



**THE CITY COLLEGE OF NEW YORK  
DEPARTMENT OF ECONOMICS**

**ECO B9518  
GOVERNMENTAL REGULATION  
AND EXECUTIVE DECISION MAKING  
Fall 2008**

**Thursdays, 03:30-06:00 pm, NAC 5/124**

Instructor:

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Office hours: Tuesdays 3:30-4:30 pm and Wednesdays 3:00-5:00 pm and by appointment

<b>COURSE DESCRIPTION</b>
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This course surveys the social, legal, political, and ethical responsibilities of a business to both external and internal groups that have a stake, or interest, in that business. We will examine the different positions regarding the notion of corporate responsibility towards society, as well as investigate the nature of such responsibility. The course also addresses the impact of a corporation's ethical orientation on its economic and financial performance. To gain a better understanding of how common business situations test one's values and ethics, we will apply stakeholder and ethical systems to specific business problems in case studies.

*Last updated: 09/15/2008*

<b>LEARNING OBJECTIVES</b>
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Upon completion of this course, students should:

1. Understand the perspectives that form the context for business—including ethical, political, social, legal, regulatory, environmental, and diversity issues—and be able to incorporate them into decision making.
2. Develop an elementary ability to analyze and discuss ethical issues and be able to solve ethical problems in a business context.
3. Improve their writing, discussion, and presentation skills.
4. Improve their team work skills.

<b>COURSE REQUIREMENTS</b>
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Your grade in this course will be based on the following five requirements:

Requirement	Weight
1. Participation	20%
2. Response Papers	30%
3. Paper I	15%
4. Paper II	15%
5. Group Project	20%

### 1. PARTICIPATION

This is a discussion-based class, so attendance and participation are of crucial importance. It is expected that you will come to class prepared for active participation. A quality learning experience in this course rests heavily upon interaction and exchange of ideas among you, the instructor, and the guest speakers. I will do frequent cold calls, i.e. call on you randomly to discuss issues raised in the readings or help frame discussion. If you are unprepared for class, please tell me beforehand. I like to challenge students, but have no interest in embarrassing you.

*Active participation* means that you will:

- Master the assigned materials
- Be alert and engaged
- Offer thoughtful contributions to class discussions
- Listen to, respond to, and build on comments by your classmates.

Whereas attendance is required, please note that *just being present in class does not count*. Any form of non-engaged behavior is unacceptable in this class. If the behavior is repeated, you will be asked to leave the class.

In addition, over the course of the semester I will ask individual students to prepare brief reports on specific topics. The preparation and presentation quality of these reports will affect your participation grade.

## 2. RESPONSE PAPERS

This individual writing assignment should encourage you to prepare your cases critically and analytically, as well as give you practice at organizing and summarizing information. You will be required to answer questions about each case before in-class discussion.

## 3. PAPER I: PRINCIPLES OF ETHICS

This individual writing assignment should help you to apply theoretical concepts to real-life situations and link them to your own experience.

From your personal experience, give two examples of ethical dilemmas in your personal and/or work life. In particular, address the following issues:

- How did you approach these issues?
- In retrospect, what ethics principles describe the approach you used to solve these dilemmas and why?
- Now that you have learned about principles of ethics, do you still subscribe to the principle you (intuitively) applied? If not, according to which principle would you rather have acted? Why?

## 4. PAPER II: GOVERNMENT REGULATION

In this paper, you will discuss the relationship between business and government in terms of government regulation. In particular:

- Explain how business and government represent a clash of ethical (belief) systems. With which do you find yourself identifying most?
- Why does government see a need to regulate? Differentiate between economic and social regulation.
- What social regulations do you think are the most important, and why? What social regulations should be eliminated? Explain.
- Outline the major benefits and costs of government regulation. Do you think the benefits of government regulation generally exceed the costs? In what areas, if any, do you think the costs exceed the benefits?

## 5. GROUP PROJECT

We will form groups of 4 students for the group project. Each group will research a topic (to be chosen from the list below), write a paper on the topic, and present it to the class. The topics will be allocated on a *first come, first serve* basis.

The **group report** will account for 15% of your grade. It should begin with an executive summary, then provide a background on the topic. The main body of the paper should consist of a discussion of positive and negative sides of the issue, and the discussion should be illustrated

by at least one relevant case. The paper should conclude with managerial implications (what did you learn from the research that helps you as managers in the real world).

**Format:** The paper should be 20 pages long, double-spaced, with a 1-inch-margin all around, written in a twelve-point font. Use appropriate references for all statements and quotations. You will need to reference a minimum of five sources (web pages excluded). Please use a standard bibliography style, such as MLA, Chicago, or APA.

**Grading:** Each individual's grade on the paper will be determined as follows:

- 75% grade assigned by the instructor
- 25% grade assigned by other group members to you (through peer evaluations).

Another 5% of the class grade will be allocated to the **group presentation** of the project. The allotted time for each presentation is 20 minutes, plus 5 minutes Q&A. It is important that you engage your audience with your presentation – no matter how you do it, by all means avoid pre-written speeches that are read to the group, and under-prepared presentations that are badly organized. All group members should have some part in planning, designing, and polishing the presentation, although it is not necessary for every member to actually take part in the final “on stage” presentation. The presentations will be evaluated both by the instructor and your fellow classmates using the evaluation form that will be distributed prior to the presentations.

Note that you will prepare a “sneak preview” version of your presentation to the class towards the middle of the semester. Plan your teamwork accordingly!

**Topics:**

1. The pharmaceutical industries and AIDS in Africa
2. Is insider trading unethical?
3. Global sourcing in the manufacturing industries
4. What are the ethical implications of stem-cell research that is conducted to develop products that help human beings?
5. Are golden parachutes unethical?
6. Identify an ethical question arising from Cyberspace technology, and answer the question.
7. The role of MacDonal'd's in American obesity trends
8. *Feel free to recommend your own topic. If you choose this option, please send me a brief e-mail suggesting the topic.*

## READINGS

We are not using a textbook in this course. Except where otherwise noted, all readings are available either online or will be distributed in class. You will find most reading materials, links to the online resources and other course information on Blackboard (<https://blackboard-doorway.cuny.edu/>).

Students are strongly encouraged to regularly read a daily newspaper, such as the *New York Times*, the *Financial Times* or the *Wall Street Journal*, and/or a weekly magazine, such as *Crain's New York Business*, *Business Week* and the *Economist*. Students are expected to keep themselves informed on current developments of the topics discussed in class.

## SOME GROUND RULES

### 1. Class Attendance

I expect you to attend each class. If a family emergency or personal illness precludes you from attending class, you need to notify me via telephone or email as soon as you know that you must miss the class. I will also make some exceptions for important interviews and family events.

Out of consideration for your fellow classmates (and yours truly), it is imperative that you be **ON TIME** for class. For the same reason, please **switch off or mute** all devices emitting any kind of sound. Lateness and noises are highly disruptive! I reserve the right to deny access to the class to students who are late.

### 2. Written Assignments

A big part of your grade is determined by writing assignments, and their quality (not their length!) is very important. It is imperative that you run a spell and grammar check prior to submitting your papers. ***I will not grade papers that have obviously not been proofread.*** If you are unsure of your writing skills, I strongly encourage you to finish your assignments early and take them to the **Writing Center** (located in the NAC building, Amsterdam Ave, Plaza 3<sup>rd</sup> floor South). You can schedule an appointment through their website (do it right away! You now know when the assignments will be due!): <http://www.cuny.edu/writingcenter/>.

**Format:** All papers must be typed, double-spaced, with a 1-inch-margin all around, written in a twelve-point font, pages numbered. Place your name, date, and assignment number on the top left hand of the page.

PLEASE NOTE THAT I ONLY ACCEPT ASSIGNMENTS SENT BY **EMAIL**. When you email your assignment to me, please attach it as a Word or Rich Text document to your message, which should state at least your name and the name of the assignment. All written assignments are due at midnight of the due date indicated in the course schedule.

### 3. Working in Groups

You should try to resolve any disputes that may arise in work groups early. If you believe a member of the group is not carrying his/her weight, tell the member as soon as you can. Groups should try to resolve any disputes on their own if at all possible. I will intervene if you come to me and tell me that you have reached an irresolvable impasse, and I reserve the right to lower the

individual grade of any group member who has not contributed a reasonable share to the group project.

#### **4. Academic Integrity**

The CUNY Policy on plagiarism says the following about plagiarism (the CUNY Policy can be found in Appendix B.3 of the CCNY Undergraduate Bulletin 2005 -2007):

“Plagiarism is the act of presenting another person’s ideas, research or writings as your own. The following are some examples of plagiarism, but by no means is it an exhaustive list:

1. Copying another person’s actual words without the use of quotation marks and footnotes attributing the words to their source.
2. Presenting another person’s ideas or theories in your own words without acknowledging the source.
3. Using information that is not common knowledge without acknowledging the source.
4. Failing to acknowledge collaborators on homework and laboratory assignments.
5. Internet plagiarism includes submitting downloaded term papers or parts of term papers, paraphrasing or copying information from the internet without citing the source, and “cutting and pasting” from various sources without proper attribution.

The City College Faculty Senate has approved a procedure for addressing violations of academic integrity, which can also be found in Appendix B.3 of the CCNY Undergraduate Bulletin.”

Be aware that if I suspect plagiarism **I will follow this procedure, no exceptions made**; i.e. I will report you to the Academic Integrity Official. Disciplinary sanctions range from failing the class to expulsion from the college.

#### **5. Changes to the syllabus**

Finally, I reserve the right to amend all policies stated above. Please make sure to check the class page on Blackboard regularly, where I will post announcements and any changes to the syllabus.

## PRELIMINARY CLASS SCHEDULE

Note that the listed date is the date we will be discussing the readings. Hence, you must do them (and prepare related assignments) *in advance* of that date. Assignments are due via email on midnight BEFORE the due date. You will find most reading materials, links to the online resources and other course information on Blackboard (<https://blackboard-doorway.cuny.edu/>). All other readings will be distributed in class.

Week	Date of Class	Topics	Assignments
Week 1	Thu, Aug 28	Introduction to the class	
Week 2	Thu, Sep 4	The Business and Society Relationship	
Week 3	Thu, Sep 11	Corporate Citizenship and the Stakeholder Approach	<p><b>Read:</b></p> <ul style="list-style-type: none"> <li>• Michael Porter, Mark Kramer: “Strategy and society”</li> <li>• Lauren Collins: “The friend game”</li> </ul> <p><b>Prepare to discuss:</b></p> <ul style="list-style-type: none"> <li>• Case: The Body Shop</li> </ul>
Week 4	Thu, Sep 18	Film: Enron – The Smartest Guys in the Room	
Week 5	Thu, Sep 25	Business Ethics Fundamentals	<p><b>Read:</b></p> <ul style="list-style-type: none"> <li>• Malcolm Gladwell: “Open secrets”</li> <li>• Saul Gellerman: “Why good managers make bad ethical decisions”</li> </ul> <p><b>Prepare to discuss:</b></p> <ul style="list-style-type: none"> <li>• Case: Enron</li> </ul>
Week 6	Thu, Oct 2	Principles of Ethics	<p><b>Paper I due</b></p> <p><b>Read:</b></p> <ul style="list-style-type: none"> <li>• Archie Carroll and Ann Buchholtz: “Personal and organizational ethics”</li> <li>• Mahzarin R. Banaji, Max H. Bazerman, Dolly Chugh: “How (un)ethical are you?”</li> </ul>
Week 7	Thu, Oct 9	<b>No class</b>	
Week 8	Thu, Oct 16	Globalization	<p><b>Read:</b></p> <ul style="list-style-type: none"> <li>• Archie Carroll and Ann Buchholtz: “Ethical issues in the global arena”</li> <li>• Roger Martin: “The virtue matrix: Calculating the</li> </ul>

			return on corporate responsibility” <b>Prepare to discuss:</b> • Case: Nike, Inc.
<b>Week 9</b>	Thu, Oct 23	Government Regulation and Lobbying  Guest speaker: David Dreifuss, The Alliance of Insurance & Financial Professionals	<b>Paper II due</b> <b>Read:</b> • Drew Laughland, Myrick Freeman, Calvin Franz, and Aylin Sertkaya: “Exploring the role of cost-benefit analysis in government regulation” • Felix-Oberholzer-Gee, Libby Cantrill, Patricia Wu: “Lobbying”
<b>Week 10</b>	Thu, Oct 30	Consumerism	<b>Read:</b> • Archie Carroll and Ann Buchholtz: “Consumer stakeholders” • Catherine Arnst, John Carey, Arlene Weintraub: “New drugs: Why so many delays?” • Joseph Weber: “3M’s big cleanup” • Ira Sager: “The price of safety” <b>Prepare to discuss:</b> • Case: Choice Point
<b>Week 11</b>	Thu, Nov 6	Environmentalism	<b>Read:</b> • Archie Carroll and Ann Buchholtz: “The natural environment as stakeholder” • Geoff Colvin: The defiant one” • Jerry Adler: “Moment of truth” <b>Prepare to discuss:</b> • Case: Sustainable Development at Shell
<b>Week 12</b>	Thu, Nov 13	Workshop: Public speaking and presenting	<b>“Sneak Preview” Presentations due</b>
<b>Week 13</b>	Thu, Nov 20	Corporate Philanthropy  Guest speaker: Charles Moore, Executive Director, Committee Encouraging Corporate Philanthropy	<b>Read:</b> • Excerpts from Benioff • Peter Singer: “What should a billionaire give – and what should you?” • Suzanne Woolley: “The top givers” • Nanette Byrnes: “Smarter corporate giving”
<b>Week 14</b>	Thu, Nov 27	<b>No class (Thanksgiving)</b>	
<b>Week 15</b>	Thu, Dec 4	Employee Stakeholders	<b>Prepare to discuss:</b> • Case: Managing Diversity at Cityside Financial Services • Case: We Googled You • Case: Workplace Safety at Alcoa
<b>Week 16</b>	Thu, Dec 11	Group presentations	<b>Group projects due</b>