

BUSINESS & SOCIETY

WEEK 6

- 14. Stockholder Rights and Corporate Governance
- 15. Consumer Protection
- 16. Employees and the Corporation

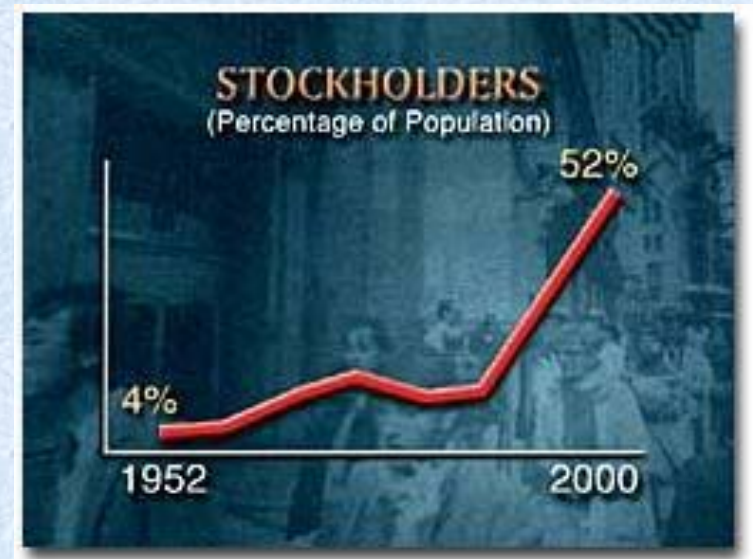
Case studies: 330, 353, 376

14. Stockholder Rights and Corporate Governance

Stockholders (shareholders)

Types: individuals, businesses, states

Is CSR different in each case?



14. Stockholder Rights and Corporate Governance

Stockholder/shareholder objectives

- Make money
- Achieve social or ethical objectives

To what extent are these complementary?

14. Stockholder Rights and Corporate Governance

Stockholders and management

Management: individuals, boards

Is there tension between stockholder objectives and management objectives insofar as CSR is concerned?

14. Stockholder Rights and Corporate Governance

Governance

Principles:

- Select outside directors
- Hold open elections to appoint board
- Appoint independent lead director (\neq CEO)
- Align director salary with corporate performance
- Evaluate Board's performance

Are these enough for CSR?

14. Stockholder Rights and Corporate Governance

Executive compensation

Are 400-fold executive salaries and golden parachutes expressions of CSR?

14. Stockholder Rights and Corporate Governance

Readings

- <http://www.aflcio.org/corporatewatch/paywatch/>
- http://www.forbes.com/2007/05/03/highest-paid-ceos-lead-07ceo-cz_sd_0503ceo_land.html

15. Consumer Protection

Consumer movement

Movements for consumer protection are due to:

- Complexity of products and services
- Globalization of origin
- Specialization of services
- Advertising distortion
- Product safety

15. Consumer Protection

Protecting consumers

Laws:

<http://www.canadianlawsite.ca/consumer-protection.htm>

Agencies:

<http://www.ftc.gov/bcp/consumer.shtm>

States:

<http://www.ct.gov/dcp/site/default.asp>