

Business in Society

BM3101

Autumn Term 2020

Module Meeting Location:

The links to the live weekly Zoom sessions are on moodle.

Module Leaders:

Module Overview

This course covers two central components of modern concerns related to the role of Business in Society: 1) Ethics & 2) Corporate Social Responsibility.

Ethics is a crucial component of individual and group behavior and is at the heart of organizational responsibilities. This course considers the ethical responsibilities of managers and corporations. We consider individual and organizational business actions and decisions in the light of moral principles and values. We will raise ethical challenges and provide frameworks that inform common patterns of success and failure in managing ethics and corporate responsibilities. We address these questions at multiple levels of individual, organization, society as well as in international and multicultural contexts.

The second half of the course will focus on the growing notions of corporate social responsibility and sustainability, which raises the question of organizations' ethical, environmental and societal responsibilities that go beyond their economic responsibilities. Organizations are increasingly required to expand their understandings of their role in society to include other stakeholders such as employees, customers, suppliers, local communities, governments and international non-governmental organizations (NGOs). We address the complex environments of multinational corporations and innovative governance structures, management systems and business models that can help align the firms' interests more closely to societal expectations.

At the end of the class the students will:

1. Gain a sound and critical understanding of the role of the firm in early 21st century society;

2. Be able to critically analyse common social and environmental issues from both business and stakeholder perspectives;
3. Develop a reflective approach on the external demands and expectations facing corporations, as well as on according potential conflicts with stakeholders.

Teaching and Readings

Teaching will be done through a mixture of lectures, case studies, exercises, videos and class discussions.

For the academic year 2020/2021, due to COVID-19, we will have our weekly live sessions on Zoom. Attendance at these live synchronous sessions is essential, as we will have an interactive class whereby the majority of the learning occurs in these sessions.

Each week, students will find material (short videos, readings, polls and quizzes) on Moodle to be read, reviewed, and watched prior to the weekly live session.

Please attend the live synchronous sessions having prepared the week's materials ***beforehand and ready to debate ethical dilemmas and societal issues as they relate to business.*** This is especially important for the case studies, which we will discuss in detail in these live sessions.

There is no required textbook for the class. All readings and materials will be available directly online on Moodle or through a Reading List, with links on Moodle.

Assessment

There will be three components of assessment for this course:

1) Individual Coursework: 45% of final mark

Individual coursework will be comprised of two case analyses (15% of final mark each) and three quizzes (5% of final mark each)

Case Analyses: There are five cases in total throughout the module. Students must choose 1 case in the first 4 weeks (Vandivier or Apple) and 1 case in the next 5 weeks (Coca-Cola or Acumen Funds) to write an analysis on. Cases analyses should utilize the case analysis framework that will be presented in class and is available on moodle. Case analyses should be **no more than 750 words** and should be completely independently and uploaded to Moodle prior to the case being discussed in class. The

cases will be marked for their quality of analysis based on the analysis framework and the case content.

Quizzes: There will be three quizzes on Moodle to assess students' engagement with the asynchronous materials. To receive credit for doing a quiz, it must be completed prior to the deadline (which will usually be prior to the synchronous session discussing that material). Quizzes that are completed on time will receive full marks. Late quizzes will receive a "0" for this individual coursework component.

2) Group Coursework: 25% of final mark

You will be assigned to a group of 4 or 5 students for your group coursework. The marks for the group coursework are comprised of two components – the first is a live project proposal pitch (5% of final mark) and the second is a written group project report (20% of final mark).

For the group coursework, prepare an analysis of a real-world case or event in relation to ethics and CSR. While the course endeavors to provide an overview of the main issues related to ethics and CSR, it is by no means an exhaustive catalogue of the rich questions, topics and situations encountered by various industries, organizations and organizational members. This group project is an occasion to extend the course concepts to new topics or topics of particular interest to the group members.

Examples of possible topics include: ethical issues or questions raised by new or existing practices or technologies, organizational crises or scandals, or cases of organizational growth or transformation.

The project proposal pitch will be a 5-minute live online presentation of your group project idea and what you are finding out thus far with your initial research. For the pitch, choose a group spokesperson to deliver this 5-minute presentation on Zoom during Week 9.

The written component of the group coursework will be due on the Friday of Week 11 (11 December) by 8pm UK time. It should be submitted on moodle. It can be up to 2000 words long (excluding references).

For the written component you will be evaluated on the following criteria:

- Quality of the research
- Quality of the analysis
- Originality and relevance of the topic
- Application of course learning and concepts

3) Final Exam: 30% of final mark

The final exam questions will be integrative and cover the whole range of the course. More details of the exam will be provided in time, and we will dedicate our final synchronous session to preparation for the final exam.

Alternate Exam for Exchange Students

If you are an exchange student, you may need to complete a different assignment instead of an exam. For this you should answer the following question, following a word limit of 2,000 words (excluding references):

- Pick a film, TV show, novel, or documentary with an ethical or business and society issue in it. Analyse it using concepts and theories discussed in class. Describe how it was resolved, or the barriers to resolving it if it was left unresolved. If it was resolved, was it resolved in the right way? If not, how should it have been resolved?

Communication:

We will use moodle extensively for all communications related to the module. It is your responsibility to check moodle regularly for updates. Please use the forum on moodle for all communication outside the classroom. This is where you are expected to ask any questions about the course content, assignments, etc.

Alternatively, if you have a personal concern you can attend our office hours, where we will be able to discuss any issues one-on-one.

Outline of Sessions:

Week 1: Introduction

In this introductory lecture, we will cover the main ethical frameworks for ethical decision-making: Deontology, Utilitarianism and Virtue Ethics. We will also consider how these frameworks have been variously applied to understand the responsibilities of business and managers.

- Required reading:
 - Friedman, M. 1970. "The social responsibility of business is to increase its profits." *The New York Times*, September 13: 32-33, 122, 124, 126.
 - Freeman, R. E. 2007. "Managing for stakeholders." University of Virginia.
- Recommended reading:
 - Deontological Ethics. In *The Stanford Encyclopedia of Philosophy*.
<https://plato.stanford.edu/entries/ethics-deontological/>
 - Virtue Ethics. In *The Stanford Encyclopedia of Philosophy*.
<https://plato.stanford.edu/entries/ethics-virtue/>

Week 2: Individual Approaches to Ethics

In this week's lecture we will cover psychological approaches to ethics. What are the psychological bases of ethical behaviour? What are the darker sides to our ethical behaviour?

- Required documentary: Obedience to authority (Milgram Experiments) – Link on Moodle
- There are no required reading this week, but if you did not have a chance to read Week 1's Required Readings, please read them.

Week 3: Ethics in Organisations: Why do Smart People do Dumb Things?

In this lecture, we will discuss how power and authority shape ethical behavior in organizations. If power is so important, what are the bases of power? What are our options? We will also unpack a core process involved in ethical violations such as frauds - escalation of commitment - and examine how to make organisations more resilient.

- Required reading:
 - **Case: K. Vandivier.** Why should my conscience bother me? Chapter 1. In *the name of profit*. R.L. Heilbroner.
 - Cialdini, Robert B. 2001. Commitment and Consistency: Hobgoblins of the Mind. Chapter 3. In *Influence: Science and Practice*. Allyn & Bacon.

Week 4: Ethics and Globalization

In this lecture, we will explore the responsibility of firms in a global environment. What purpose(s) should corporations serve? Do cultural norms and practices matter? Should companies like Nike, Apple and other global corporations be held responsible for the practices of their partners and suppliers? If so, how? This session will introduce broadly the notion of Corporate Social Responsibility.

- Required readings:
 - **Case: Apple:** In China, Human Costs Are Built Into an iPad. *The New York Times*. 2012.
 - When the Job Inspector Calls: Do Campaigns for Ethical Supply Chains Help Workers? *The Economist*. 2012.
 - Zelizer, Viviana. 1985. From Useful to Useless: Moral Conflict over Child Labor. Chapter 2. In *Pricing the Priceless Child: The Changing Social Value of Children*. Princeton University Press.

- Recommended readings:
 - Kochan, Thomas, Richard Locke, Fei Qin, and Monica Romis. 2007. "Beyond Corporate Codes of Conduct: Work Organization and Labor Standards at Nike's Suppliers." International Labour Organization.

Week 5: The History and Evolution of the Role of Business in Society

In this week's lecture we will examine the history of how different views of the role of business in society have changed over time, as well as explore the key debates that have persisted despite this evolution.

- Required readings:
 - Porter, M.E. and Kramer, M. R. 2006. "Strategy and society: The link between competitive advantage and corporate social responsibility." *Harvard Business Review*, December: 1-14.
 - Karnani, A. 2011. "Doing well by doing good: The grand illusion." *California Management Review*, 53: 69-86.
 - 181 Top CEOs Have Realized Companies Need a Purpose Beyond Profit; *Harvard Business Review*; 2019 - Claudine Gartenberg & George Serafeim

- Recommended readings:
 - McKinsey and Company, 2014. "Redefining Capitalism"

Week 6: External Pressures: Social movements & Voluntary Standards

This week we will examine one of the key stakeholders for businesses - social movements. Movements have been critical to exposing organisations when they fall short of their social commitments or environmental responsibilities. When consumers or the general public organise and form a movement, such as #metoo, Black Lives Matter, or Extinction Rebellion, they can pose a substantial threat to businesses, but also bring about large-scale social changes.

- Required readings:
 - **Case: Coca-Cola Bottling**

- Lawrence, A. 2010. "Managing disputes with nonmarket stakeholders: Wage a fight, withdraw, wait, or work it out?" *California Management Review*, 53: 90-113.
- Recommended readings:
 - Valkila, J, Haaparanta, P. and Niemi, N. 2010. "Empowering coffee traders? The coffee value chain from Nicaraguan Fair Trade farmers to Finnish consumers." *Journal of Business Ethics*, 97: 257-270.

Week 7: Employees: Gender, Diversity, & Inclusion in the Workplace

This week is focused on one of the most salient issues in management today. We will examine key academic findings on diversity in organisations and explore some of the changes that are occurring in relation to issues such as equal pay and inclusion today. Finally, we will also talk about employees as a key stakeholder group and the changing expectations of employees in terms of their employer's CSR and sustainability programmes.

- Required readings:
 - Rivera. "Guess Who Doesn't Fit in at Work?" *New York Times*.
 - Phillips. "How Diversity Makes You Smarter." *Scientific American*.
- Required podcast:
 - "Three Steps for Creating a More Equitable Workplace" Knowledge at Wharton
- Recommended readings:
 - "How the BBC Women Are Working Toward Equal Pay" *New Yorker*; Letter from London; July 23, 2018

Week 8: Social Entrepreneurship & Socially Responsible Investment

This week we will discuss how some organizations have attempted to make the triple bottom line core to their work. These types of organisations are sometimes called social enterprises or hybrid organisations. We will also look at how these efforts and those across more traditional firms are being measured and evaluated through triple bottom line evaluation systems that attempt to measure impact and progress along environmental, social, and economic lines. Finally, we use the Acumen Fund case to see how funding models are being built that evaluate companies on their triple bottom line.

- Required readings:
 - **Case: Acumen Fund**
 - Elkington & Hartigan *The Power of Unreasonable People*, Part I: Building Innovative Enterprises, pg 31-67
 - Battilana, J., Lee, M., Walker, J., and Dorsey, C. 2012. "In search of the hybrid ideal." *Stanford Social Innovation Review*, 10: 51-55.

- Recommended readings:
 - Haigh, Nardia and Hoffman, Andrew John, Hybrid Organizations: The Next Chapter in Sustainable Business (October 2011). *Organizational Dynamics*, 41(2): 126-134.

Week 9: Live Project Pitches & Green Business Models for Innovation

This week our live session will be comprised of the *Group Coursework Project Pitches*.

In Week 9, you will also have to watch a recorded lecture on the topic of Green Business Models for Innovation, which explores how companies vary in their approaches to the natural environment - from risk reduction to approaches that embrace the environment to guide and underpin innovation. This lecture looks at some firms which have tried to incorporate the environment into the core of their products and ethos alongside others that have faced criticism for operating without concern for the environment.

- Required Video
 - Recorded Lecture on Green Business Models for Innovation
- Required readings:
 - Chapter 8: CSR in the Ecological Environment of *Corporate Social Responsibility* by Crane, Matten & Spence (2nd Edition)
 - Lovins, Lovins, and Hawken. 2007. "A road map for natural capitalism," *Harvard Business Review*. (originally published 1999)

Week 10: Dilemmas of New Technologies

Information technologies and biotechnologies are among the most innovative industries. But such new technologies constantly raise new ethical dilemmas. What are these main dilemmas? Why are controversies so salient? Can we forge common guidelines and practices? We will also discuss here the rise and relevance of ethics boards and ethicists.

- Required readings:
 - **Case:** Geron Corporation and the Role of Ethics Advice. Margaret Eton
 - Margaret L. Eaton. 2008. Managing the Risks Associated with Using Biomedical Ethics Advice. *Journal of Business Ethics* 77:99-109

Week 11: Wrap-up - Revision Session and Moving Forward

In this final lecture we will review the whole course in preparation for the final exam and group coursework. In order to do this, we will draw the content together and reflect on the key learning.

- Recommended Resources for Going Further with Business in Society Issues (all available on moodle):

- Meyerson, D. 2004. "The tempered radicals: How employees push their companies - little by little - to be more socially responsible." *Stanford Social Innovation Review*, 2: 14-23.
- The Next Phase of Business Sustainability, Andrew Hoffman, 2018, *Stanford Social Innovation Review*
- Podcast: Is Corporate Sustainability Broken? - the Network for Business Sustainability
- Podcast: You 2.0: Rebel With A Cause, Hidden Brain, National Public Radio (USA) - Interview with Dr Francesca Gino
- Gino, Francesca. *Rebel talent: Why it pays to break the rules at work and in life*. Pan Macmillan, 2018.