Writing Assignments

You will complete three formal writing assignments. Short descriptions are listed below. There will be no re-write on the assignments. (The papers will meet your Written Communication Proficiency.)

1. *Should the United States Have Created and Used the Atomic Bomb?*

2. *Compare and Contrast the Taos Pueblo and Earthship Concepts and Living Communities*

3. *End of Semester: Ways of Knowing Assignment*

D. Speech Presentation

Each of you will participate in a speech presentation. The topics have been developed to either augment the assigned material, or to show a new ethical dynamic that we will not have time to cover in class. A sign-up sheet will be made available during the first few class meetings. (Presentation Listings are at the end of this syllabus.) The description for each topic should be the starting point for deep and serious research. The instructor will be available to offer helpful ideas on each topic area.

*Each presentation will be limited to 10 minutes.* You must use “Power Point” and have handouts for the class. A copy of the slides must be given to the instructor at the start of the presentation. The presentation is worth 50 points. Please read the “Presentation Grading Standards,” which you will find in the “Assignment” section of the Course Pack. It will describe what you must do to earn various grades.

**GRADING**

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<th>Your Points</th>
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<tr>
<td>Case Discussion</td>
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<tr>
<td>Individual Presentation</td>
<td>50</td>
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<tr>
<td>Team Presentation</td>
<td>50</td>
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<tr>
<td>Writing Assignments (3)</td>
<td>150</td>
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<td><strong>Final Examination</strong></td>
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<td><strong>Total</strong></td>
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Grading for each activity, and the final grade, will be based on the 97/93/90% standard.
CLASS POLICIES

Professionalism: There is no long behavior list of do and don’t 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. Have the official DASS authorization letter sent to your professor by May 17, 2017 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 May 17, 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
Taos Summer Schedule – May 16 – June 1, 2018

SECTION A: Ethical Quandaries For Individuals and Managers

May 16 (W)  Arrival Date (We will meet as a class following the evening meal.)

May 17 (Th) (1)  Course Introduction and the Role of Values and Moral Courage

A. Readings: (pp. 5-20)

1. “What is Ethics?”
2. “A Framework for Thinking Ethically”
3. “Values Based Leadership”
4. “What’s Important to Me?”

B. DVD Case: “Malden Mills”

May 18 (F) (2)  Ethical Principles, Theories, and Decision Making (pp. 23-43)

A. Readings:

1. “Descriptions of Ethical Principles”
2. “Adam II”

B. Case: 1. “The Parable of the Sadhu”

SECTION B: Ethical and Human Rights Responsibilities of Individuals and Organizations

May 21 (M) (3)  The Modern Corporation, Shareholder Model and Profit Maximization (pp. 47-70)

A. Main Readings:

1. “The Social Responsibility of Business is to Increase its Profits”
2. “Maximizing Shareholder Value”

B. Case: “Pinto Madness”

C. DVD: In preparation for the field trip: “The Town That Never Was.”
May 22 (T)(5)  *The Opening of Pandora’s Box: Dropping the Atomic Bomb* (pp.89-111).

A. Readings:

1. “Los Alamos History”
2. “The Decision to Use the Atomic Bomb: Background”
3. “Arguments Supporting the Bomb”
4. “Arguments Against the Bomb”
5. “Bandelier’s History & Culture”

B. Field Trip to Los Alamos and Bandelier (Entire Day)

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 through the historical part of the town by the Museum Director. After a morning at the Los Alamos we will venture to Bandelier for an afternoon exploring the early New Mexico cliff dwelling community.

*Your first writing assignment is to give and support your argument on whether the U.S. should have developed and dropped the Atomic Bombs on two Japanese cities.

May 23 (W)(6)  *Standards of Ethics for Professionals; Whistleblowing* (pp. 73-85)

A. Readings:

1. “Encouraging Internal Whistleblowing”
2. “After the Whistle”

B. DVD Cases:

1. “Bad Medicine”
2. “Lethal Medicine”
May 24 (Th)(7)  *Corporate Responsibility: Protecting the Rights of Customers, Employees, the Community and All Stakeholders* (pp. 117-151)

**A. Readings:**

1. "Universal Declaration of Human Rights"

**B. Case:**

1. "Nike Hits the Wall"

*C. Los Alamos Paper is Due Today!*

May 25 (F) (8)  *Philanthropy and Corporate Dishonesty: Developing A Global Initiative to Fight Fraud, Corruption, and Bribery, and to Create Transparency* (155-176)

**A. Readings:**

1. "Big Charity Admits Wildly Overstating
2. "Charity Regulators (Finally)...”
3. "The Red Cross CEO Has Been Serially Misleading…”
4. "Red Cross: How We Spent Sandy Money …”
5. "10 Truths You Need to Know About Fraud"

**B. DVD Cases:**

1. "It Takes One to Know One"

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

May 28 (M)(9)  Presentation Day

Each of the presentations will be presented today.
May 29 (T)(10)  Past and Future Homes? Field Trip to “Taos Pueblo” and “EarthshipHomes” (pp. 179-189)

Today we will visit the “oldest continuously inhabited community” in the U.S., the Taos Pueblo. They are a very private and conservative people, and have undergone dynamic events over the centuries of existence. We will eat a native American lunch prior to our visit. We will also hear the story of how the rights to their mountain land, and their sacred Blue Lake was taken away by President Theodore Roosevelt to create the Carson National Forest, but was also returned by President Richard Nixon.

We will also visit the home of the “Earthships”…sustainable “Green” buildings made with recycled materials.

A. Readings:

1. “Earthship Homes: Living Off the Grid”
2. “Taos Blue Lake”


A. Readings:

1. “Leadership in the Age of Transparency”
2. “TEEB For Business Coalition Study”

B. DVD Cases:

1. “130 Million Tons of Waste”
2. “Jack Abramoff: The Lobbyist’s Playbook”

May 31 (Th)(12)  Corporate Responsibility and Human Rights Within The Global Supply Chain (June 209-216)

A. Readings:

1. “Why Sustainability is now the Key Driver of Innovation”

*B. Taos Pueblo and Earthship assignment is Due.

C. DVD: “So Right, So Smart”

June 1 (F)(12)  *Final Examination
TEAM PRESENTATION LIST

1. Product Recall Process and Recent Past Auto Recalls

Give a quick overview of the automobile recall process (reasons, steps taken, impact on customers, etc.). Discuss the huge auto recalls of General Motors and Volkswagen that has taken place over the last few years. How many autos from each company were finally involved? How many people were injured or lost lives before recalls were issued? What was the total cost in fulfilling the recalls and in the government fines the companies had to finally pay? Describe the companies functioning ability today, and whether the crisis events caused the buying public to shy away from purchase of the car brand. Coordinate with the “Crisis Management” speaker so speech content will compliment your speech.

2. Crisis Management

Describe crisis management in business and how if differs from risk management. How specifically do organizations plan for, prevent, and managed crises? Give examples of some of the biggest, and most recent, business crises that made the headlines. (Do not use any of the companies that will be used in our class presentations or cases. What was the impact, both immediate and long-term, on the organizations, the people that experienced the crisis, and the shareholder? How does crisis management relate to ethics? Coordinate with the “Product Recall” speaker to insure the content of that talk will compliment your speech, and your content will compliment theirs.

3. History, Role, and Cost of Government Regulation Process

Over the course of American history an extremely large number of government regulations and regulatory agencies have come into being. They are usually specifically implemented to produce or prevent certain outcomes. Common examples are agencies like the EPA, FDA, OSHA, and others. The economic cost of this process is staggering and heavily impacts both public and private business. Describe how the process came into being, how it works, the positive results of such action, the negative results of such action, and the estimated cost and impact of the regulation process on business.

4. Whistleblower Legislation and Protection

The “Whistleblower Protection Act” was made into federal law in the United States in 1989. It was made to protect federal whistleblowers who work for the government and report agency misconduct. Whistleblower protection laws and regulations guarantee “freedom of speech” for workers and contractors in certain situations. Whistleblowers have the right to file complaints that they believe are reasonable evidences of a violation of a law, rule or regulation; gross mismanagement; gross waste of funds; an abuse of authority; or a substantial and specific danger to public health or safety. This presentation must clarify why Cheryl Eckard was legally granted a monetary award.
5. Shell Oil’s Corrupt Oil Extraction Activities in Nigeria

The petroleum industry in Nigeria is one of Africa’s biggest revenue producers. In Nigeria alone oil production accounts for 65% of the country’s revenue. For decades Royal Dutch Shell has been one of the largest oil producers. After six years of denying corrupt involvement with the Nigerian government, Shell recently admitted to paying $1.3 billion for an Oil Prospecting License (OPL 245). The money was paid to a former oil minister, Dan Etete. Shell has also had problems with oil spills resulting from oil theft operations where pipelines were sabotaged. For years the company was not liable for such damage, but in 2013 a Dutch court ruled that they are now liable. This presentation must tell the history of Shell in Nigeria, the various struggles the company has had, how its activity has impacted people in that country, and where Shell and citizens stand at the present time in the International Court system reviews.

6. Bid-Rigging and Employee Incentive Problems at Wells Fargo

In the past few years U.S. Banks have paid the SEC and other government authorities almost $700 million in settlements for corruption in the municipal reinvestment industry. This presentation will talk about just one of those events, where criminal identity theft was perpetrated by thousands of Wells Fargo employees to basically create over 2 million fake customer bank accounts without customer consent. Coverage must include the reasons for the actions, the impact on employees and customers, the reason for the action, processes taken, and the end result once the action was revealed. Has this had a major impact on the bank?

7. Fat Leonard Defrauded the Navy for Millions, and Took Down It’s Officers

This speech will describe the Fat Leonard corruption scandal where a defense contractor provided members of the Navy’s Pacific Command with cash, travel expenses, luxury items, and prostitutes in order to get confidential contracting and law enforcement investigation information. Recently Leonard was arrested, and at the present time awaits trial. He has forfeited $35 million, and faces a maximum prison sentence of 25 years. Investigators have examined hundreds of people, including 30 admirals. Presently 27 people have been charged and 14 have pled guilty. This presentation will give an overview of the case and of Leonard’s current status. It will also describe how the U.S. Navy is working to repair the damage done.

8. Wal-Mart’s Corrupt Behavior in Mexican, It’s Worry About Corruption Charges, and the Outcome

In 2012, the New York Times revealed that Wal-Mart had paid over $24 million in bribes to Mexican officials in order to accelerate the construction of multiple sites in Mexico. Since that revelation it is estimated the company has spent hundreds of millions defending and preparing to fight the FCPA charges which were pending. In May 2017, the verdict was given. This speaker should give the initial action taken by Wal-Mart, then discuss how the company built its defensive case against the FCPA. Use of the FCPA Blog in researching this topic is encouraged. Describe the outcome and the final charges.
9. Gates Foundation Activity and Impact

As one of the largest private foundations in the world, the Gates Foundation aims to expand educational opportunities and access to information technology in America. Throughout the rest of the world it seeks to enhance healthcare and reduce extreme poverty. It donates at least 5 percent of its assets each year. This speaker should discuss some of the many places the Foundation has made investments, and the impact of those investments and its overall work.