

**COURSE SYLLABUS**  
**Spring 2011 - BCOR 3010**  
**Business Applications of Social Responsibility**  
Leeds School of Business  
University of Colorado at Boulder

**Class Time and Location**

Section 2, M/W 3:00-4:15pm Room 300, Koelbel  
Section 3, M/W 4:30-5:45pm Room 300, Koelbel

**Instructor: Catherine Milburn**

Office: Room 345J - CESR Suite, Koelbel

Office Hours: Mon 1:30-2:30, Tues 2:00-4:00 and by appt

Best way to contact me → [Catherine.Milburn@colorado.edu](mailto:Catherine.Milburn@colorado.edu)

**COURSE OVERVIEW:**

This course focuses on different conceptions of the role of business in society and the role that personal values play in determining business conduct from a multidisciplinary perspective. More specifically, the course aims to have students appreciate the values inherent in the free market system and its alternatives, the modern debate over the meaning of “corporate social responsibility,” the differences between a principled and a pragmatic approach to defining a business’ role in society, and obligations of business to specific groups of stakeholders from a legal, economic, and moral standpoint. Critical issues such as sustainability and the impact of globalization on the role of modern business also are featured in this course. The extensive readings for this course are drawn from a wide variety of business disciplines in addition to fields such as: economics, history, philosophy, political science, law, and psychology.

Throughout the course, students are encouraged to uncover their own values and to think about taking personal responsibility for the character and culture of the organizations for which they will work. To achieve these ends, this is a highly participative class built around ten formal student presentations of challenging and timely cases involving business conduct, spanning the functional areas of business. All students are required to participate in two of these presentations as the designated or the shadow presenters. In addition, other timely cases, news articles, and videos are used to generate class discussions. Finally, students are expected to be able to articulate their values and positions not only in the oral presentations but in written form.

## **BCOR 3010 LEARNING GOALS**

Demonstrate familiarity with the contextual environments in which business operates (economic and legal environment of business, the globalization of markets, workforce diversity, leadership and entrepreneurship).

- Develop and display an understanding of the role of business in society, corporate social responsibility, ethical issues and the role of personal values.
- Ability to articulate values and positions in class, in oral presentations, and in written form.
- Develop and display critical thinking and analytical skills through oral presentations and in written form.
- Understand the importance of group dynamics, develop proficiency in teamwork and group presentation skills.
- Develop oral and written presentation skills.

**READINGS:** The readings for this course consist of the following:

- A Custom Two Volume Readings Book prepared for this course by Pearson-Prentice Hall. Is available from the bookstore.
- The Wall Street Journal - Courtesy of the McMorris family, an on-line subscription is free and is available through an on-line sign-up.

**COURSE REQUIREMENTS:** All readings for this class are required, unless noted otherwise. Since the readings are extensive, students are urged to keep up with them on a class by class basis. Please see the “Daily Planner” in the syllabus, which includes the dates readings are due, proper citations to all reading materials, and the pages of our custom text that correspond to these readings (see page references in bold at the end of citations). **Please note that all course and assignment information, as well as regular announcements, will be posted on CULEARN.**

**GRADING:** Final grades for this course will be based on the following weighting scheme.

- 15%- Oral Presentation
- 5% - Oral Presentation Critique
- 25%- Midterm Examination
- 15% - Paper (due April 20, 2011)
- 40%- Final Examination

**Students are encouraged to consult the Leeds grading policy, accessed by the following link. [Grading Policy 2009](#)**

## **BRIEF COURSE OUTLINE:**

### **PART ONE: INTRODUCTION: VALUES #1**

- A. The Relevance of Values in Business and in Everyday Life
- B. What are Your Values?
- C. How do you know what feels right: A glimpse into Ethical Doctrines and Beyond (our values and the appeal of ethical doctrines)
- D. Doing the Right Thing  
Case Reading: Merck and River Blindness (distributed in class)

### **PART TWO: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: The Classical View: Profit Maximization and the Case for the Free Market**

- A. Historical Underpinnings
- B. A More Contemporary Argument  
Discussion of Video Excerpts: The Smartest Guys in the Room; Who Killed the Electric Car; Food, Inc.  
**Student Presentation #1: Merck & Vioxx**

### **PART THREE: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: Self-Interest Constrained: The Government to the Rescue?**

**Student Presentation #2: Travelocity**

### **PART FOUR: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: Self-Interest Constrained: Interest Groups (Stakeholders) Assert Power Over Business**

**Student Presentation #3: Home Depot**

### **PART FIVE: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: If not the Pure Classical Perspective, or Constraining Self-Interest with the Government as the Savior, or Relying on Interest Groups, Then What?**

- A. The Modern Debate about the Meaning of Corporate Social Responsibility (CSR). An Overview of CSR:
  - 1) The Classical View and Some Practical Insights
  - 2) The Civil Corporation
  - 3) The Public Policy Generator
  - 4) The Creator of Long Term Wealth
  - 5) Market Failure Model
  - 6) The Sustainability Model
  - 7) The Stakeholder Model
  - 8) Creative Capitalism
  - 9) Social Business or Social Enterprise
  - 10) What About Simple Philanthropy?  
Video Case Discussion: New Belgium
- B. The Challenge of Measurement: How Might We Judge Firm Performance by Standards Other than Profit Maximization?
- C. The Relationship Between CSR and Firm Performance

**Midterm Examination**

**PART SIX: STAKEHOLDER INFLUENCE: A PRINCIPLED OR A PRAGMATIC APPROACH: OBLIGATIONS and BEYOND?**

A. An Overview of Corporate Governance: How is a Company Run, The Rules and Relevance of Financial Reporting, and the Relevance of the Composition of the Board of Directors?

Class Exercise: Panalba: The Composition of Boards of Directors

B. Shareholders

1. Conflicting Interests: The Issue of Executive Pay
2. The Realities of Shareholder Influence

**Student Presentation #4: Executive Pay Abuses? The Case of Robert Nardelli**

C. Consumers

1. Product Safety
2. Advertising Ethics
3. The Impact of Consumer Influence

**Student Presentation #5: Subprime Mortgages & Predatory Lending**

D. Employees: Discrimination and Layoffs

1. Discrimination
2. Layoffs - Case Discussion: Video: Circuit City
3. The Impact of Employee Influence

**Student Presentation #6: Wal-Mart and Wall Street Women**

E. Environment and A Modern Approach to Sustainability

1. Corporate Responsibility for the Environment
2. The Global Environment: Climate Change
3. The Influence of Environmental Advocates

**Student Presentation #7: British Petroleum**

F. The Community: Domestic and Global

1. Domestic Opportunities
2. Global Challenges to Corporate Citizenship
3. The Impact of “Communities”

**Student Presentation #8: The Oklahoma City League for the Blind (New View)**  
**Student Presentation #9: The Future of Microfinance: The Grameen Bank Model vs. the ACCION International Model**

**PART SEVEN: VALUES REVISITED: ENTER COURAGE**

**Student Presentation #10: Whistleblowing**

**PART EIGHT: VALUES AND A JOB: BUILDING A CULTURE OR FINDING A FIT: THE ROLE OF CONSCIENCE**

## **DETAILED COURSE OUTLINE:**

### **PART ONE: INTRODUCTION: VALUES #1**

#### **A. The Relevance of Values in Business and in Everyday Life**

John Delaney and Donna Sockell, "Do the Right Thing," Hermes. (Summer 1990), pp.28-30. (Custom Readings book, Vol. 1, pp. 7-12)

Judith Samuelson, "The New Rigor: Beyond the Right Answer," Academy of Management Learning and Education, Vol. 5, Number 3. (September 2006), pp. 356-365. (Custom Readings book, Vol. 1, pp. 13-28)

#### **B. What are Your Values?**

#### **C. How do you know what feels right: A glimpse into Ethical Doctrines and Beyond (our values and the appeal of ethical doctrines)**

Linda Trevino and Katherine A. Nelson, "Deciding What's Right: A Prescriptive Approach," Managing Business Ethics: Straight Talk About How To Do It Right. (Wiley, 2007), pp. 95-115. (Custom Readings book, Vol. 1, pp. 29-47)

**Virtue Ethics: Aristotle's Four Basic Virtues** (Custom Readings book, Vol. 1, pp. 48)

Joseph R. DesJardins, "Virtue and Business Ethics," Reprinted in Shaw and Barry, Moral Issues in Business, 9th edition. (Wadsworth, 2004), pp. 97-100. (Custom Readings book, Vol. 1, pp.49-56)

Shaw and Barry, "Ethical Relativism," Moral Issues in Business, 9th edition. (Wadsworth, 2004), pp. 12-13. (Custom Readings book, Vol. 1, pp. 57-60)

#### **D. Doing the Right Thing**

Joseph L. Badaracco, Jr., "The Discipline of Building Character," Harvard Business Review on Corporate Ethics. (Cambridge: HBCPS, 2003), pp. 139-163. (Custom Readings book, Vol. 1, pp. 61-74)

Rakesh Khurana and Herbert Gintis, "What is the Purpose of Business?," BizEd. (January/February 2008), pp. 54-56. (Custom Readings book, Vol. 1, pp. 75-79)

**Case Reading: Merck and River Blindness (distributed in class)**

### **PART TWO: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: The Classical View: Profit Maximization and the Case for the Free Market**

#### **C. Historical Underpinnings**

Adam Smith, Wealth of Nations. (Amherst, NY: Prometheus, 1991), pp. 9-15; 19-23; 50-57; 58-76; and 348-353. (Custom Readings book, Vol. 1, pp. 85-114)

## **D. A More Contemporary Argument**

ilton Friedman, Capitalism and Freedom. (Chicago: University of Chicago Press, 2002), ISBN # 0-226-26421-1, 40<sup>th</sup> Anniversary Edition, pp. 1-39; 85-132, 133-136. (Custom Readings book, Vol. 1, pp. 115-146)

Joseph DesJardins, Business, Ethics, and the Environment. (Upper Saddle-River, New Jersey: Pearson-Prentice-Hall, 2007), pp. 58-61. (Custom Readings book, Vol. 1, pp. 147-150)

David Welch, "GM: Live Green or Die," Business Week. (May 26, 2008), pp. 36-41. (Custom Readings book, Vol. 1, pp. 151-157)

## **Discussion of Video Excerpts: The Smartest Guys in the Room; Who Killed the Electric Car; Food, Inc.**

**Student Presentation #1: Merck & Vioxx** (Custom Readings book, Vol. 1, pp. 159-186)

## **PART THREE: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: Self-Interest Constrained: The Government to the Rescue?**

John Gray, "It Depends," A Templeton Conversation: Does the Free Market Corrode Moral Character?. (John Templeton Foundation; Autumn 2008), pp.4-5. [www.templeton.org/market](http://www.templeton.org/market). (Custom Readings book, Vol. 1, pp. 189-192)

Arthur Okun, Equality and Efficiency. (Washington, DC: Brookings Institution, 1975), ISBN # 0-8157-6475-8, pp. 1-10, 17-22, 32-51. (Custom Readings book, Vol. 1, pp. 193-214)

Garrett Hardin, "The Tragedy of the Commons," Science, Volume 162. (1968), pp. 1243-1248. (Custom Readings book, Vol. 1, pp. 215-228)

Michael Rozeff, "Why Market Failure Fails," LewRockwell.com. (July 17, 2006). [www.lewrockwell.com/rozeff/rozeff79.html](http://www.lewrockwell.com/rozeff/rozeff79.html). (Custom Readings book, Vol. 1, pp. 229-236)

Charles Wolf, Jr., "A Theory of 'Non-Market Failure'," The Public Interest, Vol. 65. (Spring, 1979), pp. 114-133. (Custom Readings book, Vol. 1, pp. 237-252)

"Government Broke Down. Business Stepped Up: How Walmart, Fedex, and Home Depot Got the Job Done After Katrina," Fortune. (October 3, 2005). Assorted articles: Justin Fox, "A Meditation on Risk", pp. 50ff; Ellen Florian Kratz, "For Fedex, It was Time to Deliver," p.83ff; Devin Leonard, "After Katrina: Crisis Management: The Only Lifeline was Walmart," pp. 74ff. (Custom Readings book, Vol. 1, pp. 253-268)

**Student Presentation #2: Travelocity (Outsourcing: Alan Blinder's article and the Warn Act)** (Custom Readings book, Vol. 1, pp. 277-304)

## **PART FOUR: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: Self-Interest Constrained: Interest Groups (Stakeholders)**

### **Assert Power Over Business**

Chad Terhune, "Lighten Up: Pepsi Sales Force Tries to Push Healthier Snacks in Inner City," Wall Street Journal. (October 5, 2006). (Custom Readings book, Vol. 1, pp. 269-274) (reread and discussed in class).

A.O. Hirschman, Exit, Voice, and Loyalty. (Cambridge, MA: Harvard University Press, 1970), ISBN #0-674-27660-4, pp. 1-4; 22-43; 76-86. (Custom Readings book, Vol. 1, pp. 309-330)

Simon Zadek, "Civil Regulation," The Civil Corporation. (London: Earthscan Publications, Ltd., 2005), ISBN #1-85383-997-3, pp. 51-64. (Custom Readings book, Vol. 1, pp. 331-344)

Jean Boler, "Class Action Basics," <http://consumer-law.lawyers.com/Class-Action-Basics.html>. (Custom Readings book, Vol. 1, pp. 345-348)

### **Student Presentation #3: Home Depot, Deforestation, and the Role of Environmental Advocates** (Custom Readings book, Vol. 1, pp. 351-372)

## **PART FIVE: DIFFERENT CONCEPTIONS OF THE ROLE OF BUSINESS: If not the Pure Classical Perspective, or Constraining Self-Interest with the Government as the Savior, or Relying on Interest Groups, Then What?**

### **A. The Modern Debate About the Meaning of Corporate Social Responsibility (CSR)**

#### **An Overview of CSR:**

Alexander Dahlsrud, "How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions," Corporate Social Responsibility and Environmental Management. (Wiley, 2006), pp. 7-11. (Custom Readings book, Vol. 1, pp. 379-384)

David Vogel, "The Revival of Corporate Social Responsibility," The Market for Virtue. (Washington, DC: The Brookings Institution, 2005), pp. 1-15. (Custom Readings book, Vol. 1, pp. 385-396)

#### **1) The Classical View and Some Practical Insights:**

Milton Friedman, Capitalism and Freedom. (Chicago: University of Chicago Press, 2002), ISBN # 0-226-26421-1, 40<sup>th</sup> Anniversary Edition, pp. 133-136 (**REVISITED!**). (Custom Readings book, Vol. 1, pp. 397-400)

"The Good Company," The Economist. (January 22, 2005), pp. 3-14. (Custom Readings book, Vol. 1, pp. 401-416)

## **2) The Civil Corporation:**

Simon Zadek, "Civil Regulation," The Civil Corporation. (London: Earthscan Publications, Ltd., 2004), ISBN #1-85383-997-3, p. 5-37. (Custom Readings book, Vol. 1, pp. 419-445)

## **3) The Public Policy Generator:**

David Vogel, The Market for Virtue. (Washington, DC: The Brookings Institution, 2005), pp. 171-3. (Custom Readings book, Vol. 1, pp. 447-448)

## **4) The Creator of Long Term Wealth:**

Steven Lydenberg, Corporations and the Public Interest: Guiding the Invisible Hand. (San Francisco, CA: Berrett-Koehler Publishers, 2005), pp. 19- 37. (Custom Readings book, Vol. 1, pp. 451-462)

**Corporations' Obligations to Society** (Custom Readings book, Vol. 1, pp. 463)

## **5) Market Failure Model:**

Joseph Heath, "Business Ethics without Stakeholders," Business Ethics Quarterly, Vol. 16, no. 4. (October 2006), pp. 537- 547 (for critiques of the classical view- shareholder and the stakeholder model) and pp. 547-552 (for the market failure model). (Custom Readings book, Vol. 1, pp. 465-479)

## **6) The Sustainability Model:**

Joseph DesJardins, Business, Ethics, and the Environment. (Upper Saddle-River, New Jersey: Pearson-Prentice-Hall, 2007), pp. 9-15. (Custom Readings book, Vol. 1, pp. 481-487)

## **7) The Stakeholder Model:**

R. Edward Freeman, S. Ramakrishna Velamuri, and Brian Moriarty, "Bridge Paper: Company Stakeholder Responsibility: A New Approach to CSR," Business Roundtable: Institute for Corporate Ethics. (2006). (Custom Readings book, Vol. 1, pp. 489-501)

**Ten Principles of Company Stakeholder Responsibility** (Custom Readings book, Vol. 1, pp. 502)

## **8) Creative Capitalism:**

Bill Gates, "Making Capitalism More Creative," Time. (July 31, 2008). (Custom Readings book, Vol. 1, pp. 505-509)

## **9) Social Business or Social Enterprise:**

W. Douglas Jackson, "Social Business: The Business of Doing Good," ICOSA. (November/December 2008), pp. 50-3. (Custom Readings book, Vol. 1, pp. 511-514)

## **10) What About Simple Philanthropy?**

## **Video Case Discussion: New Belgium**

## **B. The Challenge of Measurement: How Might We Judge Firm Performance by Standards Other than Profit Maximization?**

Wayne Norman and Chris MacDonald, "Getting to the Bottom of "Triple Bottom Line," Business Ethics Quarterly, vol. 14, no. 2. (April 2004), pp. 243-262. (Custom Readings book, Vol. 1, pp. 519-538)

Moses L. Pava, "A Response to Getting to the Bottom Line of 'Triple Bottom Line'," Business Ethics Quarterly, vol. 17, no. 1. (January 2007), pp.105-110. (Custom Readings book, Vol. 1, pp. 539-544)

Brian Ballou, Dan L. Heitger, and Charles E. Landes, "The Future of Corporate Sustainability Reporting," Journal of Accountancy. (December 2006), pp. 65ff. (Custom Readings book, Vol. 1, pp. 545-556)

## **E. The Relationship Between CSR and Firm Performance**

Stefan Ambec and Paul Lanoie, "Does It Pay to Be Green? A Systematic Overview," Academy of Management Perspectives. (November 2008), pp. 45-62. (Custom Readings book, Vol. 1, pp. 559-584)

David Vogel, The Market for Virtue. (Washington, DC: The Brookings Institution, 2005), pp.16-45. (Custom Readings book, Vol. 1, pp. 585-608)

"Corporate Philanthropy Inspires Trust: Does it Also Prompt Higher Profits," (January 10, 2007). Working paper review based on, Fisman, Heal, and Nair, "Corporate Responsibility: Doing Well By Doing Good?," (2006). (Custom Readings book, Vol. 1, pp. 609-618)

Joshua Margolis, James Walsh, and Dean Krehmeyer, "Building the Business Case for Business Ethics," Business Roundtable Institute for Corporate Ethics. (2006). (Custom Readings book, Vol. 1, pp. 619-620)

Kellie A. McElhaney, "Measuring What Really Matters: Evaluating CSR's Return on Investment," Leading Perspectives. (Fall 2008), pp.10-11,17. (Custom Readings book, Vol. 1, pp. 621-624)

**Midterm Recap: Path to Discovery (Looking Backward and Forward)** (Custom Readings book, Vol. 1, pp. 626-627) (Custom Readings book, Vol. 2, pp. 3-4)

## **Midterm Examination**

### **PART SIX: STAKEHOLDER INFLUENCE: A PRINCIPLED OR A PRAGMATIC APPROACH: OBLIGATIONS and BEYOND?**

#### **G. An Overview of Corporate Governance: How is a Company Run, The Rules and Relevance of Financial Reporting, and the Relevance of the Composition of the Board of Directors?**

"Business Roundtable," Principles of Corporate Governance. (November 2005)  
<http://64.203.97.43/pdf/CorporateGovPrinciples.pdf>. (Custom Readings book, Vol. 2, pp. 11-32)

Kenneth Goodpaster, "Introduction to Sarbanes Oxley," Business Ethics, 4<sup>th</sup> Edition. (New York, NY:McGraw-Hill, 2006), pp. 87-95. (Custom Readings book, Vol. 2, pp. 33-46)

Jay W. Lorsch and Robert C. Clark, "Leading from the Boardroom," Harvard Business Review. (April 2008), pp. 105-110. (Custom Readings book, Vol. 2, pp. 47-59)

## **Class Exercise: Panalba: The Composition of Boards of Directors**

### **H. Shareholders**

#### **1. Conflicting Interests: The Issue of Executive Pay**

Joann S. Lublin, "New Breed of Directors Reaches Out to Shareholders," Wall Street Journal, (July 21, 2008). (Custom Readings book, Vol. 2, pp. 63-66)

Jay A. Conger, "'Oh Lord, Won't You Buy Me a Mercedes-Benz': How Compensation Practices are Undermining the Credibility of Executive Leader," In Cuilla et. al. The Quest for Moral Leaders. (Northampton, MA: Edward Elgar, 2005), pp. 80-97. (Custom Readings book, Vol. 2, pp. 67-82)

"In the Money: A Special Report on Executive Pay," The Economist. (January 20, 2007), pp. 3-10. (Custom Readings book, Vol. 2, pp. 83-90)

#### **2. The Realities of Shareholder Influence**

Robert A. G. Monks and Nell Minnow, "The Sleeping Giant Awake; Shareholder Proxy Proposals on Governance Issues; Focus on the Board; SEC's Proxy Reform," Corporate Governance, 3rd Edition. (Blackwell Publishing, 2004), pp. 161-171. (Custom Readings book, Vol. 2, pp. 91-102)

Matthew Kirdahy, "Say-On-Pay Edges Closer to Law," Forbes. (November 11, 2008). (Custom Readings book, Vol. 2, pp. 103-104)

Deborah Solomon and Mark Maremont, "Bankers Face Strict New Pay Cap," The Wall Street Journal. (February 16, 2009). (Custom Readings book, Vol. 2, pp. 105-108)

John C. Bogle, "It All Depends," A Templeton Conversation: Does the Free Market Corrode Moral Character?. (John Templeton Foundation, Autumn 2008), pp.24-25. [www.templeton.org/market](http://www.templeton.org/market). (Custom Readings book, Vol. 2, pp. 109-112)

**Why Don't Boards Control Executive Compensation?** (Custom Readings book, Vol. 2, pp. 113)

**Can and Does Shareholder Activism Make a Difference: A Summary.** (Custom Readings book, Vol. 2, pp. 114-115)

### **Student Presentation #4: Executive Pay Abuses? The Case of Robert Nardelli** (Custom Readings book, Vol. 2, pp. 117-146)

### **I. Consumers**

#### **1. Product Safety**

"Consumer Product Safety Act of 1972," Encyclopedia of Business and Finance. (Farmington Hills, MI and New York, NY: McMillan Reference USA, 2001). <http://business.enotes.com/business-finance-encyclopedia/consumer-product-safety-act>. (Custom Readings book, Vol. 2, pp. 153-154)

U.S. House of Representatives Committee on Government Reform – Minority Staff, “Prescription for Harm: The Decline in FDA Enforcement Activity, Executive Summary of Committee Report prepared for Rep. Henry A. Waxman,” (June 2006), pp. i-ii. (Custom Readings book, Vol. 2, pp. 155-158)

Jane Zhang, “Salmonella Outbreak Fuels Food-Safety Efforts,” The Wall Street Journal. (February 16, 2009). (Custom Readings book, Vol. 2, pp. 159-162)

Manual G. Velasquez, Business Ethics Concepts and Cases, 6<sup>th</sup> Ed. (Upper Saddle River, NJ: Pearson-Prentice Hall, 2006), pp. 260-280, 296-299. (Custom Readings book, Vol. 2, pp. 163-186)

**The Contract View of Manufacturers’ Duties** (Custom Readings book, Vol. 2, pp. 150)

**The Due Care View of Manufacturers’ Duties** (Custom Readings book, Vol. 2, pp. 151)

**The Strict Liability View of Manufacturers’ Duties** (Custom Readings book, Vol. 2, pp. 152)

**Toyota and Ford Readings Distributed in class**

## **2. Advertising Ethics**

Jef I. Richards, “Law and Ethics,” (Texas Advertising: University of Texas at Austin, 1997-2009), selected excerpts. <http://advertising.utexas.edu/resources/law/>. (Custom Readings book, Vol. 2, pp. 195-204)

Betsy McKay, “State Probes Coke-Nestle Drink Claims,” Wall Street Journal. (February 6, 2007). (Custom Readings book, Vol. 2, pp. 205-206)

Minette Drumwright and Patrick Murphy, “How Advertising Practitioners View Ethics,” Journal of Advertising, Vol. 33, no. 2. (Summer 2004), pp.7-24. (Custom Readings book, Vol. 2, pp. 207-236)

**Case Discussion: Scenario drawn from Minette Drumwright, “Advertising Ethics: Reasons, Rationalizations, Biases, and Heuristics”**  
[www.Caseplace.org](http://www.Caseplace.org) (in class)

## **3. The Impact of Consumer Influence**

Suzanne Vranica, “Veteran Marketer Promotes a New Kind of Selling,” Wall Street Journal. (October 31, 2008). (Custom Readings book, Vol. 2, pp. 237-240)

Robert B. Reich, “We’d Rather Not Know,” A Templeton Conversation: Does the Free Market Corrode Moral Character?. (John Templeton Foundation, Autumn 2008), pp.20-21. [www.templeton.org/market](http://www.templeton.org/market). (Custom Readings book, Vol. 2, pp. 241-242)

**Can and Does Consumer Activism Make a Difference? A Summary** (Custom Readings book, Vol. 2, pp. 244-246)

**Student Presentation #5: Subprime Mortgages & Predatory Lending** (Custom Readings book, Vol. 2, pp. 247-286)

## **J. Employees: Discrimination and Layoffs**

### **1. Discrimination**

“Federal Laws Prohibiting Job Discrimination,” The U.S. Equal Employment Opportunity Commission, (2002). (for reference only). <http://www.eeoc.gov/facts/qanda.html>. (Custom Readings book, Vol. 2, pp. 291-302)

Joseph DesJardins, “Diversity and Discrimination,” An Introduction to Business Ethics. (NY, NY: McGraw-Hill Irwin, 2006), pp. 222-236. (Custom Readings book, Vol. 2, pp. 303-316)

Aaron Bernstein, “Racism in the Workplace,” Case Studies in Business Ethics, 5<sup>th</sup> Edition. (Upper Saddle River, NJ: Pearson Prentice Hall, 2005), pp. 126-137. (Custom Readings book, Vol. 2, pp. 317-322)

Marianne Jennings, “Texaco: The Jelly Bean Diversity Fiasco,” Case Studies in Business Ethics, 5<sup>th</sup> Edition. (Upper Saddle River, NJ: Pearson Prentice Hall, 2005), pp. 126-137. (Custom Readings book, Vol. 2, pp. 323-332)

### **2. Layoffs**

Glen Doherty, “Planning Can Help Reduce Exposure to Layoff-Related Suits,” Boston Business Journal. (November 15, 2002). <http://www.bizjournals.com/boston/stories/2002/11/18/focus13.html?t=printable>. (Custom Readings book, Vol. 2, pp. 335-338)

William F. Roth, “When Downsizing is Unethical,” Ethics in the Workplace. (Upper Saddle River, NJ: Pearson Prentice Hall, 2005), pp. 88-97. (Custom Readings book, Vol. 2, pp. 339-348)

Aneil K. Mishra and Karen E. Mishra, “The Role of Mutual Trust in Effective Downsizing Strategies,” Human Resource Management, Vol. 33, Number 2. (Summer 1994), pp. 261-279. (TO BE HANDED OUT IN CLASS)

“Short-Circuited: Cutting Jobs as Corporate Strategy,” Compass Bank-Wharton. (April 4, 2007). <http://compassbank.knowledgearthart.com/index.cfm?fa=printArticle&ID=1703>. (Custom Readings book, Vol. 2, pp. 349-354)

### **Case Discussion: Video: Circuit City**

### **3. The Impact of Employee Influence**

Gillian Fynn, “Pinnacle Brands,” In Laura P. Hartman, Perspectives in Business Ethics, 3<sup>rd</sup> Edition. (NY, NY: McGraw-Hill Irwin, 2005), pp. 367-70. (Custom Readings book, Vol. 2, pp. 355-360)

James Surowiecki, “It’s the Workforce, Stupid!,” The New Yorker. (April 30, 2007). (Custom Readings book, Vol. 2, pp. 361-362)

**Can and Does Employee Activism Make a Difference? A Summary.** (Custom Readings book, Vol. 2, pp. 364)

**Student Presentation #6: Wal-Mart and Wall Street Women** (Custom Readings book, Vol. 2, pp. 365-384)

## **K. Environment and A Modern Approach to Sustainability**

### **1. Corporate Responsibility for the Environment**

Vermont Law School, Environment Law Primer for Journalists.

<http://www.vermontlaw.edu/emplibrary/ACF1CEB.pdf>. (reference) (Custom Readings book, Vol. 2, pp. 391-409)

**“Some” Environmental Legislation at a Glance** (Custom Readings book, Vol. 2, pp. 410)

Joesph DesJardins, “Business’ Environmental Responsibilities,” An Introduction to Business Ethics, 2<sup>nd</sup> Edition. (NY, NY: McGraw-Hill, 2006), pp. 198-221. (Custom Readings book, Vol. 2, pp. 411-432)

Stuart L. Hart, “Beyond Greening: Strategies for a Sustainable World,” Harvard Business Review, Vol. 75, no. 1. (Jan-Feb 1997), pp. 66-76. (Custom Readings book, Vol. 2, pp. 433-446)

Amory B. Lovins, L. Hunter Lovins and Paul Hawken, “A Road Map for Natural Capitalism,” Harvard Business Review. (May/June 1999). (Custom Readings book, Vol. 2, pp. 447-460)

**Student Presentation #7 British Petroleum** (Custom Readings book, Vol. 2, pp. 463-492)

### **2. The Global Environment: Climate Change**

“Briefing: Green America,” The Economist. (January 27, 2007), pp.21-24. (Custom Readings book, Vol. 2, pp. 497-502)

“Cleaning Up: A Special Report of Business and Climate Change,” The Economist. (June 2, 2007), pp. 3-6, 8-10, 12, 14, 28, 30. (Custom Readings book, Vol. 2, pp. 503-512)

Science and Environmental Policy Project, “Key Issues: Global Warming Issue; The IPCC Controversy,” (July 2006). <http://www.sepp.org/key%20issues/keyissue.html>. (Custom Readings book, Vol. 2, pp. 513-514)

Keith Johnson, “Obama’s Climate Challenge: What to do about China?,” The Wall Street Journal. (November 24, 2008). (Custom Readings book, Vol. 2, pp. 515-516)

Edward Cody, “E.U. Leaders Commit to Steps to Try to Curb Climate Change,” Washington Post Foreign Service. (December 13, 2008). (Custom Readings book, Vol. 2, pp. 517-520)

Jeff Swartz, “CEO’s Can Have A Huge Impact on Climate Change,” The Wall Street Journal. (November 24, 2008). (Custom Readings book, Vol. 2, pp. 521-522)

### **3. The Influence of Environmental Advocates**

**Can and Does Environmental Activism Make a Difference? A Summary.** (Custom Readings book, Vol. 2, pp. 523-524)

## L. The Community: Domestic and Global

### 1. Domestic Opportunities

#### The Concept:

Steven Lydenberg, Corporations and the Public Interest: Guiding the Invisible Hand. (San Francisco, CA: Berrett-Koehler Publishers, 2005), pp. 19- 37. (**Revisited**: see Part Five A. 4.) (Custom Readings book, Vol. 2, pp. 585-598)

#### A Reality:

The Center for Corporate Citizenship at Boston College, “Teaming Up to Brand and Bond: Timberland Partners with City Year, SOS and SkillsUSA,” [http://www.caseplace.org/cases/cases\\_show.htm?doc\\_id=326381](http://www.caseplace.org/cases/cases_show.htm?doc_id=326381). (Custom Readings book, Vol. 2, pp. 597-606)

### **Student Presentation #8: The Oklahoma City League for the Blind (New View)** (Custom Readings book, Vol. 2, pp. 607-656)

### 2. Global Challenges to Corporate Citizenship

Ian Maitland, “In Defense of International Sweatshops,” In Shaw and Barry, Moral Issues in Business, 9th Edition. (Wadsworth, 2004), pp. 198-205. (Custom Readings book, Vol. 2, pp. 659-666)

Auret van Heerden and Dorothee Baumann, “Can Multinational Corporations Protect Workers’ Rights?,” A working paper. (Custom Readings book, Vol. 2, pp. 667-670)

**A Thumbnail Sketch of the Foreign Corrupt Practices Act** (Custom Readings book, Vol. 2, pp. 671-672)

### 3. The Impact of “Communities”

**Can and Does Community Activism Make a Difference? A Summary.** (Custom Readings book, Vol. 2, pp. 675-678)

### **Student Presentation #9: The Future of Microfinance: The Grameen Bank Model vs. The ACCION International Model** (Custom Readings book, Vol. 2, pp. 679-702)

## **PART SEVEN: VALUES REVISITED: ENTER COURAGE**

“Moral Courage Checklist,” In Rushworth Kidder, Moral Courage. (2005), pp. 211-212. (Custom Readings book, Vol. 2, pp. 707-708)

Thomas Donaldson, “Values in Tension: Ethics Away from Home,” Harvard Business Review on Corporate Ethics. (Cambridge: HBCPS, 2003), pp. 113-138. (Custom Readings book, Vol. 2, pp. 709-722)

Robert A. Giacalone, “New Ethics in the Office,” BizEd. (September/October 2006), p. 24. (Custom Readings book, Vol. 2, pp. 723-724)

Judith Samuelson and Mary Gentile, "Get Aggressive about Passivity," Harvard Business Review, Vol. 83, Number 11. (November 2005), pp.18-21. (Custom Readings book, Vol. 2, pp. 725-726)

Rushworth Kidder, "The Courage to Be Moral," Moral Courage. (New York, NY: Harper-Collins Publishers, 2006), pp. 39-44. (Custom Readings book, Vol. 2, pp. 727-732)7

Paul Sweeney, "Hotlines Helpful for Blowing the Whistle," Financial Executive. (May 1, 2008). (Custom Readings book, Vol. 2, pp. 733-736)

**Student Presentation #10: Whistleblowing** (Custom Readings book, Vol. 2, pp. 738-762)

## **PART EIGHT: VALUES AND A JOB: BUILDING A CULTURE OR FINDING A FIT: THE ROLE OF CONSCIENCE:**

"50 Codes of Conduct Benchmarked – Q3 2008," Ethisphere Institute. (September 20, 2008). (Custom Readings book, Vol. 2, pp. 767-770)

Steve Henn, "Beyond the Code: Inspiring Ethical Conduct," Working Values. (November 2007). (Custom Readings book, Vol. 2, pp. 771-772)

Stephanie Strom, "Businesses Try to Make Money and Save the World," The New York Times. (May 6, 2007). (Custom Readings book, Vol. 2, pp. 775-782)

Kenneth Goodpaster, Conscience and Corporate Culture. (Malden, MA: Blackwell Publishing, 2007), pp.15-31, 69-72, 90-100. (TO BE HANDED OUT IN CLASS)

Noel Tichy and Warren G. Bennis, "Making the Tough Call," Inc. Magazine. (November 2007). (Custom Readings book, Vol. 2, pp. 783-785)

# DAILY PLANNER: Readings/Assignments

| Date                         | Topic   | Readings/Assignments  |
|------------------------------|---|---|
| <b>Class #1:</b><br>1/10/11  | Course Introduction, Overview and Case Signups  | None  |
| <b>Class #2:</b><br>1/12/11  | <b>Part One:</b><br>In Class Writing Assignment; The Relevance of Values;<br>What are your Values?  | (Vol. 1, pp.7-28)   |
| <i>1/17/11</i>               | <i>Martin Luther King Jr. Day—No Class!!!</i>   |   |
| <b>Class #3:</b><br>1/19/11  | A Glimpse into Ethical Decision Making  | (Vol. 1, pp.29-60)  |
| <b>Class #4:</b><br>1/24/11  | Doing the Right Thing;<br><i>Merck Case</i>   | (Vol. 1, pp.61-79)<br><i>Merck Case</i> distributed and read in class.              |
| <b>Class #5:</b><br>1/26/11  | <b>Part Two:</b><br>Different Conceptions of the Role of Business: Origins of the Classical View  | (Vol. 1, pp.85-114)   |
| <b>Class #6:</b><br>1/31/11  | <b>Part Two:</b><br>The Classical View of the Role of Business: A More Contemporary View  | (Vol. 1, pp.115-157)<br>Food, Inc. (video in class)                                 |
| <b>Class #7:</b><br>2/2/11   | <b>Part Two:</b><br>Reflections on the Classical View   | Food, Inc. (video in class)<br>Who Killed the Electric Car?<br>(video in class)     |
| <b>Class #8:</b><br>2/7/11   | <i>Student Presentation #1: Merck and Vioxx;</i><br><b>Part Three:</b><br>Self Interest Constrained: The Government to the Rescue:<br>Market Failures | <i>Case #1</i> (Vol. 1, pp.159-186)<br>(Vol. 1, pp.189-228)                         |
| <b>Class #9:</b><br>2/9/11   | <b>Part Three:</b><br>Market Failures (continued)   | No Reading  |
| <b>Class #10:</b><br>2/14/11 | <i>Student Presentation #2: Travelocity and the Warn Act</i><br>Nonmarket Failures (continued)  | <i>Case #2</i> (Vol. 1, pp.277-304)<br>(Vol. 1, pp.229-268)                         |
| <b>Class #11:</b><br>2/16/11 | <b>Part Four:</b><br>Interest Groups Assert Power of Business   | (Vol. 1, pp.269-274)<br>(Vol. 1, pp.309-348)<br><b>CSR Models Assigned in class</b> |
| <b>Class #12:</b><br>2/21/11 | <i>Student Presentation #3: The Rainforest Alliance and Home Depot;</i><br><b>Part Five:</b><br>The Modern Debate Over the Meaning of CSR             | <i>Case #3</i> (Vol. 1, pp.351-372)<br>(Vol. 1, pp.379-515 (divided in class))      |
| <b>Class #13:</b><br>2/23/11 | <b>Part Five:</b><br>The Modern Debate Over the Meaning of CSR (continued)  | (Vol. 1, pp.379-515 (divided in class))   |

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|----------------------------------|---|---|
| <b>Class #14:</b><br>2/28/11     | <b>Part Five:</b><br>The Debate Over CSR (continued); The Challenge of CSR Measurement and the Relationship of CSR and Firm Performance                                 | (Vol. 1, pp.519-621)  |
| <b>Tuesday,</b><br><b>3/1/11</b> | <b>MIDTERM EXAMINATION</b>  | <b>5-6:45pm Location TBD</b>  |
| <b>Class #15:</b><br>3/2/11      | <b>Part Six, A:</b><br>Stakeholder Influence: Corporate Governance  | (Vol. 2, pp.11-57)  |
| <b>Class #16:</b><br>3/7/11      | <b>Part Six, B:</b><br>Shareholders: Executive Pay and Impact;<br><b>Part Six, C:</b><br>Consumers: Product Safety  | (Vol. 2, pp.62-115 and 149-186)   |
| <b>Class #17:</b><br>3/9/11      | <b>Student Presentation #4: Executive Pay;</b><br><b>Part Six, C:</b><br>Consumers: Product Safety (continued) and Advertising Ethics                                   | <b>Case #4</b> (Vol. 2, pp.117-146)<br>(Vol. 2, pp.194-236)                                   |
| <b>Class #18:</b><br>3/14/11     | Consumers: Advertising Ethics and Consumer Impact;<br><b>Part Six, D:</b><br>Employees Discrimination   | (Vol. 2, pp.237-242)<br>(Vol. 2, pp.288-334)  |
| <b>Class #19:</b><br>3/16/11     | <b>Student Presentation #5: Subprime Mortgages;</b><br><b>Part Six, D:</b><br>Employees: Discrimination and Layoffs   | <b>Case #5</b> (Vol. 2, pp.247-286)<br>(Vol. 2, pp.335-364)                                   |
| <b>3/21/11-3/25/11</b>           | <b>Spring Break—No Classes</b>  | <b>HAVE FUN AND BE SAFE!!!</b>  |
| <b>Class #20:</b><br>3/28/11     | <b>Student Presentation #6: Wal-Mart and Wall Street Women;</b> <b>Part Six, D:</b><br>Employees:<br>Layoffs  | <b>Case #6</b> (Vol. 2, pp.365-384)<br><b>Mishra &amp; Mishra</b> (to be handed out in class) |
| <b>Class #21:</b><br>3/30/11     | <b>Part Six, E:</b><br>The Environment: Corporate Responsibility and The Global Environment   | (Vol. 2, pp.389-462)  |
| <b>Class #22:</b><br>4/4/11      | <b>Student Presentation #7: British Petroleum</b><br><b>Part Six, E:</b><br>The Global Environment: Climate Change and the Impact of Environmental Advocates            | <b>Case #7</b> (Vol. 2, pp.463-492)<br>(Vol. 2, pp.497-524)                                   |
| <b>Class #23:</b><br>4/6/11      | <b>Part Six, F:</b><br>The Community: Local   | (Vol. 2, pp.585-606)  |
| <b>Class #24:</b><br>4/11/11     | <b>Student Presentation #8: The Oklahoma City League for the Blind (New View);</b><br><b>Party Six, F:</b><br>The Community: Global Challenges to Corporate Citizenship | <b>Case #8</b> (Vol. 2, pp.607-656)<br>(Vol. 2, pp.659-674)                                   |
| <b>Class #25:</b><br>4/13/11     | <b>Part Six, F:</b><br>Global Community (continued), The Impact of Local and Global Communities on Business,<br><b>Part Seven:</b><br>Values Revisited                  | (Vol. 2, 675-677 and 707-726)   |
| <b>Class #26:</b><br>4/18/11     | <b>Student Presentation #9: The Future of Microfinance;</b><br><b>Part Seven:</b><br>Values Revisited (and Whistleblowing)  | <b>Case #9</b> (Vol. 2, pp.679-702)<br>(Vol. 2, pp.727-736)                                   |

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|------------------------------|---|---|
| <b>Class #27:</b><br>4/20/11 | <b>Student Presentation #10: Whistleblowing;</b><br><b>Part Eight:</b><br>Building an Ethical Culture and<br>Finding a Fit between Values and a Job | <b>Case #10</b> ( Vol. 2, pp.738-762)<br>Paper Due.                       |
| <b>Class #28:</b><br>4/25/11 | <b>Part Eight:</b><br>Building an Ethical Culture (continued)   | ( Vol. 2, pp.767-772)<br>Class Exercise on Culture<br>Building            |
| <b>Class #29</b><br>4/27/11  | Course Wrap Up  | ( Vol. 2, pp.775-785)<br><b>Goodpaster</b> (to be handed out in<br>class) |

***FINAL EXAMINATION: Mon., 5/2/11, 4:30PM-7:00PM, in Coors Events Center***

## **CASE PRESENTATIONS CALENDAR**

|                     |   |
|---------------------|---|
| Monday, 2/7/11      | Case #1: Merck and Vioxx                    |
| Monday, 2/14/11     | Case #2: Travelocity and the WARN Act       |
| Monday, 2/21/11     | Case #3: Rainforest Alliance and Home Depot |
| ----- Midterm ----- |   |
| Wednesday, 3/9/11   | Case #4: Executive Pay                      |
| Wednesday, 3/16/11  | Case #5: Subprime Mortgages                 |
| Monday, 3/28/11     | Case #6: Wal-Mart and Wall Street Women     |
| Monday, 4/4/11      | Case #7: British Petroleum                  |
| Monday, 4/11/11     | Case #8: New View and Greyston Bakery       |
| Monday, 4/18/11     | Case #9: The Future of Microfinance         |
| Wednesday, 4/20/11  | Case #10: Whistleblowing                    |

## MISCELLANEOUS IMPORTANT INFORMATION:

### **Classroom Behavior**

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Faculty members have the professional responsibility to treat all students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which they and their students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code).

### **Honor Code and Plagiarism**

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and <http://www.colorado.edu/academics/honorcode>.

### **Religious Conflicts**

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, if you have any conflicts throughout the semester due to religious obligations, please notify your instructor of anticipated conflicts as early in the semester as possible (must be at least two weeks in advance) so that there is adequate time to make necessary arrangements. No student will be penalized for exercising his/her right to religious observance. See full details at [http://www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html).

### **Sexual Harassment**

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.

### **Disability Services**

If you qualify for accommodations because of a disability, please submit to the instructor a letter from Disability Services (DS) in a timely manner (preferably within the first two weeks of class) so that your needs can be addressed. DS determines accommodations based on documented disabilities. Contact: (303) 492-8671, Willard 322, or [www.Colorado.EDU/disabilityservices](http://www.Colorado.EDU/disabilityservices).

**Campus resource to assist students with writing** - <http://www.colorado.edu/pwr/>

**Student Academic Services** - <http://www.colorado.edu/SASC/>

**Foreign and International Students** - <http://www.colorado.edu/OIE/iss/index.html>