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Ethics, Business and Society

(ESR3102)

Syllabus Summer Term 2019

Times and Rooms Monday 15:30 – 18:45; W.3.2.02

Begin March 25, 2019

ECTS-Credits 5

Workload 150 hours: 60 h contact + 90 h research

Level Advanced

Prerequisites Basic knowledge in Microeconomics, Macroeconomics, International Economics and General Management

Objectives

By the end of the course, the participants shall be capable of

- Understanding todays role of ethics for business and the increasing need for corporate social responsibility (CSR) and corporate sustainability
- Explaining foundations of ethics and applying them to corporate and economic backgrounds
- Identifying, critically analyzing and overcoming ethical conflicts
- Understanding principle foundations and challenges of global sustainable development and resulting corporate challenges
- Knowing the core elements and CSR standards of ethics and sustainability management and applying them to real world cases
- Identifying new opportunities and risks associated with ethical and sustainability challenges, notably in developing and emerging market countries
- Critically reflecting and developing CSR strategies to mitigate upcoming risks and benefit from new opportunities
- Understanding critical arguments and globalization critique against transnational corporations and developing adequate corporate strategies and communication
- Having a clear idea of potentials and limitations of corporate responsibility and sustainability strategies
- Critically reflecting the consequences of existing limitations

Contents

- **Ethical Foundations of management and economics and of potential critics**
 - Ethical foundations of economics and management: self-interest, utility and profit maximization:
 - Case Studies: Bayer CropScience & child labor; product safety in the automobile industry
 - Further ethical concepts, potential conflicts & potential ways forward for business and society: human rights and duties, justice as fairness & discourse ethics
 - Case Studies: Vedanta Bauxite Mining; Shell Nigeria
 - Finding acceptable decisions in a world of diverse ethical perceptions: discourse ethics and corporate stakeholder communication and dialogue
 - Case Study: Shell Nigeria
- **Foundations and Implementation of Corporate Social Responsibility (CSR)**
 - CSR tools and techniques: implementing ethics and sustainability management: leadership, corporate, culture and communication
 - Case Studies: Fighting Corruption at Siemens Corruption; Puma Stakeholder Consultation
- **Potentials and Challenges of CSR related to ethics and sustainable development**
 - Diverse Case Studies

Basic Literature (only English literature will be used in the course)

- Crane, Andrew; Matten, Dirk (2016): Business Ethics, 4th edition, Oxford, Oxford University Press.
- Perkins, Dwight H.; Radelet, Steven, Lindauer, David L.; Block, Steven A. (2013): Economics of Development, 7th edition, W.W. Norton, New York, London.
- Sandel, Michael J. (2010): Justice. What's the Right Thing to Do? Penguin Book.
- Sandel, Michael J. (2013): Gerechtigkeit. Wie wir das Richtige tun, Berlin: Ullstein.
- Todaro, Michael P.; Smith, Steven C. (2015): Economic Development. 12th edition, Addison-Wesley, Boston et al.
- Noll, Bernd (2013): Wirtschafts- und Unternehmensethik in der Marktwirtschaft, 2. Auflage, Stuttgart: Kohlhammer.

Course Organization

The course follows a two-tier structure, combining highly interactive lectures and case study discussions.

- During the semester we will work intensively on foundational issues of ethics and CSR implementation, each of them related to a variety of real world cases. Based on the recommended readings, continuing active class participation throughout the term is expected.

Grading

Written open-book exam = 100%

Course Contributions to the Program Goals / Learning Outcomes

LO	Learning Objective / Outcome	Contributions to learning objectives	Assessment
	Expert knowledge Students show that they have sound basic knowledge ...		
1.1	... in Business Administration.	CSR as a strategic management requirement, related to corporate risk, human resource and financial management and to brand value, Ethics and Sustainability Management	
1.2	... in Economics.	Ethical and economic prerequisites of market economies; markets and morals, role of markets vs. state, corruption, institutions and good governance.	Discussions within class, case studies, case-oriented written open book exam
1.3	... in Business Law.	X	
1.4	... in Quantitative Methods.	X	
	Use of information technology		
2.1	Students demonstrate proficiency in using computer programs to solve business problems.	X	
2.2	Students are able to use information systems effectively in real world business settings.		
3.	Critical thinking and analytical competence Students are able to apply analytical and critical thinking skills to complex problems.	Analysis of economics' and business managements' ethical foundations as well as of their potentials and limitations Analysis and discussion of challenges and conflicts of CSR strategies. Analysis of ethical issues, conflicts and responsibilities in globalization Potentials and limits of corporate responsibility	Discussions within class, case studies, open book exam
4.	Ethical awareness Students are able to develop business ethics strategies and apply them to typical business decision-making problems.	Analysis and discussion of economics' and business managements' ethical foundations, of their potentials and limitations Analysis and discussion of corporate challenges related to ethics and sustainability Reflection and conceptions of ethics and sustainability management tools to overcome ethical and sustainability challenges Application of acquired knowledge to ethical questions in the context of sustainable globalization (e.g. poverty, corruption, human rights, environmental problems,...)	Discussions within class, case studies, open book exam
	Communication skills		
5.1	Students are able to express complex problems effectively in writing	X	
5.2	Students demonstrate their oral communication skills in presentations and papers.		
6.	Capacity for teamwork Students show that they are able to work successfully in a team by performing practical tasks.	Organize work of project team (agree on contents and structure, allocate jobs, time-management). Define roles in presenting results.	

Schedule:

Monday, March 25	<p>Organizational Introduction: organizational issues, clarification of open questions and introduction of voluntary executive summaries and presentations</p> <p>Introduction: Ethics and Corporate Social Responsibility (CSR) in globalization</p> <p><i>Introducing the case: Child Labor at Bayer CropScience India</i> <i>Literature: Crane/Matten 67-82.</i></p>
Monday, April 1	<p>Ethical foundations of economics and management I</p> <ul style="list-style-type: none"> • self-interest (Adam Smith) <ul style="list-style-type: none"> ◦ Self-interest (Adam Smith), freedom and welfare ◦ Preconditions of well-ordered markets ◦ Market failure <p>Literature: Sandel “Justice”: ch. 4 & 1; Crane Matten: ch. 4</p> <p>Case discussion introduction</p> <ul style="list-style-type: none"> • <i>Discussion “self-interest, child labor and lessons learned”:</i> • <i>Limitations of self-interest as an ethical foundation</i>
Monday, April 8	<p>Ethical Foundations of economics and management II</p> <ul style="list-style-type: none"> • <i>Utilitarianism: Total utility and profit maximization (Jeremy Bentham)</i> • <i>Basic argument and strengths</i> <p>Case <i>Introduction to the Automobile case</i>: Case discussion and lessons learned:</p> <ul style="list-style-type: none"> • Ethical limitations of utility and profit maximization • Ethics Management System requirements
Monday, April 15	<p>Further Ethical Concepts and potential corporate conflicts I:</p> <ul style="list-style-type: none"> • Rights and Duties (Immanuel Kant) • Basic argument and potential corporate conflicts • Introduction “Vedanta Case, Orissa”
Monday, April 22: no class	<p>Easter holiday</p>
Monday, April 29	<p>Discussion human and basic rights cases in business</p> <ul style="list-style-type: none"> • Discussion of the Vedanta Case • Reasons of corporate conflicts and remedies • Corporate human rights statements and strategies
Monday, May 6	<p>Further Ethical Concepts and potential corporate conflicts II:</p> <ul style="list-style-type: none"> • Justice as Fairness (John Rawls) • Basic argument and potential conflicts: justice and climate change • Social inequalities: when and how are they justified? • Case Studies: Shell Nigeria

Monday, May 13	<p>Discourse ethics (Jürgen Habermas)</p> <p>Discussion Round:</p> <p>Risks associated with perceived corporate injustice; Case Discussion: Case Study: Shell Nigeria</p>
Monday, May 20	<ul style="list-style-type: none"> • Foundations and Implementation of Strategic Corporate Social Responsibility I <ul style="list-style-type: none"> ○ Corporate tools and techniques: implementing ethics and sustainability management (1) ○ Literature: Crane/Matten: 183-225
Monday, May 27	<ul style="list-style-type: none"> • Foundations and Implementation of Strategic Corporate Social Responsibility II <ul style="list-style-type: none"> ○ Corporate tools and techniques: implementing ethics and sustainability management (2) ○ Literature: Crane/Matten: 183-225 ○ Case Study: Corruption at Siemens
Monday, June 3	<ul style="list-style-type: none"> • Foundations and Implementation of Strategic Corporate Social Responsibility III <ul style="list-style-type: none"> ○ Corporate tools and techniques: implementing ethics and sustainability management (3) ○ Literature: Crane/Matten: 183-225 ○ Case Study: PUMA Stakeholder Management
Monday, June 10: no class	<ul style="list-style-type: none"> • Pentecost holiday week
Monday, June 17	<ul style="list-style-type: none"> • Foundations and Implementation of Strategic Corporate Social Responsibility IV <ul style="list-style-type: none"> ○ Corporate tools and techniques: implementing ethics and sustainability management (4) ○ Literature: Crane/Matten: 183-225 • Case Study: PUMA Stakeholder Management
Monday, June 24	<ul style="list-style-type: none"> • Discussion: Potentials and Challenges of CSR regarding ethics and sustainable development: diverse case studies Students' questions in preparation for the written exam