

Other People's Money: CSR Goes to the Movies

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Abstract

We review the film *Other People's Money* as a teaching tool for introducing concepts of corporate social responsibility and board governance. The film's climactic shareholder meeting contains two vivid examples of stakeholder theory and shareholder primacy illustrated through the competing election speeches made by the lead characters. Our article provides step-by-step instructions for how to use the film to explore these concepts and discusses ways to enhance student competency in this area.

Keywords

movies, corporate social responsibility, stakeholder theory, shareholder primacy, board governance

Students often struggle to make sense of corporate social responsibility (CSR) because for many students the concept is abstract. While the premise is simple—businesses ought to be responsible, and managers should further those goals—the devil is, as they say, in the details. Who are they supposed to be responsible to? What about when there are competing obligations? How do you know if you are doing it right? This concept becomes even more difficult when competing frameworks of shareholder primacy and stakeholder theory (a classical way of introducing the topic) are introduced because students often lack specific concrete examples to connect the theory to their lived experience. Students easily recognize the theories, however, when they are presented in film. By viewing film clips and engaging with in-class and reflective activities, students can develop an applied and immediate understanding of how the theories

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differ and why that matters. This approach helps them to better grasp CSR concepts and provides a springboard for a more nuanced discussion.

Resource Description

Other People's Money (Jewison, 1991) is a movie about a corporate raider Lawrence Garfield, who sets his sights on a venerable but underperforming family-run business, New England Wire & Cable. Garfield intends to break up the company and unlock the underlying asset values in order to create greater returns for shareholders. The firm's CEO, Andrew Jorgenson, resists the takeover, arguing that a duty to stakeholders should be the firm's focus. The culminating scene at the end of the film is a shareholder meeting where competing slates of corporate officers, led by Garfield and Jorgenson, are standing for election. Both men plead their case in video clips, each about 6 minutes in length. In doing so, they invoke concepts of CSR. We believe that the use of the 12-minute shareholder meeting scene from *Other People's Money* is an excellent vehicle for introducing CSR. Table 1 describes the main characters, the theories they espouse, and where to find the clips in the film.

In the first clip, Andrew Jorgenson, played by Gregory Peck, makes his plea to the shareholders to consider the interests of the employees and the community. His speech is a prime example of stakeholder theory. He passionately argues that the intrinsic value of a firm is greater than its stock price. He situates the workplace within a larger social construct of community, noting that it is the place "where we earn our living . . . meet our friends . . ." and that it "binds our society together" (Jewison, 1991). His argument, that shareholders should care about people, is well aligned with the principles of stakeholder theory.

By comparison, the speech by Lawrence Garfield, played by Danny DeVito, is an articulation of shareholder primacy. He reminds shareholders that the reason they became stockholders was, as he phrases it, to "make money." He notes that the stock price has fallen six-fold over a 10-year period, while stakeholder costs (in the form of wages and utility costs paid to the community) have doubled. He argues that the appropriate action for shareholders would be to harvest their remaining capital from the firm by unlocking its underlying asset values, converting that value into cash, and investing in something else.

In a few short minutes, the film clips illustrate two complex corporate governance frameworks for students in a manner that is accessible for them. The clips also provide a scaffold on which to build higher-level competency in analyzing complex CSR issues and to introduce concepts of contemporary environmental, social, and governance theory.

Use in Teaching

This single class activity can be used to introduce students to the basic concepts of shareholder primacy and stakeholder theory through a shared in-class experience watching two short videos and role-playing a shareholder board of directors' vote.

Table 1. Summary of Scenes.

	Scene 1	Scene 2
Character	Andrew Jorgenson	Lawrence Garfield
Actor	Gregory Peck	Danny DeVito
Theory represented	Stakeholder theory	Shareholder primacy
Start time	1:19:00	1:25:00
Stop time	1:24:30	1:30:30

Table 2 outlines a typical approach to using the film clips for a face-to-face classroom, organized as a lesson plan. We begin by asking the students to consider their initial impressions of CSR by asking them to respond to a writing prompt and complete a short reading (Activity 1). We then take the students through a four-part sequence in class (Activities 2-5). After class, we ask them to complete a postclass reflection assignment on the experience (Activity 6). The activity can be adapted for an online teaching format.

Because we are not showing the entire film, setting a context for the clips is necessary. We find that summarizing the film and handing out transcripts of the speeches is a useful way for students to follow along, take notes, and refer to a document during viewing and discussion (Activity 2).¹

We show the first clip, where Andrew Jorgenson makes his plea for a vote in line with the stakeholder theory of the firm. We ask the students to write down what they think as they view the clip.

1. Were you persuaded?
2. What specific words or phrases resonated with you?
3. If you were voting shareholders, how might you vote?

Then we play the next clip where corporate raider Lawrence Garfield makes his case for his slate to be elected. As we did before, we ask the students to write down what they think. We also use the same questions as above (Activity 3). We then simulate the vote by having them fill out a ballot, and we tabulate and announce the results (Activity 4).

We then spend time engaged in a class discussion. Note, if your class is large, you might use a think-pair-share approach. Depending on how the discussion unfolds, we might ask some probing questions that address responses from students, such as the following:

- Why were you surprised that you agreed with X?
- Why were you so annoyed by X’s position?

We might ask them to think about how to balance or prioritize responsibilities that are owed to multiple stakeholders. We ask whether their positions would change if they

Table 2. Lesson Plan.

Activity	Description	Time needed
1. Preclass	Before class, have the students respond to a 150- to 250-word writing prompt: "Does a business owe a social responsibility to anyone? If so, to whom? If not, why not?" We find that asking them the question in a semistructured way before providing readings, a definition, or some other context is powerful, as it surfaces their natural biases. We then ask them to read the Friedman (1970) and Business Roundtable (2019) articles before class.	
2. Introduction to lesson and overview of the film	Begin with an introduction to the concepts of shareholder primacy and stakeholder theory. Explain how they relate to corporate social responsibility.	10-15 minutes
3. Watching the film clips	Show the first speech delivered by Gregory Peck's character, Andrew "Jorgy" Jorgenson. Then, show the second speech delivered by Danny DeVito's character, Lawrence Garfield. - Both clips are about 5 minutes long. As the students watch the clip, ask them to follow along with their copy of the transcript and take notes. - After each clip is finished, wait a minute or two to have the students process what they've watched. They should not talk during this time but instead jot down any final notes. - You might ask them to answer the following question in writing: "Did the character persuade you?"	15-20 minutes
4. Simulated vote and discussion	- Distribute and have the students fill out their shareholder ballots. - Collect and tabulate the ballots, and announce the results. - Then, ask the students to discuss why they voted the way they did. Suggested discussion questions are in Table 3. - If it didn't happen organically, link the speeches to the twin frameworks of shareholder primacy and stakeholder theory.	15-20 minutes
5. Classroom debrief	After voting, discuss the results. We find it effective to poll the students and ask for volunteers to explain why they voted the way they did, whether their original position was the same as the one they voted, and if their opinion wavered at all. Generally, this line of questioning snowballs into a rich discussion.	20 minutes
6. Closure and evaluation	- Introduce postclass assignment(s), and distribute exit slips. - Collect exit slips. - Either on your course Learning Management System or at the beginning of the next class session, summarize the exit slip results and collect reflection assignment responses.	5 minutes

Table 3. Sample Discussion Questions.

Stakeholder	Shareholder
1. What key arguments does Peck make about what a company is and who it is for?	1. What key arguments does DeVito make about the purpose of a company?
2. What argument is he making about the role of the company in the community?	2. What is the basis of his argument that the company has not met its obligations? What remedy does he suggest?
3. What assumptions is he making about the company’s obligations to its shareholders?	3. What assumptions is he making about the company’s obligations to society?
4. What specific duties does the company management have to its stakeholders in general? What specific duties does the company management have to specific groups of stakeholders?	

assumed the role of a frontline employee, a customer, a senior manager, or an owner. Table 3 presents sample questions for developing and managing the class discussion.

We end the lesson by asking the students to complete an “exit slip,” identifying the main points and takeaways they encountered, and then to write a postclass reflection (Activity 6). In our experience, students find value in closing the learning loop with open-ended postclass reflection questions (Gibbs, 1988), such as the following:

- 1. What did you learn about the nature of CSR as a result of the exercise?
- 2. How might this exercise inform your future actions as a business owner, manager, or employee?

Additional Teaching Uses

The lesson plan described above will work in many contexts, but some instructors may wish to try alternative approaches. As noted above, the lesson adapts to an online course. In addition, using the same structure of contrasting frameworks through the film clips, readings, and questions, a class or training session may use role-play to explore the implications of the different theoretical approaches. For example, the instructor could divide students into teams to debate the merits of each framework or organize students into different stakeholder groups and have them simulate a town hall meeting or similar event. Another appropriate use of the film clips would be in an essay question on an exam.

Analysis and Comparison

Using *Other People’s Money* movie clips in teaching can provide students with examples that are relevant and engaging to help them contextualize CSR. Structured individual reflections and class discussions before and after viewing the movie clips connect the examples to students’ intuitive and evolving understanding.

CSR education is a prominent fixture in business education (Kolodinsky et al., 2010). In management education, CSR is often approached by introducing students to

concepts of stakeholder theory that presuppose that businesses need to address issues beyond shareholder wealth (Donaldson & Preston, 1995; Freeman, 1984/2010). Indeed, that is a valid view. However, students often struggle with the nuances of the dichotomy between shareholder primacy (Smith & Rönnegard, 2016) and stakeholder theory (Freeman, 1984/2010). Without a shared context of experience (Healey & Jenkins, 2000; Kolb, 1984), textbooks and classroom discussions do not always yield conceptual clarity. Beginning with a discussion of how they are, in a way, two poles on a continuum, and then nuancing the discussion to demonstrate that they are not mutually exclusive, is a useful approach. Discussion is greatly enhanced when we connect the conflicting demands organizations face with a theoretical framework that contrasts different fundamental assumptions about the purpose of companies and obligations of decision makers.

Too often, CSR discussions assume that we need to financially justify CSR expenditures as strategic tools for achieving shareholder primacy. This is a dated view (Albuquerque et al., 2019). Using the film's final speeches, instructors may guide students toward addressing the important question of whether, in fact, firms can do well by doing good. Furthermore, both speeches are compelling in their ability to influence students with varying degrees of *ethos*, *pathos*, and *logos*. This activity provides instructors with an opportunity to extend the discussion into more contemporary frameworks of environment, social, and governance issues, many of which empirically argue that shareholder primacy and stakeholder theory are in fact intertwined goals that collectively further the interests of the firm (e.g., Albuquerque et al., 2019).

We note that the film has been used in other contexts. Graham et al. (1999) deployed the film in teaching corporate restructuring, while Diamond (2009) has used the film to illustrate concepts of creative destruction. We recommend using only the film clips because the entire film comes across as dated to contemporary students. In addition, students often lack experience with a "film as text" approach (Champoux, 1999; Meyer, 1993; Smith, 2009), and we find that the details of the story line distract our students from the conceptual focus. On the other side, instructors, pressed for time during the semester, may not want to sacrifice an entire class session to show this movie.

Other People's Money is unique in giving a clear presentation of the contrasting concepts of shareholder primacy and stakeholder theory in a 12-minute segment, but other movies may be valuable for their focus on the nuances of stakeholder theory. For those who might want a film with a greater focus on particular stakeholder groups, we also recommend *Promised Land* (Van Sant et al., 2013), which discusses environmental and community impacts; *The Company Men* (Wells et al., 2011) or *Up in the Air* (Reitman et al., 2009), which discuss the impact of corporate downsizing on employees; or *Food Fight* (Childs, 2016), which considers multiple stakeholder perspectives in the Market Basket labor dispute. The advantage of *Other People's Money* with its balanced exploration of both theoretical perspectives, however, is that instructors may use the clips to provide an engaging and efficient introduction of the theories or as a conceptual scaffold before viewing other films exploring stakeholder perspectives in greater depth.

Conclusion

Other People's Money is an accessible vehicle for engaging students in a discussion of CSR and the dichotomy of fiduciary and ethical demands. As business school faculty, we introduce stakeholder theory as a parallel conceptual framework for analysis but often without challenging the assumption of shareholder primacy. When teaching CSR, exploring the different assumptions of these frameworks provides a conceptual basis for debating conflicting demands on management. The contrasting perspectives embodied in the film's final speeches guide students into a thoughtful exploration of CSR.

Students learn best when they connect concepts and theories to examples, but without the lived experience of addressing conflicting fiduciary and ethical decisions, they may struggle to gain a higher level of insight into CSR. Using the movie scene of the two speeches and having students role-play a board of directors vote provides students with a learning experience that is both relevant and engaging and thus allows instructors to better scaffold student learning. Structured individual reflections and class discussions before and after viewing the movie clips connect the example to students' intuitive and evolving understanding of CSR.

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Note

1. The authors are happy to supply copies of transcripts of the two speeches and sample student handouts, as well as a lesson plan for an online course, on request.

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