

## **Business and Society: Doing Well by Doing Good? Fall 2014**

### **Professor Geoffrey Heal**

Can a business be a financial success and also be valuable to society? Is there a conflict between looking after shareholders and looking after stakeholders more generally? Does a company have responsibilities to society over and above those to its shareholders? Is it ethical to outsource production to low-wage countries where working conditions are vastly inferior to those in the US? What should corporations be doing about climate change? Can corporations and business methods contribute to the solution of social and environmental problems such as education, lack of housing, inequality? Is there a business case for a corporation to do more than is legally required in the social and environmental areas?

These are topical and pressing issues, of concern to most corporations and to many in the political and non-governmental worlds. They are also the main focus of “Business and Society.” It is an interactive discussion-based and case-based course that looks at examples of companies that have succeeded in doing well (financially) and doing good (for society). We also hear from practitioners who are wrestling with these issues in their business lives. The outside speakers are CBS alumni.

The picture that emerges from the course is that “doing well” (financially) and “doing good” (for society and stakeholders) can be made compatible. There are many examples of companies that do both – that meet demanding ethical standards and add immense value for all stakeholders, while being amongst the most profitable in their industries and giving a great return to investors. In the course we try to understand why this is, and what distinguishes these companies from others. When are these two goals compatible, and how can a company go about reconciling them? We develop a general economic framework for thinking about these issues. We spend time discussing the relationship between corporations and non-governmental organizations and the role that these play in providing incentives for corporations to behave responsibly.

Companies studied include:

- Nike,
- Merck,
- Citigroup,
- Monsanto,
- WalMart,
- Apple

Topics discussed include

- business and the environment, including climate change
- socially responsible investing,

- the pharmaceutical industry and its pricing policies,
- microfinance,
- executive compensation and inequality more generally
- for-profit educational institutions
- outsourcing and monitoring supply chains,
- sustainability reporting and triple bottom line issue

**Assessment** will be in three parts: class participation, case write-ups and a term paper. These will account respectively for 5%, 45% and 50% of the final grade.

Details of case write-ups and term papers follow:

You have to write up two cases before the mid-term break and another one in the second half of the semester but before exam week. I am using the word “case” loosely: **by case I mean any class discussion of a topic whether it is based on a formal case – as with the child labor discussion – or on background reading which is not in the format of a case, as with the discussions of Wal-Mart and of executive compensation.**

You should write up a class discussion after the discussion has occurred in class, so that you can reflect the facts and arguments that emerged in class. I am looking for a maximum of **three pages single-spaced 12 point** doing two things:

1. Summarizing the points of view that emerged in class and
2. Giving your own point of view

Again, **two writes-up are due by the mid term break and the other one before the start of exam week.**

The final term paper is due by 5pm on December 16<sup>th</sup>. The term paper should take an issue or topic discussed in class and develop it in the context of a particular firm or industry (e.g. child labor and the toy industry: executive pay in the media business: greening the retail business or a particular retail organization). Ideally you should pick a firm or industry about which you have some personal knowledge.

If you have difficulty picking a topic, please don’t leave it to the end of the semester, but come and see me: I can probably help you to pick something. And even if you do find a topic easily, feel free to talk to me about it, to get some direction and perhaps some reading.

Term papers **should not exceed 8 pages of single spaced text** plus appendices containing data, graphics, spreadsheets etc.

Session-by-session outline of course:

- [Session 1: Soccer Balls Made by Children for Children - case and student presentations](#)  
September 5
- [Session 2: Citigroup and the Equator Principles - case and student presentations](#)

- September 10
- [Session 3: Lecture: What is Corporate Social Responsibility?](#)
- September 12
- [Session 4: Lecture: Economics and CSR](#)
- September 17
- [Session 5: Lecture: Economics and CSR](#)
- September 19
- [Session 6: Lecture: Climate Change and other CSR challenges](#)
- September 24
- [Session 7: Lecture: Climate Change Policies and the Corporation](#)
- September 26
- [Session 8: Columbia University and CSR/SRI - reading and student presentations](#)
- October 1
- [Session 9: Executive Compensation – reading and student presentations](#)
- October 3
- [Session 10: Presentation on Socially Responsible Investing - John Wilson](#)
- October 8
- [Session 11: Measuring CSR - reading and student presentations](#)
- October 10
- [Session 12: Outsourcing, reading and student presentations](#)
- October 15
- [Session 13: Shopping Your Values – reading and student presentations](#)
- October 24
- [Session 14: The moral limits of markets – reading and student presentations](#)
- October 29
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- [Session 15: Microfinance – reading and student presentations](#)
- October 31
- [Session 16: Developing World Markets Presentation - Brad Swanson](#)
- November 7
- [Session 17: Is Wal-Mart Socially Responsible - case and student presentations](#)
- November 12
- [Session 18: Is Apple a responsible company? Reading and student presentations](#)
- November 14
- [Session 19: Monsanto and Social Responsibility - case and student presentations](#)
- November 19
- [Session 20: Education, competition and profits - case and student presentations](#)
- November 26
- [Session 21: Business and NGOs – Ken Kimmel, President, Union of Concerned Scientists](#)
- November 28
- [Session 22: Bottom of the Pyramid - case and student presentations](#)
- December 3
- [Session 23: The Pharmaceutical Industry - case and student presentations](#)
- December 5
- [Session 24: Summary and Overview](#)
- December 10

Color code – Discussion classes, lectures, outside speakers