

STRT 282-06
Social Responsibilities of Business
Fall 2016 | TR 5:00-6:15pm | Hariri 145

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Course Content

We're wealthier (and healthier) now than we were 20 years ago, 40 years ago, 60 years ago, and so on. This is due in large part to commerce, business and entrepreneurship. But while it may be the goose that lays the golden egg, the goose goes in for a lot of abuse. Public opinion polls show that Americans often have negative attitudes towards business, capitalism and managers. That negative attitude is reflected on television and in the movies—about 40% of crimes depicted on the screen are committed by fictional businesspeople. Business majors are assumed to be motivated by greed (whereas pre-med students are thought to be motivated by concern for others). A common refrain is that business ethics is an oxymoron. Why does business get such a bad rap? Does it deserve it? What does that have to do with you? This course explores the ethical dimensions of business. Our central focus will be questions about the obligations of businesses and those who run them to their employees, their customers and to society at large. Along the way, we will also consider some questions about how consumers do and should make choices in the market.

Course Objectives

- Sharpen analytical thinking, writing, presentation and debating skills.
- Learn basic issues and theory in business ethics.
- Practice thinking through moral dilemmas on one's own and in teams.
- Confront difficult moral questions about the good life, ethical ideals, conflicts between self-interest and morality, and justice.
- Reflect on personal values and goals.

Course Materials

Readings will be available on Blackboard.

Assignments and Grades

The Business Project	56%
Competitor Assessment 1	10%
Competitor Assessment 2	10%
Business Plan & CSR Statement	16%
The Dilemma	20%
Article/Debate Presentations	20%
Quizzes	24% (6 x 4%)

The Business Project (56%)

As you can see, the largest contributor to your grade is The Business Project, which is explained at length at the end of this syllabus.

Debates (20%)

Over the course the of semester, we will be engaging with six debates in the business ethics literature. Students will pair up (either with someone from their group or outside of it) to take responsibility for one article per pair.

Article Presentations

On the first day for each debate, two pairs of students, one per article, will present overviews of their articles and facilitate discussion for a portion of class time.

Debate Presentations

On the second day for each debate, the assigned reading will be a real-world case study relevant to the debate in question. Two pairs of students, one per article, will defend a position on the case from the perspective of their assigned article, after which there will be an open debate.

By default, I assume each member of each group (or pair) contributed his or her fair share, and thus each group member gets the same grade on all assignments. I expect for you to resolve problems—such as a group members trying to free-ride on others—without my intervention. Should this prove impossible, it is your responsibility to arrange a meeting with me.

Quizzes (24%)

After each debate, there will be an online quiz.

Per MSB policy, the course will be curved to a 3.3/4.0 average.

Academic Integrity

Information about the Honor Code and plagiarism is available here:

<http://scs.georgetown.edu/academic-affairs/honor-code>. You are responsible for knowing and abiding by the Honor Code and all rules regarding academic integrity.

As a faculty member, I am bound by the Honor Code to report all apparent violations. Any students found guilty of violating the Honor Code will fail the class, in addition to whatever other sanctions the Honor Council issues.

Just don't cheat.

Course Schedule (subject to change)

09.01 First Day of Class

09.06 Group Selections (no reading)

09.08 Donaldson, “Values in Tension: Ethics Away from Home”

Debate 1: Corporate Social Responsibility

09.13 Friedman, “The Social Responsibility of Business Is to Increase Its Profits”

Evan & Freeman, “A Stakeholder Theory of the Modern Corporation: Kantian Capitalism”

09.15 Case Study: “Google in China: The Great Firewall”

Debate 2: Price Gouging

09.20 Snyder, “What’s the Matter with Price Gouging”

Zwolinski, “The Ethics of Price Gouging”

09.22 Case Study TBA

09.27 TBP1: Competitor Assessment: Corporate Social Responsibility

09.29 TBP2: Competitor Assessment: Corporate Social Responsibility

Debate 3: Sweatshops

10.04 Zwolinski, “Sweatshops, Choice, and Exploitation”

Kates, “The Ethics of Sweatshops and the Limits of Choice”

10.06 Case Study: “Alta Gracia: Four Years and Counting”

Debate 4: CEO Pay

10.11 Midterm Check-in

10.13 Moriarty, “How Much Compensation Can CEOs Permissibly Accept?”

Kolb, “Must CEOs Be Saints? Contra Moriarty on CEO Abstemiousness”

10.17 Special Guest Lecture: Dan Price, CEO, Gravity Payments

10.18 No Class (replaced by Monday lecture)

10.20 Debate on Guest Lecture (assigned pairs from Moriarty and Kolb)

Debate 5: Marketing

10.25 Brenkert, “Marketing and the Vulnerable”

Palmer and Hedberg, “The Ethics of Marketing to Vulnerable Populations”

10.27 Case Study TBA

11.01 TBP2: Competitor Assessment: Employment or Marketing

11.03 TBP2: Competitor Assessment: Employment or Marketing

Debate 6: Are There Things Money Shouldn’t Buy?

11.08 Sandel, “What Money Shouldn’t Buy”

Brennan & Jaworski, “Markets Without Symbolic Limits”

11.10 Case Study TBA

11.15 TBP3: Business Plan & CSR Statement

11.17 TBP3: Business Plan & CSR Statement

11.22 TBA

11.24 No Class (Thanksgiving)

11.29 TBP4: The Dilemma

12.01 TBP4: The Dilemma

12.06 Last Day of Class

The Business Project

The Business Project has several stages, each corresponding with a collection of debates from class. For each, there will be two days of group presentations lasting about 20-25 minutes each (including Q&A). On the second day of class, we will form groups and discuss business ideas.

Stages 1 & 2: Competitor Assessment

Your group will assess the moral (and possibly legal) standing of a competitor's practices. This should be an *actual company* that has recognizable overlap in terms of at least one of product, customer base, business model, etc. with your own. In Stage 1, you should find a case where you believe the competitor has acted in a way that is ethically problematic with respect to its obligations of corporate social responsibility. In Stage 2, you should find a similarly problematic case, this time with respect to its employment relations or marketing strategies. You may, but do not have to, use the same company for both stages.

Your group will present its assessments to the class, which will act as the **press**. Your goal is to convince them that they should report on the ethical shortcomings of your competitor.

Assessment (2 x 10%)

- How creative were you?
- How well did you lay out relevant ethical issues?
- How good were your arguments? How persuasively were they made?

Stage 3: Business Plan and CSR Statement

Your group will develop a business plan for your company, keeping in mind the ethical pitfalls your competitors faced. Your business plan must include a statement of Corporate Social Responsibility (CSR), addressing the particular qualities of your company, and the particular ethical issues that might arise given what your company does.

Your group will present your business plan to the class, who will function as **potential investors**. Your job is to persuade them that they should invest in your company.

Assessment (16%)

Business Model

- How well thought-out is it?
- How creative is it?
- How well did you consider what potential customers might want?
- Did you consider all relevant financial issues?
- How familiar are you with relevant regulations? Are you prepared to comply with them?
- How familiar are you with the type of business you plan to open? How familiar are you with your competition?

CSR

- How well thought-out is it?
- How creative is it?
- Did you foresee ethical issues that might arise for your particular business?
- How relevant is it to the kind of company your group runs?

Stage 4: The Dilemma

Your company will face a tailor-made dilemma forcing you to choose between your ethical commitments and (typically) your profitability. Your group must decide on a course of action to take in response.

Your group will present its dilemma and your solution to the class, who will act as your **shareholders**. Your mission is to persuade them that you are doing what is, all things considered, best.

Assessment (20%)

- How well thought-out is your solution?
- How creative is it?
- How does your solution relate to your CSR/employment contract?
- How well are you covered from a PR perspective?
- How well did you assess the relevant ethical issues?
- Did you consider possible alternatives?
- How effective is your solution likely to be?

Peer Assessment (just for fun)

After your presentation, your shareholders (the class) will anonymously rate your group's presentation on the scale below.

- 4 – Dilemma? What dilemma?
- 3 – They made the right choice... I guess.
- 2 – I'm taking my money elsewhere.
- 1 – You'll be hearing from my lawyers.

The average score will also be used to determine a probability distribution for best-case, worst-case, and medium-case possible outcomes of your group's decision. We will then roll a 10-sided die to determine what happens to your company. This last is just for fun; it will play no roll [sic.] in determining your grade.