



**East China Normal University
International Summer Session**

BUS 22 – Business Sustainability: Ethics and Social Responsibility

Term: July 5th –August 8th, 2018

Instructor: Mike CHAO, Ph.D.

**Home Institution: Cotsakos College of Business (AACSB International Accredited),
William Paterson University of New Jersey, U.S.A.**

Office hours: 12:35-1:35pm, Monday to Friday

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Teaching Assistant: TBD

Course Description

This course is about leadership ethics and the professional responsibilities of companies. Students will acquire a practical understanding of business responsibilities to investors, customers, employees, suppliers, and the general public. Students will learn about how ethics, law, and economics interrelate and overlap. Thus we will spend considerable time studying 5 major themes in this class: the corporation, the market, consumption, economic growth, and inequality. Students will learn to think critically about business ethics and corporate social responsibility in three dimensions: the societal, the organizational, and the individual. We examine the complex ethical and economic relationship between business and society. We also consider whether business has to be socially responsible to achieve sustainable profits. At the organizational level we ask students to consider both governance mechanisms and corporate culture characteristics that contribute to a company's success or demise. Finally, we focus on the personal ethical and social responsibilities of people in business, particularly leaders.

Course Overview

A special feature of this course is the emphasis on case discussions that are intended to make the learning experiential.

To be specific, students will participate in case discussions of ethical issues that are grounded in strategic business settings. Students are required to offer personal appraisals of the issues discussed in class. Topics include the corporation and its stakeholders, managing public issues and stakeholder relationships, corporate social responsibility and citizenship, organizational ethics, global business responsibilities, sustainable development and global business, ethics of corporate responsibility, consumer protection, and managing a diverse workforce. Students will develop a theoretical approach to business ethics, cultivate critical skills in public business ethical discussion, and learn to apply complex moral concepts to concrete business cases.

Course Goals

By the end of the semester students should be able to:

- be more aware of the complicated issues with regard to ethics, society and environment facing business, and thus managers;



- better understand the relationships between ethics, law and economics;
- Identify and apply ethical principles to human decisions typical of business;
- Understand the techniques of moral reasoning and argumentation that are needed to analyze moral issues in business;
- Analyze the presuppositions of business: both moral presuppositions and the presuppositions from a moral point of view;
- Evaluate the individual actions in economic and business transactions within a variety of moral frameworks;
- Apply general ethical principles to particular cases or practices in business;
- Discuss the ethical issues inherent in the rapid changes in business, including information technology and environmental degradation.

Required Text

Ann Lawrence (2018). *Business and Society: Stakeholders, Ethics, Public Policy, 15/e*. McGraw-Hill Education (ISBN: 1259737268).

Students also need to purchase a copy of Santoro and Strauss, *Wall Street Values: Business Ethics and the Global Financial Crisis* (Cambridge University Press, 2013).

Readings and videos listed on this syllabus are available on the internet (via a Cloud system). *Materials may be added as the course proceeds, so please check regularly.*

Course Hours

The course has 25 class sessions in total. Each class session is 110 minutes in length, for a total of 2750 minutes of in-class time. The course meets from Monday to Friday from July 5th to August 8th. ECNU awards 4 credits for this course. Different universities may count course credits differently. Consult officials at your own home institution.

Attendance

Summer school is very intense and to be successful, students need to attend every class. Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. ECNU policy requires a medical certificate to be excused. Any absence may affect the student's grade. Moreover, **ECNU policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.**

Grading Policy

ECNU awards grades of A, A-, B+, B, B-, C+, C, D, and F. Most colleges and universities do not award transfer credit for grades of D or F.



In this course, grading will be based on the followings:

1. Participation & Attendance: 20% (15% for Participation and 5% for Attendance);
2. Three papers/essays: 45% (15% each; details will be provided during the semester and I will work with students to develop their research papers/essays);
3. Three in-class Exams: 35% (10% each for the first two and 15% for the third one).

General Expectations

Students are expected to:

- Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade. Moreover, ECNU policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.
- Complete the day's required reading and assignments before class.
- Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading.
- Participate in class discussions and complete required written work on time.
- Refrain from texting, phoning or engaging in computer activities unrelated to class during class. Students who do not do this will be asked to leave the class.
- While class participation is welcome, even required, you are expected to refrain from private conversations during the class period.

Course Schedules

The planned schedule sketched out below may be modified to suit the interests or abilities of the enrolled students or to take advantage of special opportunities or events that may arise during the term.

Date	Topic(s)	Notes
07/05	<u>Unit I: Forms of Legal and Ethical Reasoning</u> Introductory lecture	Syllabus will be distributed and discussed.
07/06	Ethical Theory HBS Case: Five Traditional Theories of Moral Reasoning	Groups will be formed and group meetings will be held.
07/09	Ethical Theory Do the quiz at the link below and check out the philosopher you have the strongest kinship with according to the quiz. http://selectsmart.com/PHILOSOPHY/	



07/10	<p>Scientific Approaches to Ethics</p> <p>Experimental Game Theory and Human Nature. Read Herbert Gintis, “Behavioral Ethics,” http://www.umass.edu/preferen/gintis/BehavioralEthics.pdf</p> <p>Jonathan Haidt, “The New Synthesis in Moral Psychology” 316 Science 998-1002 (2007)</p> <p>Ethics and science: Milgram obedience experiments. Ethics in the lab: Read, “The Man Who Shocked the World,” http://www.psychologytoday.com/articles/pto-20020301-000037.html</p>	
07/11	First Exam (10%)	
07/12	<p><u>Unit II. Business and Society: Theoretical Perspectives</u></p> <p>Corporate Social Responsibility: Legal Perspectives</p> <p>Legal Materials (To be Distributed)</p>	
07/13	<p>Corporate Social Responsibility: Economic Perspectives</p> <p>Milton Friedman, “The Social Responsibility of Business is to Increase Profits,” The New York Times Magazine (1970).</p> <p>Economics Handout (To Be Distributed)</p>	
07/16	<p>Corporate Social Responsibility: Ethical Perspectives</p> <p>Case: Managing for Stakeholders</p>	
07/17	Second Exam (10%)	
07/18	“Gung Ho”	Movie
07/19	“Gung Ho”	Movie
07/20	<p><u>Unit III. Corporate Social Responsibility: Case Studies</u></p> <p>CSR and Profits</p> <p>HBS Case: Burt’s Bees</p> <p>Study Questions:</p>	



	<ol style="list-style-type: none">1. How far along is Burt’s Bees in their sustainability journey?2. Which of their 2020 goals is the most challenging? Why?3. Could any company do this? Is their ‘Greater Good’ Business model replicable?4. It is clear that the more a company grows, the more difficult it is to be sustainable. How has Burt’s Bees balanced the tension thus far?5. Moving forward, what are the risks and opportunities from the Clorox acquisition?	
07/23	<p>CSR and Brand Management</p> <p>HBS Case: Warby Parker: Vision of a "Good" Fashion Brand</p> <p>Study Questions:</p> <ol style="list-style-type: none">1. What is Warby Parker’s approach to corporate social responsibility?2. How does its CSR policy relate to its business model and marketing strategy?	
07/24	<p>CSR and Strategy</p> <p>HBS Case: IBM: The Corporate Service Corps</p> <p>Study Questions:</p> <ol style="list-style-type: none">1. In July 2007, what is the biggest challenge facing Kevin Thompson?2. Are IBM’s CSR activities a coherent whole? Where does the CSC fit into the broader portfolio?3. What is your assessment of the CSC’s effectiveness and impact (both business and social)? What are the strengths and weaknesses of the program?	
07/25	<p>CSR Reporting</p> <p>HBS Case: Driving Sustainability at Bloomberg L.P.</p>	



	<p>Study Questions:</p> <ol style="list-style-type: none">1. Assess the evolution of the ESG project at Bloomberg and what the best next steps are. Should Bloomberg begin deriving data and/or providing ratings? Or should they stick to their traditional business of just providing information?2. What is Bloomberg's competitive position in the ESG data space? Do they have any particular competitive advantages or liabilities?	
07/26	First Paper Due (15%)	
07/27	<p><u>Unit IV. Ethics on Wall Street</u></p> <p>Reading: Wall Street Values: Business Ethics and the Global Financial Crisis</p> <p>Milton Friedman, "The Social Responsibility of Business is to Increase Profits," The New York Times Magazine (1970).</p> <p>Economics Handout (To Be Distributed)</p> <p>Corporate Governance at UBS (To Be Distributed)</p> <p>HBS Case: Barclays and the LIBOR Scandal</p>	
07/30	Second Paper Due (15%)	
07/31	<p><u>Unit V. Ethics in the Pharmaceutical Industry</u></p> <p>Patents and Innovation: Economic and Business Perspectives</p> <p>Michael A. Santoro, Economics of Patents Handout (to be distributed)</p> <p>Sydney Taurel, "The Case Against Innovation," in Michael A. Santoro and Thomas M. Gorrie (eds.), Ethics and the Pharmaceutical Industry (Cambridge University Press, 2005).</p> <p>Legal Requirements of a Patent</p>	
08/01	<p>Patents and Human Rights</p> <p>HBS Case: Pfizer: Protecting Intellectual Property in the Global Economy</p>	



	<p>Optional Reading: Michael A. Santoro, "Human Rights and Human Needs: Diverse Moral Principles</p> <p>Justifying Third World Access to Affordable HIV/AIDS Drugs," North Carolina Journal of International Law and Commercial Regulation Vol. 31, No. 4 (2006)</p>	
08/02	<p><u>Unit VI. International Business Ethics</u></p> <p>Business Ethics in China</p> <p>M. Santoro, China 2020 (to be distributed)</p> <p>Child Labor</p> <p>HBS Case: IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor (A)</p> <p>Study Questions:</p> <ol style="list-style-type: none">1. How should Marianne Barner respond to the invitation for IKEA to have a representative appear on the upcoming broadcast of the German video program?2. What actions should she take regarding the IKEA supply contract with Rangan Exports?3. What long-term strategy would you suggest she take regarding IKEA's continued operation in India? Should the company stay or should it exit? (Be prepared to describe the impact of such a decision and how you would manage it.)	
08/03	<p>International Corruption</p> <p>HBS Case: Fighting Corruption at Siemens</p> <p>JP Morgan in China (materials to be distributed)</p>	
08/06	Third Exam (15%)	
08/07	Concluding Lecture	
08/08	Third Paper Due (15%)	



08/09-10	E-mail “Questions and Answers” sessions	
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Academic Honesty

Students are expected to maintain high standards of academic honesty. Specifically, unless otherwise directed by the professor, students may not consult other students, books, notes, electronic devices or any other source, on examinations. Failure to abide by this may result in a zero on the examination, or even failure in the course.

Students are also expected to adhere to appropriate scholarly conventions in essays and research papers. This class includes paper assignment(s) in which students must give credit to all outside sources used by means of citations and a bibliography. Failure to do so may result in a zero on the paper assignment, or even failure in the course.

Detailed Discussion of Course Requirements

The course grade will be “majorly” based on 3 in-class exams and 3 papers. The exams will consist of a combination of short answers and essay questions. Students must complete the class reading prior to every class. I will be cold calling most of the students in the class during the course. If you are not prepared when called upon, it will be noted and this could also result in a lowering of your grade. Class participation can also raise a student’s grade. However, it is the QUALITY of class participation, based on the criteria described below, NOT THE QUANTITY, that could result in a raised grade.

In a typical class, one or more students will be asked to start the class by answering a specific question or discussing a specific issue. Preparation for class (including any assignment questions) should be sufficient to handle such a leadoff assignment. After a few minutes of initial analysis, we will open the discussion to the rest of the class. As a group, we will then try to complete the analysis of the situation and address the problems and issues presented in the readings. The development of verbal skills is given a high priority in this course. The classroom should be considered a laboratory in which you can test your ability to convince your peers of the correctness of your approach to complex problems, and of your ability to achieve the desired results through the use of that approach. Some of the things that have an impact on effective class participation are the following:

- Is the participant a good listener?
- Are the points that are made relevant to the discussion? Are they linked to the comments of others?
- Do the comments show evidence of analysis of the readings?
- Does the participant distinguish among different kinds of data, such as facts, opinions, beliefs, and concepts?
- Is there a willingness to test new ideas, or are all comments “safe”? (For example, repetition of case facts without analysis and conclusions or a comment already made by a colleague)
- Is the participant willing to interact with other class members?



The questions above deal with both the process of class participation and (of equal or greater concern) the content of what you say. As noted above, class participation is potentially a component of your grade in this course.