

## **MGT 535: Business, Society and Ethics**

**Course Title: Business, Society and Ethics**

**Course Code: MGT 535**

**Credit Hours: 2**

**Semester: First**

**Lecturer Hours: 30**

### **Course Objectives**

The main purpose of this course is to provide students with a broad context for doing business in Nepal and elsewhere through appropriate relationships with different stakeholders, including government and civil society. The relationship between business firms and their stakeholders is becoming more complex, especially as society has become increasingly concerned with issues, such as corporate ethics, product safety, stakeholder rights, societal environmental concerns, equal opportunity, and human rights. The intent of the course is therefore to help students gain a better understanding of the interplay among business, governments, and society with particular attention to how firms manage those relationships.

### **Course Description**

The course begins with investigations of corporate social responsibility and the ethical dimensions of management actions and decision-making processes. Attention is given to perspectives on the roles of the firm that lead to governance mechanisms and operating policies that encourage ethical conduct, serve stakeholders, and support long-term corporate sustainability.

### **Learning Outcomes**

On completion of the course, students should be able to:

- explain the key issues in business and society relationships;
- evaluate the concept of corporate social responsibility (CSR) and identify the components relevant to the social responsibility of business;
- identify the roles of the government and other stakeholders in promoting CSR;
- evaluate the various ethical issues in business and make appropriate decisions for ensuring the smooth functioning of business and gaining stakeholders' support.
- adopt the appropriate mechanism for effective corporate governance.
- analyse CSR, business ethics, and corporate governance practices in Nepal and provide suggestions for improving the existing state of affairs.

### **Course Contents**

#### **Unit 1: The Business and Society Relationship**

**LH 6**

Concept and characteristics of business; concept and characteristics of society; factors in social environment, business criticism, and corporate response; relationship between business and society: a systems perspective; changing role of business in society: Corporate Social Responsibility (CSR) before 1950, CSR from the 1950s to 1990s, CSR in the present era.

**Unit 2: Corporate Social Responsibility** **LH 6**

Concept and basic elements of corporate social responsibility (CSR); CSR vs. window dressing; major theoretical perspectives on CSR: Friedman's shareholder theory, Freeman's stakeholder theory, Carroll's CSR pyramid, and Porter and Kramer's creating shared value (CSV); benefits of CSR to business and society; implementing stakeholder perspective in CSR; role of the government in promoting CSR: regulating, facilitating, collaborating, and endorsing; role of other stakeholders in promoting CSR.

**Unit 3: Business Ethics and Ethical Decision-Making** **LH 6**

Concept of business ethics; ethical issues in business: abusive or intimidating behavior, misuse of company time and resources, conflict of interest, bribery, discrimination, sexual harassment, fraud, and privacy issues; understanding the ethical decision-making process: Factor influencing the ethical decision-making process; developing an ethical culture; Whistle blowing: concept, types, and consequences; impact of ethics on business and society.

**Unit 4: Corporate Governance** **LH 6**

Corporate governance: concept, scope, and significance; theories governing corporate governance: agency theory, transaction cost economics, stewardship theory, and stakeholder theory; issues in corporate governance systems: board of directors, shareholder activism, investor confidence, internal control and risk management, and executive compensation; corporate governance around the world; impact of governance on business, society, and the economy.

**Unit 5: CRS, Business Ethics and Corporate Governance in Nepal** **LH 6**

Status of Corporate Social Responsibility (CSR) practices in Nepal; Legal provisions governing CSR in Nepal; Business code of conducts in Nepal: FNCCI's business code of conduct, 2061, NBI's business code of conduct concepts, 2070; Business ethics issues in Nepal; Corporate governance systems in Nepalese business organizations; Way forward for improving CSR, ethical business practices and corporate governance in Nepal.

**Required Textbook and Materials:**

***Prescribed Text Books:***

Carroll, A. B., Brown, J. A., & Buchholz, A. K. (2018). *Business & society: Ethics, sustainability, and stakeholder management* (10<sup>th</sup> Ed.). Boston, USA: Cengage Learning.

Chapagain, B. R. (2018). *Business and society*. Kathmandu, Nepal: Asmita Books Publishers & Distributors.

***Suggested Reference:***

Ferrell, O. C., Thome, D., & Ferrell, L. (2018). *Business & society: A strategic approach to social responsibility and ethics* (6<sup>th</sup> Ed.). Chicago, USA: Chicago Business Press.

