



SPOTLIGHT

Business Schools & Ethics/Sustainability

Featured School:

Stanford University

Graduate School of Business

City, State/Province, Country

www.gsb.stanford.edu

July 2004
AACSB International

Stanford Graduate School of Business

Stanford University Graduate School of Business takes a multi-layered approach to business ethics. It includes ethics in their core curriculum primarily through two required courses. All students are exposed to five, two-hour sessions devoted to ethical analysis during the pre-term sessions. Students are required to take a course, which has three principal objectives: to consider an important set of ethics systems; increase the precision with which students think about, discuss, and practice ethics; and provide opportunities to apply ethics systems to business problems.

Required MBA Courses Addressing Ethics

POLECON 230. Strategy in the Business Environment (pre-term)

This course addresses managerial issues in the social, political, legal, and ethical environment of business. Cases and readings emphasize strategies to improve the performance of companies in light of their multiple constituencies. Cases are set in both the U.S. and non-U.S. environments and illustrate how managers are called upon to interact with the public and governments in local, national, and international settings. Topics include integrated strategy, activists and the media, legislation affecting business, regulation and antitrust, intellectual property, Internet privacy, International trade policy, and ethics.

POLECON 235. Ethics (last semester of program)

An important component of responsible management is how a company's managers deal with ethical issues. The three principal objectives of this course are to consider an important set of ethics systems, increase the precision with which students think about, discuss, and practice ethics, and provide opportunities to apply ethics systems to business problems. The approach taken to ethics is based on moral principles, and the focus is on systems that provide foundations for ethical intuitions pertaining to well-being, rights, and justice.

Elective Courses in Ethics Related Topics

The Stanford program also provides students with an opportunity to take additional elective classes to support particular areas of interest. Electives include Social Entrepreneurship, Ethics and Global Business, Ethical Issues in the Biotech Industry, The Business World: Moral and Spiritual Inquiry Through Literature, and International Comparisons of Corporate Governance Systems.

GSBGEN 381. Strategic Issues in Philanthropy

Applying strategic decision-making models as frameworks, students will examine the translation of philanthropic vision and capital into social action. Students will analyze philanthropic strategies as they relate to individual objectives; foundation mission, financial management, infrastructure and social investment processes; domestic grantmaking and global social investing; and emerging trends such as venture/high-engagement philanthropy. The course provides an overview of the key operational and strategic distinctions between traditional philanthropic entities, such as community foundations, private foundations, and corporate foundations, as well as contemporary models such as funding intermediaries, social venture partnerships and other high-engagement grantmakers. Additional topics include how strategy implementation influences the intersection of philanthropy and the political sector; principles and practices of corporate philanthropy and social responsibility; and the increasing forces for high-impact innovation in the philanthropic marketplace, such as accountability, social return on investment, and outcome assessment. Guest speakers will include high profile global philanthropists and foundation presidents, as well as Silicon Valley business leaders striving to redefine the philanthropic model. Course work will include readings and case discussions, as well as role-plays and a group project that explores the grant assessment process, taking students through an actual real-time evaluation of non-profit organizations. Students will evaluate recently submitted grant proposals from local non-profit organizations to two nationally regarded foundations. Based on student recommendation, the grant proposals considered to achieve the greatest social impact will subsequently be awarded significant

grants by the respective foundation presidents. Appropriate for any student driven to effect positive social change from either the for-profit or nonprofit sector, the course will challenge students to expand their own strategic thinking about philanthropic giving and influence.

GSBGEN 522. Ethical Issues in the Biotech Industry

This course will provide a foundation for the ethical and social problems involved in running a biotechnology company. Additionally, it will introduce students to; how biotechnology companies are formed, how they interact with research physicians, how they are financed, the new technologies that are being developed, how product R&D is managed, what regulatory hurdles exist and the issues involved in marketing a biotechnology product. Classes will feature guest speakers, including professors from the Business and Medical Schools, venture capitalists, business executives, regulators, and others who can provide insight and expertise to the issue being addressed.

GSBGEN 585. Corporate Social Responsibility

The term Corporate Social Responsibility (CSR) has come to refer to a variety of issues and practices ranging from corporate philanthropy and the various ways that executives and entrepreneurs support social causes to the adoption of new labor standards. While some of these issues, such as philanthropic activity funded by corporations, have a long history in the United States, in recent years, CSR has begun to extend beyond the high profile philanthropic activities corporations engage in. Equally relevant are the ways that corporations engage in sustainable development, the ways they invest in local communities through mechanisms like the Low-Income Housing Tax Credit, the ways they support jobs programs and local labor markets, and the ways they brand and market their products. Further, these issues play out differently in domestic and international settings, and practices differ across industries and along a number of other dimensions. Through an introduction to research and cases on corporate involvement in social causes, this course examines the issues surrounding the emerging field of CSR. The course begins with a discussion of the social forces that shape corporate practice, both domestically and internationally and the ways these forces relate to CSR. The course then turns to the hidden aspects of CSR, from the state policies that provide corporations with incentives to invest in local communities to the various ways they work with nonprofit organizations. Finally, it looks at the way changes in the economy in recent years—namely the growing importance of financial markets—have begun to influence corporate practice in this area.

OB 361. Beyond Self-Interest Motivation

Recognizing the power of social motives other than self-interest is necessary for effective management in business and the social sector. Justice, fairness, loyalty, public spiritedness and other social motives frequently dominate the self-interest motive. The course will consider the particular circumstances in which an over reliance on the assumption of profit maximization can seriously mislead managers and policy makers.

POLECON 332. Managers and the Legal Environment

To excel, managers and entrepreneurs must know how to operate successfully in the legal environment of business. The goal of this course is to teach students how to identify legal issues before they become legal problems. The goal is not to teach students how to think like lawyers, but rather how to deal effectively with the constraints and opportunities created by the law. The course addresses the legal aspects of business agreements and relationships. Subjects covered include constitutional law, contracts, torts, product liability, international business transactions, and intellectual property issues. The legal aspects of the employment relationship as they relate to protection of trade secrets, wrongful termination, discrimination and sexual harassment will be considered. The course will consider the pros and cons of litigation and alternative dispute resolution (such as arbitration and mediation). Finally, the course will examine the different forms of business organizations available and the fiduciary duties of officers, directors and controlling the shareholders.

POLECON 336. Ethics and Global Business

In an increasingly “global” environment, with the rapid evolution of technologies, managers and organizations are confronted to a variety of ethical dilemmas for which solutions are not readily available.

The course will explore those situations: it will increase your understanding of their complexity, it will enrich your reasoning about them, while enhancing your confidence in your capacity to handle them in a “responsible” way. Essentially through the use of recent cases describing complex corporate issues – in global corporations (from US, Europe and the Asia Pacific region) – we will discuss “responsibility” and “action” from the individual, the corporate (CSR) and the societal standpoints. From environmental issues (e.g. global warming), to technology issues (e.g. Yahoo), from individual dilemmas (e.g. RU486, leader’s values and shareholder value), to corporate choices (e.g. downsizing, lobbying, bribery, deceptive advertising, creative accounting and financial reporting), from societal (e.g. commoditization of body parts, patenting of genes) to global (e.g. global safety standards, human rights) we will develop methods of reasoning, learning particularly from the philosophers and the economists. Through our learning from corporate and individual ethical misbehavior and responsible behavior we will identify how both corporations and individuals can influence performance management in order to go from responsibility to action, for the benefit of future generations. The evaluation will be based on an active involvement in class discussions (40%), one paper on a subject you will choose (40%), and a book review (2 pages) on a book of your choice (20%).

POLECON 347. Intellectual Property and Its Effect on Business

This course explores the impact intellectual property rights have on business decisions. We begin with a general background of intellectual property law including copyright, trademark, patent and trade secret. We will also cover quasi property rights such as database and privacy. Each of these distinct rights will be examined through a case methodology affording students an opportunity to gauge the relative strengths and weaknesses of a particular form of protection. As the value of intellectual property rises, the avenues of economic return increase. We will analyze various methods of maximizing such economic returns. Focus for this course is on the impact both technological innovation and intellectual property law have on business strategies. This is not a class designed to teach students the law of intellectual property. Rather, this course educates business decision makers on the impact intellectual property can have on the bottom line. This course employs a mixed lecture/case discussion format. We will have several sessions with lectures by visiting industry experts.

POLECON 349. The Business World: Moral and Spiritual Inquiry Through Literature

This course uses novels and plays as a basis for examining the moral and spiritual aspects of business leadership and of the environment in which business is done. On the one hand literature is used as the basis for examining the character of business people, while on the other hand literature provides illumination of the cultural contexts of values and beliefs within which commercial activities take place in a global economy. The course is organized around the interplay of religious traditions and national identities. Classes are taught in a Socratic, discussion-based style, creating as much of a seminar atmosphere as possible. A two-text method is used, encouraging students to examine their own personal stories with as much care as the stories presented in the literature.

POLECON 386. International Comparison of Corporate Governance Systems

This course compares legal/political/economic systems of corporate governance systems found around the world. The focus of this comparison is on how corporate governance systems influence performance, including both individual firm performance and the allocation of capital within a country. This is of vital interest to various professional groups, such as Investment bankers, venture capitalists, and consultants. We will discuss the legal and institutional contexts, seeking answers to questions like these: Why are there so few publicly traded companies in Italy? Why is it so difficult to generate financial capital in Russia? And, most importantly, How are national economic growth and corporate governance related? The course consists of lectures, guest lectures, individual student presentations and team based case assignments. The cases focus countries from Asia, Europe and Europe and Africa. The course will feature expert guest speakers.

STRAMGT 569: Social Entrepreneurship

This course is an examination of individuals and organizations using entrepreneurial skills to develop innovative responses to social problems. Entrepreneurship has traditionally been seen as a way of creating wealth for the entrepreneur and their backers. Social entrepreneurs use the skills of finding

opportunities, innovating new approaches, securing and focusing resources and successfully managing risk to build organizations that create a social value beyond the financial bottom line. The skills of the entrepreneur are more crucial than ever in the social sector: The continuing economic downturn has meant that there are significantly less financial resources available to address critical social problems. It should be remembered, however, that even during the boom time of the 1990's there were not great gains made by macro policy approaches in improving the conditions of poverty, health care or economic divergence of the wealthy and developing nations and communities. Social entrepreneurship is about specific, micro strategies involving individual entrepreneurial efforts. We will study some of the most promising and proven innovations for changing the lives of people. We will also examine the projects that have matured enough that are now tackling the issue of "scale" moving from local innovations to solutions that can create deep systemic changes for larger numbers of economically disadvantaged individuals and communities throughout the world. We will examine early stage, expansion stage, and successful, struggling and failed social enterprises. We will have the unique perspectives of those people who have been closest to the work, and we will have an extraordinary cast of guest faculty and respondents to provide a broad analytical context to understand the work.

The Stanford curriculum also offers visiting guest lectures, discussions and brown bag lunches on ethics topics.

To bring the topic to the student's daily life, Stanford has a student Honor Code. Dean Joss states, "We want to underscore the importance of the trust that consumers, employees and communities place in corporations and the responsibilities that accompany that trust. We want to convince students of the link between ethical behavior and long-term success as a leader."