

## **C130 Business Ethics and Corporate Responsibility**

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### **Course Materials**

Case and readings packet.  
(Additional readings may be issued in class or via Portal, as required.)

### **Course Description and Objectives**

The course is designed to inform and stimulate thinking on issues of ethics and social responsibility encountered in business. The material covered is intended to help prepare students to recognize and manage ethical issues as these arise, and to help students formulate their own standards of integrity and professionalism. The overall course objectives are:

- 1) To increase your awareness of the ethical implications of the decisions you will face in business, and of the responsibilities of business within society
- 2) To practice decision making about ethical and social responsibility issues
- 3) To learn from your classmates and their points of view about the depth and complexity of these decisions, and about their relevance and implications for your career in business
- 4) To assist in personal reflection and critical examination of the values and assumptions brought to business decisions, by you and by others.

### **Achieving the Course Objectives**

We will use readings, cases, personal reflection and debates to examine real issues confronting managers of organizations, and to practice analyzing and solving the issues.

### **Case Studies**

Our sessions involve discussion of cases with ethical implications drawn from the business community. Rigorous analysis, and the identification of options and recommendations, will be required prior to class. Learning in this course is highly dependent upon your thorough preparation of the case and active involvement in its discussion. Group work is encouraged (guided by the case preparation questions given below and supplemented by the associated readings).

In a typical case discussion, one or more students will be asked to "open" the class by answering a specific question, usually related to a decision central to the case and its supporting rationale. Then the discussion will be open to the rest of the class, aiming to build an analysis of the situation and address the focal problems and issues in the case. The instructor acts as a moderator of the class discussion, drawing the session to a conclusion with a summary of points that have emerged and other "takeaways". This approach develops a process of thinking that enhances decision-making capabilities and communication skills.

### Class Discussion.

The exchange and debate of ideas among students is a crucial part of the learning process. Students are expected to participate proactively in class discussions, and should aim to contribute to the class by voicing experiential or analytical insights and by constructively challenging debatable facts, interpretations and conclusions presented by others. Class size/time constraints may preclude participation in every class; however, every effort will be made to include the perspectives of as many students as possible, as well as find ways that students can continue discussions outside of class time (for example, many students communicate thoughts they had about class with the instructor directly over email).

### Personal Reflections

In keeping with the course objective to examine the values and assumptions brought to business decisions, three mini-assignments will require you to critically examine the values you will bring on your own decision making as executives. Instructions for these assignments can be found on pages 4-6.

### Involving the Class

Often we learn best from using ourselves as examples. Before the class begins, students are requested to follow the link below, to a brief survey. Responses will be used in class to elucidate certain points of learning. In the survey you will be asked for your student number so that your responses can be matched back to your section and to other your responses to exercises we may do in class, **not to identify you specifically in any way**. The results from the survey will be reported back to classes **in aggregate only**.

Students generally find this a fun and interesting way of demonstrating the relevance of the theory we learn about in class. Your participation in this survey will count as part of your participation grade.

The link will be live from **September 1<sup>st</sup> through September 15<sup>th</sup>, inclusive**, and will take approximately 20 minutes to complete. It will also be emailed to you by the program office during your weekly updates during the weeks that it is live. **It is important that you take this exercise seriously, and complete it alone, and in a single sitting.**

## Debates

Debating forces us to build succinct and cohesive arguments, and communicate them persuasively to others. In each session (after Session 1), two groups will debate each other on a core idea relevant to that day's discussion. Engaging in debate will help to clarify your own ideas on topics relevant to the course, as well as understand opposing views. Instructions for the debates can be found on pages 6-7.

## Readings

Students are expected to complete all required readings prior to the class session. The readings are both complementary and supplementary to classes and cases. Most readings will not be formally reviewed in class. Rather, the content of the readings will be considered "starting point" background for class discussions.

## Evaluation

This course is evaluated pass/fail, with the following elements of assessment. Because of the nature of a pass/fail class, all elements of the class evaluation should be considered mandatory, and not handing in an assignment can be considered grounds for failure.

- Class participation (including survey) 35%
- Personal reflections/reactions (3) 30%
- Group debate 35%

Class participation. The quality, quantity and consistency of your contributions to class discussions will form your class participation grade. Class participation can take many forms, from direct participation in class, to off-line or on-line conversations with the professor, to your participation in the pre-class survey which we will use during the course of the class to illuminate certain points of learning.

Given the nature of the course, you should expect to attend every class. Any absence should be reported to the professor before the missed class, and absence from more than one class can be considered grounds for failure.

Personal reflections. Personal reflection, hackneyed as it may sound, is critical to learning from our experience in a way that can guide and sustain future action. Three short written assignments are required for this course.

## **MBA ATTENDANCE POLICY**

In line with the published ***MBA2010 Class Contribution & Attendance Policy***, please note that your attendance in class and timely arrival to class will be recorded by the MBA Programme Office, and these records will be reviewed during the course.

In the case of Ethics and Corporate Responsibility, a total of 2 or more absences from class will result in an automatic failure of this course. Please note that 2 late arrivals in class equal one absence.

## **STUDENT CODE OF PROFESSIONAL CONDUCT**

### **Academic Environment**

#### Obligations

- Act with integrity in all aspects of academic life;
- Attend every class unless you have extenuating circumstances;
- Arrive on time, return to the classroom promptly after the break and do not leave before the end of the lecture;
- Fully prepare for each class session;
- Express ideas without the use of profane language or offensive gestures;
- Do not eat, read periodicals or engage in other disruptive behaviour during lectures;
- Mobile phones and any other electronic devices should be switched off or set to vibrate during class time;
- Use laptops only when directly relevant to material covered and allowed by the professor;
- Follow the Teaching Room Rules (found posted outside of lecture theatres and available from Facilities Services);
- Follow any other policies or specific expectations set by the professor to enhance the in-class dynamic;
- Treat all individuals within the School with dignity and respect, and challenge unacceptable behaviour through appropriate channels;
- Adhere to the School's Terms & Conditions, Degree Regulations, Diversity Policy and other relevant codes of practice.

### ***Assignment 1: Reflection on a Personal Ethical Issue You Have Faced***

The first assignment asks you to write a short description of an ethical issue you have faced in the workplace. (If you don't feel that you have faced an ethical issue in the workplace, you may describe a particularly salient ethical issue that you have faced in other areas of your life.) The most important criterion for choosing these issues is that you yourself—not your boss, your co-worker, your significant other—had to make a decision about the issue.

Your description should be about one page of single-spaced type, and not be longer than two pages of single-spaced type. It should not take any longer than two hours to complete the assignment.

As you write about the issue, please reflect on and try to answer the following questions:

- Why do you think of this issue as an ethical issue?
- What factored into your decision-making about the issue?
  - What were the key facts involved? What were the key values involved?
  - Were there conflicting values to resolve? If so, how?
- Did you think about how anyone else might have handled the situation before you made your decision about it?
  - Did you ask anyone for advice about how to resolve this issue? If so, whom?
  - Did you think about what someone else might have done in this situation? Who did you think of and how would they have acted?
- How did it feel at the time to be confronted with this issue? How does it feel upon reflection?

You do not need to provide the resolution of the issue (though you may), but you might want to think about how your experience of this issue has either shaped your behaviour already, or how it might drive your actions in future.

The assignment will be assessed based on your ability to identify and describe ethical issues from your own experience that require decision-making skills in their resolution.

**This assignment is due to the instructor's assistant, Kate Lewis, via email, by 9 a.m. on Monday, September 15**, so that we can use them as a starting point for discussion during our first class session. ***Please indicate if you would or would not be comfortable discussing the issues in class.*** Unless you have indicated specifically that you are comfortable discussing the issue in class, issues will only be discussed in general terms.

### ***Assignment 2: Case Reaction***

We will engage in a weekly case discussion on a variety of topics relevant to ethics and corporate social responsibility. The first week, we discuss a case where a junior salesperson has been asked to do something he's uncomfortable with ("Conflict on a Trading Floor (A)"). After reading the case and putting yourself in the role of the protagonist, you are asked to—within one page—answer what you would do in the same situation and why.

Assignment questions (to be answered on a single page, after reading "Conflict on a Trading Floor (A)"):

1. What would you do if you were the case protagonist?
2. Why?

Your answer to these two questions will be **due by 9 a.m. on Monday, September 29th**.

It should not be more than one page of single-spaced type. Please email the assignment course instructor Kate Lewis, at XX We will use everyone's answers to these questions to explore the range of ways that people make and justify ethical choices.

### ***Assignment 3: Reflection on an Encountered Ethical Issue***

The final assignment is intended to demonstrate how what we learn about and discuss in this course may have influenced the way you approach, analyze, and make decisions with ethical import.

Students often comment that this class leads them to think differently about certain issues. We are confronted with news about ethical dilemmas, scandals, and heroism on a daily basis, as well as stories about the role business does and ought to play in society. One of the main pedagogical goals of the course is to deepen individuals' understandings about the way that they would like to enact their values in their business life, and to critically examine the assumptions that drive our evaluations and judgments of actions with moral import.

In this assignment, you are to find one newspaper or magazine article, or a television or radio segment, which you encounter over the course of our time together, *which you think differently about as an outcome of what you have learned*.

Within one page of single-spaced type, briefly describe the situation in the article, what you might have thought about the situation before taking this course, and how this course has influenced you to think about it differently. If inspired by a newspaper or magazine article, please attach the article to your assignment (scanned and sent by email is also fine). If inspired by a television or radio segment, please include a link (url) to the programme or on-line archive, if possible.

**This assignment is due to the instructor's assistant, Kate Lewis, via email, by 5 p.m. on Friday, November 7<sup>th</sup>, though you may turn it in whenever you're inspired by a current story in the news.**

Group debate. In each week after the first session, class will include one debate, relevant to the central theme of that week's session. Teams will be assigned to argue for or against the topic, and will be required present their side of the debate in class. The debate topics and team assignments are as follows:

**Session 2:** The ethical obligations of a business executive should not extend beyond what is required by law.

**Pro teams: 1, 9**

**Con teams: 5, 10**

**Session 3:** Individuals cannot justifiably be held accountable for playing a small part in larger acts of corporate wrongdoing.

**Pro teams: 2, half of team 11**

**Con teams: 6, half of team 11**

**Session 4:** If you are doing business in a country where bribery is standard practice, you should follow that country's practice.

**Pro teams: 3, half of team 12**

**Con teams: 7, half of team 12**

**Session 5:** There is no bottom-line value of corporate social responsibility beyond improved public relations.

**Pro teams: 4, half of team 13**

**Con teams: 8, half of team 13**

Evaluations will be assessed based on your group's ability to construct and present a compelling argument for your position and to rebut and answer questions about opposing points of view. The format will be as follows (and will likely bear no resemblance to standard debates you may have experienced in the past):

- First, each team ("pro", then "con") will have 6 minutes to present their main arguments.
- Then, the rest of the class will have the opportunity to challenge either team on points of interest to them. This discussion will be moderated by the professor, and will be restricted to 10 minutes.
- Then, each team (again "pro", then "con") will have 4 minutes to rebut the arguments of the opposing team and offer a closing statement. You will want to think about the weaknesses of your team's position before the debate, and have prepared in advance a rebuttal to the arguments you think might be used against your team's position.

Each group has the following specific responsibilities:

- To prepare a PowerPoint presentation of the arguments supporting your team's position. **An electronic copy is due to Celia Moore, via email, by midnight the night before the debate.**
- To present in class a constructive argument of the team's proposition and a rebuttal of the opposing team's position.

It is helpful to assign specific portions of the debate to group members. This is only a suggestion, but it is helpful to have as many members of the study group as possible have an active role in the debate. In preparing your debate, remember that the most effective debates formulate compelling arguments related to our course content, as well as provide evidence to support those arguments.

## COURSE OUTLINE AT A GLANCE

Session	Lecture Topic / Case Study / Debate	Assignments / Readings
<b>ETHICS &amp; THE INDIVIDUAL MANAGER</b>		
1	<p><b><u>Personal Values in the Workplace</u></b></p> <p><b>Case Preparation:</b> Conflict on a Trading Floor</p>	<ul style="list-style-type: none"> <li>• <b>Assignment:</b> Reflection on a Personal Ethical Issue, <b>due by 9am on Monday, September 15<sup>th</sup></b></li> <li>• <b>Assignment:</b> Case reaction, <b>due by 9am on Monday, September 29<sup>th</sup></b>.</li> <li>• <b>Reading:</b> Paine et al., "Up to code: Does your company's conduct meet world-class standards"</li> </ul>
2	<p><b><u>Choosing Appropriate Courses of Action in Murky Terrain</u></b></p> <p><b>Cases Preparation:</b> Hewlett-Packard</p> <p><b>Debate:</b> The ethical obligations of a business executive should not extend beyond what is required by law.</p>	<ul style="list-style-type: none"> <li>• <b>Reading:</b> DiLorenzo, "Law as a determinant of business conduct"</li> </ul>
<b>ETHICS &amp; THE ORGANISATION</b>		
3	<p><b><u>Organizational and Contextual Obstacles to Ethical Decision Making</u></b></p> <p><b>Case Preparation:</b> Ford Pinto</p> <p><b>Debate:</b> Individuals cannot justifiably be held accountable for playing a small part in larger acts of corporate wrongdoing.</p>	<ul style="list-style-type: none"> <li>• <b>Reading:</b> Messick &amp; Bazerman, "Ethical leadership and the psychology of decision making"</li> </ul>
<b>ETHICS, ORGANIZATIONS AND SOCIETY</b>		
4	<p><b><u>Corporate Citizens in a Global World</u></b></p> <p><b>Case Preparation:</b> IKEA's Global Sourcing Challenge</p> <p><b>Debate:</b> If you are doing business in a country where bribery is standard practice, you should follow that country's practice.</p>	<ul style="list-style-type: none"> <li>• <b>Readings:</b> Donaldson, "Values in tension", Post et al., "Managing the extended enterprise: The new stakeholder view"</li> </ul>
5	<p><b><u>Corporate Responsibility as Management Practice</u></b></p> <p><b>Case Preparation:</b> Starbucks and Conservation International</p> <p><b>Debate:</b> There is no bottom-line value of corporate social responsibility beyond improved public relations.</p>	<ul style="list-style-type: none"> <li>• <b>Assignment:</b> Reflection on an Encountered Ethical Issue, <b>due by 5pm on Friday, November 7<sup>th</sup></b></li> <li>• <b>Readings:</b> Porter &amp; Kramer, "Strategy &amp; society"; Zadek, S., "The path to corporate responsibility"</li> </ul>

## **Session 1: Personal Values in the Workplace**

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Session 1 provides a course overview and defines the objectives of the course overall. In this class we will talk about how commonly we are faced with ethical dilemmas in the course of our daily lives, and how our actions in those dilemmas are driven by our personal values. The objective of the class is to bring to light how all our behaviour is driven in some way by our fundamental values; making those values explicit helps us live conscientiously.

### **Case: Conflict on a Trading Floor**

Badaracco, J. L., & Useem, J. (2006). Conflict on a Trading Floor (A). Harvard Business School Case, 9-394-060.

*To be handed out in class:* Badaracco, J. L., & Useem, J. (2007). Conflict on a Trading Floor (B). Harvard Business School Case, 9-394-061.

A junior salesperson on FirstAmerica Bank's trading floor is assisting a top salesperson, Linda, on a deal to finance the construction of a new cruise ship for Poseidon Cruise Lines. While the terms of the deal are being worked out, he realizes Linda has taken advantage of the Poseidon executives' unfamiliarity with complex financial structures to build an outrageously high profit margin into the deal. When the executives become suspicious of the prices FirstAmerica is quoting, Linda asks the protagonist to send them an intentionally misleading fax so that the deal will not be held up. Holding the personal belief that "before a blind man you shall not put a stumbling block," he does not know if he can bring himself to send the information.

### **Case Preparation Questions:**

3. What would you do if you were the case protagonist?
4. Why?

### **Assignment:**

Your answer to these two questions will be **due by 9am on Monday, September 29th**.

It should not be more than one page of single-spaced type. Please email the assignment course instructor Kate Lewis, at [kewis@london.edu](mailto:kewis@london.edu).

### **Reading:**

Paine, L., Deshpandé, R., Margolis, J. D., & Bettcher, K. E. (2005, December). Up to code: Does your company's conduct meet world-class standards? *Harvard Business Review*, pp. 122-133. Reprint No. R0512H.

## **Session 2: Choosing Appropriate Courses of Action in Murky Terrain**

The real challenge to ethical action is in deciding how to act when competing values collide, and deciding where to “draw the line” of acceptable behaviour. Often, “drawing the line” involves complicated rationalizations for why we will prioritize one value over another value. In this class we discuss a case where the “line” of acceptable behaviour was difficult to draw, how conflicting loyalties and values complicated the situation, and discuss how and when the law is helpful as well as unhelpful in guiding our actions as executives.

### **Case: Hewlett-Packard**

Stewart, J. B. (2007, February 19 & 26). The Kona Files: How an obsession with leaks brought scandal to Hewlett-Packard. *The New Yorker*, pp. 152-167.

This case focuses on the events at Hewlett-Packard over 2005-2007, when a series of leaks to the press by a member or members of Hewlett-Packard board of directors led to a series of questionable decisions inside the company with a view to finding the source of the leaks. In charge of determining the source of the leaks was board chair Patricia Dunn, who worked in co-operation with a number of other senior leaders at the company. The case highlights how challenging it can be to determine an appropriate course of action when one is faced with conflicting priorities, how group dynamics can influence decisions, and the costs of unintended consequences.

### **Case Preparation Questions:**

1. Were the actions of the parties involved legal? If so, on what grounds?
2. Were the actions of the parties involves ethical? If so, on what grounds?
3. What other factors or risks should the parties involved have thought about before proceeding as they did?
4. What other factors within the senior executive leadership contributed how the events unfolded?
5. Are there alternative courses of action that Dunn could have pursued that would have led to a more optimal outcome?

### **Reading:**

Di Lorenzo, V. (2007). Business ethics: Law as a determinant of business conduct. *Journal of Business Ethics*, 71(3), 275-299.

### **Debate:**

**The ethical obligations of a business executive should not extend beyond what is required by law.**

### **Session 3: Organizational and Contextual Obstacles to Ethical Decision Making**

In this Session, we look at two different sources that can often introduce obstacles to our ethical decision making. The Pinto case gives us an opportunity to look at how organizational culture can work to shield our awareness of the ethical implications of our actions, both at an individual and at the group or corporate level. The debate topic then provides an opportunity to explore the role of individual accountability within corporate structures.

#### **Case: Ford Pinto**

Gioia, D. A. (1992). Pinto fires and personal ethics: A script analysis of missed opportunities. *Journal of Business Ethics*, 11, 379-389.

This article describes the experiences of Dennis Gioia when he worked as a recall coordinator at Ford Motor Company in the early 1970s and was involved in the decision not to recall the Pinto car even after evidence came to light that the fuel tank was easily ruptured in low-impact rear end collisions. The case provides an opportunity to discuss how organizations create decision making contexts which can either highlight or obscure ethical implications, and how we can work to mitigate these obstacles to moral awareness both as individuals and as corporate leaders.

#### **Case Preparation Questions:**

1. Was the decision not to recall profitable? Legal? Fair? Right? Sustainable?
2. How did the context at Ford direct or constrain Gioia's decision making?
3. How do the biases discussed in Messick & Bazerman play a role in what happened to Gioia at Ford?
4. What individual and systemic changes would you implement at Ford to improve decision making?

#### **Readings:**

Messick, D. M., & Bazerman, M. H. (1996, Winter). Ethical leadership and the psychology of decision making. *Sloan Management Review*, 37(2), 9-22.  
Reprint No. 3721.

#### **Debate:**

**Individuals cannot justifiably be held accountable for playing a small part in larger acts of corporate wrongdoing.**

## **Session 4: Corporate Citizens in a Global World**

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In this Session, we broaden our perspective to examine more closely the complications involved in operating in a socially responsible way in multi-national and globalized contexts. The IKEA case facilitates discussion on the challenges associated with complex global supply chains, operating in multiple jurisdictions, and juggling the sometimes conflicting interests of multiple stakeholders. The debate topic then provides an opportunity to look at how operating outside of our common cultural contexts can challenge our typical ways of determining appropriate behaviour.

### **Case: IKEA's Global Sourcing Challenge**

Bartlett, C. A., Dessain, V., Sjöman, A. (2006). IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor. (A) Harvard Business School Case, 9-906-414.  
*To be handed out in class:* IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor. (B) Harvard Business School Case, 9-906-415.

This case examines the challenges inherent in global outsourcing: IKEA has engaged with suppliers who use child labour despite their best efforts to build a reliable and cost-effective supply chain for their products. We discuss the options available to Marianne Barner as she tries to ensure the ongoing health of the supply chain, while managing sensitive public relations issues and maintaining a profitable product line for IKEA.

### **Case Preparation Questions:**

1. How should Barner respond to the invitation to appear on the German program?
2. What actions should she take regarding the supply contract with Rangan Exports?
3. What long term strategy should she take regarding IKEA's continued operation in India? Should the company stay or exit? What would the impact of the decision be, and how would you manage it?
4. If you think that IKEA should continue to source carpets in India, do you think she should continue IKEA's own monitoring, or sign up to Rugmark? Continue to focus only on eliminating child labour in IKEA products or engage in broader action to address the root causes of child labour?

### **Readings:**

Donaldson, T. (1996). Values in tension: Ethics away from home. *Harvard Business Review*, 74(5), 48-62. Reprint No. 96502.  
Post, J. E., Preston, L. E., Sachs, S. (2002). Managing the extended enterprise: The new stakeholder view. *California Management Review*, 45(1), 6-28.

### **Debate:**

**If you are doing business in a country where bribery is standard practice, you should follow that country's practice.**

## **Session 5: Corporate Responsibility as Management Practice**

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This Session looks at corporate responsibility as management practice. Contemporary capitalism offers myriad examples of firms which make corporate responsibility core to their business model. Clearly, doing so can be effective, and we discuss the case of Starbucks as an example of such a model (currently facing some pressures). However, sceptics of the idea that corporate responsibility can be core to the success of a profit-making enterprise remain. Debating which philosophy has the most value forms the debate in this Session.

### **Case: Starbucks and Conservation International**

Austin, J. E., & Reavis, C. (2004). Starbucks and Conservation International. Harvard Business School Case, 9-303-055.

This case examines the claim by former Starbucks president Orin Smith that “aligning self-interest to social responsibility is the most powerful way to sustaining a company’s success,” and in particular, Starbucks’ strategic decision to form an alliance with Conservation International in order to further its environmental mission.

### **Case Preparation Questions:**

1. Does it make sense for Starbucks to pursue these environmental objectives? If so, does it make sense to do so in collaboration with Conservation International?
2. In what ways does this collaboration support Starbucks as a profit-making enterprise? In what ways might it undermine Starbucks as a profit-making enterprise?
3. What benefits can companies see from alliances with non-profit or non-governmental agencies? How can companies ensure that such alliances are and remain beneficial?

### **Readings:**

Porter, M. E., & Kramer, M. R. (2006, December). Strategy & society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78-92. Reprint No. R0612D.

Zadek, S. (2004, December). The path to corporate responsibility. *Harvard Business Review*, 82(12), 125-133. Reprint No. R0412J.

### **Debate:**

**There is no bottom-line value of corporate social responsibility beyond improved public relations.**

## Supplementary Readings

### Session 1

- Badaracco, J. L. (2004). Personal values and professional responsibilities. Harvard Business School Note, 9-304-070.
- Badaracco, J. L., & Webb, A. P. (1995, Winter). Business ethics: A view from the trenches. *California Management Review*, 37(2), 8-28.
- Carr, A. Z. (1968, January-February). Is business bluffing ethical? *Harvard Business Review*, 46(1), 143-153.
- Schwartz, M. (2000). Why ethical codes constitute an unconscionable regression. *Journal of Business Ethics*, 23(2), 173-184.
- Schwartz, M. (2002). A Code of Ethics for Corporate Code of Ethics. *Journal of Business Ethics*, 41(1/2), 27-43.
- Werhane, P. H. (1994). *A note on five traditional theories of moral reasoning*. Darden Business Publishing, University of Virginia.

### Session 2

- Bower, J., & Gilson, S. (2003, December). The social cost of fraud and bankruptcy. *Harvard Business Review*, 81(12), 20-21.
- Eccles, R. G., Newquist, S. C., & Schatz, R. (2007, February). Reputation and its risks. *Harvard Business Review*, 85(2), 104-114.
- Economist*. (2005, January 22). The ethics of business. Vol. 374, Issue 8410, p. s20-22.
- Fieser, J. (1996). Do businesses have moral obligations beyond what the law requires? *Journal of Business Ethics*, 15, 457-468.

### Session 3

- Bagley, C. E. (2003, February). The ethical leader's decision tree. *Harvard Business Review*, 81(2), 18-19
- Banaji, M. R., Bazerman, M. H., & Chugh, D. (2003, December). How (un)ethical are you? *Harvard Business Review*, 81(12), 56-64.
- Fadiman, J. A. (1986). A traveler's guide to gifts and bribes. *Harvard Business Review*, 64(4), 122-136.
- Gellerman, S. W. (1986, July-August). Why 'good' managers make bad ethical choices. *Harvard Business Review*, 64(4), 85-90.
- Jackall, R. (1983, September-October). Moral mazes: Bureaucracy and managerial work. *Harvard Business Review*, 61(5), 118-130.
- Witzel, M. (2005, July 11). How to respond when only bribe money talks. *Financial Times*. London (UK): pg. 14.

#### **Session 4**

- Bakan, J. (2004). *The corporation: The pathological pursuit of profit and power*. New York: Free Press.
- Birch, D. (2003). Corporate social responsibility: some key theoretical issues and concepts for new ways of doing business. *Journal of New Business Ideas and Trends*, 1(1), 1-19.
- Donaldson, T., & Preston, L.E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20(1), 65-91.
- Carroll, A.B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Journal*, 18, 589-599.
- Frederick, W.C. (1960). The growing concern over business responsibility. *California Management Review*, 1, 54-61.
- Porter, M.E. and Kramer, M. (2006, December). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78-92.
- Sullivan, R. (2003). *Business and human rights: Dilemmas and solutions*. Sheffield: Greenleaf.
- Wood, D.J. and Logsdon, J.M. (2002). Business citizenship: From individuals to organizations. *Ethics and Entrepreneurship: The Ruffin Series*, 3, 59–94.

#### **Session 5**

- Epstein, M., & Roy, M-J. (2003). Making the Business Case for Sustainability: Linking Social and Environmental Actions to Financial Performance. *Journal of Corporate Citizenship*, 9, 79-96.
- Evan, W.M. and Freeman, R.E. (1988). A stakeholder theory of the modern corporation: Kantian capitalism. *Ethical Theory and Business*, 3, 97-106.
- Gray, R. (2002). Of messiness, systems and sustainability: Towards a more social and environmental finance and accounting. *British Accounting Review* 34(4), 357-386.
- Margolis, J., D. and Walsh, J.P. (2003). Misery loves companies: Rethinking social initiatives by business. *Administrative Science Quarterly*, 48(2), 268-305.
- O'Rourke, D. (2003). Outsourcing regulation: non-governmental systems of labor standards and monitoring. *Policy Studies Journal*, 31(1), 1-29.
- Owen, D. and Swift, T. (2001). Social accounting, reporting and auditing: beyond rhetoric? *Business Ethics: A European Review* 10(1), 4-8.
- Porter, M.E. and van der Linde, C. (1995, September-October). Green and competitive: Ending the stalemate. *Harvard Business Review*, 73(5), 120-134.

### **Additional Reading of Interest: Ethics and Values**

- Bell, D. (2002). *Ethical ambition: Living a life of meaning and worth*. New York: Bloomsbury. Bell is a prominent constitutional law professor at NYU. In a very personal account, Bell addresses the question of how to live a life of integrity in the face of pressures to succeed at any price.
- Champy, J., & Nohria, N. (2000). *The arc of ambition: Defining the leadership journey*. Cambridge, MA: Perseus Books. Discusses the ethics of ambition.
- Dalla Costa, J. (1999). *The ethical imperative: Why moral leadership is good business*. Reading, MA: Perseus Press. A blend of ethics, business practice, and strategic thinking.
- DeGeorge, R. T. (1993). *Competing with integrity in international business*. New York: Oxford University Press. Describes the ethical pressures faced by multinationals and individuals working in global positions and how to operate within integrity in those environments.
- Donaldson, T. and Dunfee, T. W. (1999). *Ties that bind: A social contracts approach to business*. Cambridge, MA: Harvard Business School Press. Addresses a series of ethical dilemmas commonly faced in business today and internationally, and how to approach their resolution.
- Donaldson, T., Werhane, P. H., & Van Zandt, J. (2006). *Ethical issues in business: A philosophical approach*. Upper Saddle River, NJ: Prentice Hall. Excellent text for business ethics, mixing moral theory with case studies.
- Donaldson, T. (1989). *The ethics of international business*. New York: Oxford University Press. A more complete reading on the same subject from the author of Session 3's reading, "Values in tension."
- Eichenwald, K. (1995). *Serpent on the rock*. New York: HarperBusiness. Another fun history of corruption in large corporations, this time at Prudential-Bache Securities.
- Hartman, L. P. (2005). *Perspectives in business ethics*. (3<sup>rd</sup> ed). Boston: McGraw-Hill/Irwin. Excellent overview text on business ethics, collecting readings from philosophy, the business press, and case studies.
- Hauser, M. (2006.). *Moral minds: How nature designed our universal system of right and wrong*. New York: Ecco Press. Interesting read, written by a Harvard professor of evolutionary biology suggesting that human morality is innate.
- Jackall, R. (1988). *Moral mazes: The world of corporate managers*. New York: Oxford University Press. An anthropological account of how large organizations shape the moral consciences of their employees.
- Kidder, R. M. (2006). *Moral courage: Taking action when your values are put to the test*. New York: Harper. An interesting book that describes multiple examples of moral courage, and provides a blueprint for personal action.
- Lewis, M. (1990). *Liars' poker: Rising through the wreckage on Wall Street*. New York: Penguin. A great read with insight into the world of bond trading and ethics.
- McLean, B., & Elkind, P. (2003). *The smartest guys in the room: The amazing rise and scandalous fall of Enron*. New York: Portfolio. A close look at the lives and motives of the main characters in the Enron debacle from the *Fortune* writers who wrote one of the first stories to question Enron's financial health.

- Pinault, L. (2000). *Consulting demons: Inside the unscrupulous world of global corporate consulting*. New York: HarperBusiness. Perhaps the title speaks for itself!
- Sayles, L. R., & Smith, C. J. (2006). *The rise of the rogue executive: How good companies go bad and how to stop the destruction*. Upper Saddle River, NJ: Prentice Hall. Depiction of self-serving executive behavior and what needs to be done to change it.
- Stewart, J. B. (1991). *Den of thieves*. New York: Simon & Schuster, 1991. Details the insider trading scandals of the 1980s.
- Toffler, B. L., & Reingold, J. (2003). *Final accounting: Ambition, greed and the fall of Arthur Andersen*. New York: Broadway Books. Toffler blames Andersen's problems on an ethos of conformity and deference to senior managers, bizarre compensation schemes that set partners at each other's throats, and the relentless pressure for lucrative consulting tie-ins that made auditors acquiesce in clients' fraudulent bookkeeping.

### **Additional Reading of Interest: CSR**

- Anderson, R. C. (1999). *Mid-course correction: Toward a sustainable enterprise: The Interface model*. White River Junction, VT: Chelsea Green Publishing Co. Ray Anderson, CEO of a billion-dollar carpet company, states his personal philosophy of running a company and chronicles the steps he took to implement that philosophy.
- Anderson, S. R., & Ray, P. H. (2000). *The cultural creatives: How 50 million people are changing the world*. New York: Three Rivers Press. A study of emerging values and their impact. Cultural Creative is a term coined by Anderson and Ray and to describe people whose values embrace a curiosity and concern for the world, its ecosystem, and its peoples; an awareness of and activism for peace and social justice.
- Andriof, J., & McIntosh, M. (Eds). (2001). *Perspectives on corporate citizenship*. Sheffield: Greenleaf. An informative overview of different approaches to corporate responsibility.
- Arena, C. (2004) *Cause for success: 10 companies that put profits second and came in first*. Novato, CA: New World Library. Case studies of companies bent on solving the world's problems as well as improving corporate performance and growth.
- Austin, J. E. (2000). *The collaboration challenge: How nonprofits and businesses succeed through strategic alliances*. San Francisco: Jossey-Bass Publishers. A new model of philanthropy in which nonprofits are no longer the recipients of donations from business, but instead partner with them for mutual advantage.
- Begg, C., & Hart, S. (2005). *Capitalism at the crossroads: The unlimited business opportunities in solving the world's most difficult problems*. Philadelphia: Wharton School Publishing. Business-more than either government or civil society-is uniquely equipped at this point in history to lead us toward the solution of social problems.

- Brill, H., Brill, J., & Feingenbaum, C. (1999). *Investing with your values (conscientious commerce)*. Princeton, NJ: Bloomberg Press. All you want to know about the segment of the mutual fund industry known as "social investing" (investing in companies believed to be socially responsible). It now constitutes 13% of mutual fund business.
- Charkham, J. (2005). *Keeping better company*. Oxford: Oxford University Press. Comparison of governance strategies in five different countries.
- Davis, I. (2005, May 28). The biggest contract. *Economist*. Vol. 375, Issue 8428, pp. 69-71. Provocative take on the need to rethink the role of business from the head of McKinsey's management consultancy.
- Doane, D. (2005, Fall). The myth of CSR. The problem with assuming that companies can do well while also doing good is that markets don't really work that way. *Stanford Social Innovation Review*, pp. 23-29. Examination of corporate responsibility's shortcomings as a means of managing business's impacts on society.
- Elkington, J. (1998). *Cannibals with forks: The triple bottom line of 21st century business*. Gabriola Island: New Society Publishers. Influential introduction to the case for considering social, economic, and environmental added value.
- Gore, A. (2006). *An inconvenient truth*. London: Bloomsbury Publishing. The book accompanying the Oscar-winning film about the importance of climate change.
- Grayson, D., & Hodges, A. (2004). *Corporate social opportunity: Seven steps to make corporate social responsibility work for your business*. Sheffield: Greenleaf. Discussion of why corporate responsibility should be seen as a business opportunity rather than a risk.
- Hawken, P., Lovins, A. B., & Lovins, L.H. (1999). *Natural capitalism: Creating the next industrial revolution*. Boston: Little, Brown and Co. Seminal work on how business can contribute to sustainable development.
- Hawkins, David E. (2006). *Corporate social responsibility: Balancing tomorrow's sustainability and today's profitability*. New York: Palgrave MacMillan. Demonstrates the importance of balancing short term profitability with long term sustainability.
- Hennigeld, J., Pohl, M., & Tolhurst, N., (Eds.) (2006). *The ICCA handbook on corporate social responsibility*. Chichester, UK: John Wiley & Sons. Collection of papers on the meaning and management of corporate responsibility targeted at corporate managers.
- Holliday, C.O., Schmidheiny, S., & Watts, P. (2002). *Walking the talk : The business case for sustainable development*. Sheffield: Greenleaf. Influential argument by European executives about the importance of sustainable development for business success.
- Jackson, I.A., & Nelson, J. (2004). *Profits with principles: Seven strategies for delivering value with values*. New York: Currency/Doubleday. Empirically-derived guidance on adopting and embedding corporate responsibility into management practice.
- Jenkins, R.O., Pearson, R., & Seyfang, G. (Eds.) (2002). *Corporate responsibility and labour rights: Codes of conduct in the global economy*. London: Earthscan.

Good collection of articles on issues to do with voluntary codes of labour conduct in supply chains.

- Kotler, P., & Lee, N. (2004). *Corporate social responsibility: Doing the most good for your company and your cause*. Hoboken, NJ: John Wiley and Sons. Why corporate philanthropy is good for public relations and profitability.
- Mitchell, L.E. (2001). *Corporate irresponsibility: America's newest export*. New Haven: Yale University Press. Interesting discussion of why the nature of the modern corporation and its legal status make companies inherently irresponsible.
- Porritt, J. (2005). *Capitalism: As if the world matters*. London: Earthscan. An alternative view of capitalism's future from important sustainability thinker and activist.
- Prahalad, C.K. (2005). *The fortune at the bottom of the pyramid*. Upper Saddle River, NJ: Wharton School Publishing. Influential book on why and how business should treat poor, underserved markets seriously.
- Pringle, H., & Thompson, M. (1999). *Brand spirit: How cause related marketing builds brands*. Chichester: John Wiley & Sons. Description of cause-related marketing (CRM). Hamish Pringle, former vice chairman of marketing for Saatchi & Saatchi, and Marjorie Thompson, current director of the company's Cause Connection, believe any firm that's sincere can use CRM effectively.
- Roddick, A. (2000). *Business as unusual*. London: Thorsons. Body Shop founder's own take on her experiences of creating successful company rooted in ethical principles.
- Schmidheiny, S., & Zorraquin, F. (1996). *Financing change: The financial community, eco-efficiency, and sustainable development*. Cambridge, MA: MIT Press. Influential early book on the role of the finance industry in sustainability by two business leaders.
- Steger, U. (Ed.). (2004). *The business of sustainability: Building industry cases for corporate sustainability*. Basingstoke: Palgrave Macmillan. Case studies from across Europe to show how the business case varies between industries.
- The Economist*. (2005, January 20). Special edition on corporate responsibility. Collection of articles critiquing corporate responsibility from a liberal economics perspective.
- Utting, P. (2005). *Rethinking business regulation: From self-regulation to social control*. Technology, Business and Society Programme, Paper no. 3. Geneva: United Nations Research Institute for Social Development. Analysis of the role of modern business in changing models of governance.
- Vogel, D. (2005). *The market for virtue: The potential and limits of corporate social responsibility*. Washington, DC: Brookings Institution Press. A balanced assessment of the many corporate activities called corporate social responsibility.
- Werther, W.B., & Chandler, D. (2006). *Strategic corporate social responsibility: Stakeholders in a global environment*. Thousand Oaks, CA: Sage Publications. Aspects of the business case for stakeholder engagement and other corporate responsibility management practices.
- Willard, B. (2002). *The sustainability advantage: Seven business case benefits of a triple bottom line*. Gabriola Island: New Society. An example of how corporate responsibility theorists conceptualize the business case.

Zadek, S. (2000). *Doing good and doing well: Making the business case for corporate citizenship*. New York: Conference Board. Discussion of different models companies can use to understand the business case.