DESCRIPTION

This course examines the ethical aspects of individual and corporate decision making in business and provides resources for making ethical decisions within the context of managerial practice.

RATIONALE

A course in business ethics is an important part of management education since:

- Ethical concerns are inherent in situations faced by managers at all levels of business organizations, and

- Ethical awareness and sound ethical judgment are essential for individual success and organizational effectiveness.

The consequences of neglecting ethics in business include ruined careers, organizational strife, tarnished corporate reputations, heavy legal liability, and increased government regulation.

The questions considered in this course are difficult because they involve controversial issues that fall outside the expertise of most managers and are not easily incorporated into the ordinary decision-making process. However, certain values, such as honesty, trust, respect, and fairness, are critical in business relations, and business decisions affect the well-being and rights of many different parties, including shareholders, employees, customers, suppliers, and the community. For these reasons, ethical issues cannot be avoided in business decision making, and managers bear great responsibility not only for their own behavior but also for the ethical climate of their organization and the impact of business activity on society.

This course recognizes that business is conducted by economic organizations in a highly competitive market
environment. In addition, managers often make decisions under severe time pressure without sufficient information. Ethical decision making in business cannot be considered apart from the complexity and uncertainty of actual situations. The focus of the course, therefore, is on ethical questions from the point of view of the practicing manager, with the aim of making ethical decisions that are consistent with effective corporate management.

OBJECTIVES

The objective of this course is the development of the attitudes, knowledge, and skills that enable managers to make ethical decisions and to implement them effectively in an organizational setting. The course does not seek to impose any particular values or standards but provides, instead, an opportunity for examining one's own moral convictions and those of others and for exploring how they can be integrated into management practice. Specifically, the objectives of this course are:

**Attitudes**

- To appreciate the essential role of ethical values in business relations and the importance of the ethical treatment of others for individual success and organizational effectiveness.

- To accept the responsibility that managers have for their own behavior, for the ethical climate of their organization, and for the impact of business activity on other groups in society.

- To recognize the legitimacy of the demands that society places on modern corporations and the American business system to exercise its power responsibly and to be generally beneficial.

- To develop a respect for the legal and regulatory structure of business and an attitude of willing compliance, along with a recognition of the limitations of law and regulation.

- To foster a sense of personal integrity and purpose, including an awareness of the moral significance of one's action and the courage to act in accord with one's own moral convictions.

**Knowledge**

- To be aware of the specific ethical issues which arise as an integral part of management, of the factual background in which these issues are embedded, and of the ways in which these issues are commonly analyzed.

- To be acquainted with the concepts and principles of ethical reasoning which have been developed in ethical theory, and to be able to apply these concepts and principles to specific ethical issues.

- To recognize the opportunities and obstacles and the inevitable trade-off which are involved in making
ethical decisions in business situations and in implementing ethical decisions within the context of an organization and a competitive market.

• To understand the legal and regulatory structure of business as it bears on ethical issues in business and the ethical basis of that structure, including areas where existing law and regulation are open to ethical criticism.

• To understand the ethical basis of corporate organization and governance, including the ethical arguments for and against the concepts of corporate social responsibility and stakeholder management.

• To be aware of the ethical problems that arise in international business, and to develop a framework for ethical decision making in a cross-cultural environment.

Skills

• To recognize ethical issues in one's own experience and to analyze them correctly.

• To make sound ethical and managerial decisions and to implement those decisions within the context of an organization and a competitive market.

• To communicate with others in order to express one's own ethical values and standards, to engage others in moral deliberation, and to develop a consensus on a course of action.

• To provide leadership in creating and maintaining an ethical climate in an organization and in fulfilling a corporation's responsibility to shareholders, employees, customers, suppliers, and the community.

PROCEDURE

The course material consists of readings and cases from the textbook and other sources along with video cases for class discussion. The readings are intended to provide: (a) descriptions of the ethical problems that arise in business, (b) the tools of ethical analysis, (c) the analyses of these problems that have been offered by philosophers, legal theorists, and others, and (d) possibilities for resolving these problems in actual practice. The cases are used as opportunities to apply the tools of ethical analysis and analyses learned from the reading and to formulate and implement one's own decisions in realistic business situations.

Class sessions are conducted primarily by case discussion. The assigned reading will be reviewed in class with some opportunity provided for questions, but it is assumed that the reading will be understood without much classroom assistance. In order for the case study method to work, it is essential that all assigned reading be done before class and that everyone be prepared to discuss the assigned cases.
REQUIREMENTS

In addition to the assigned reading and class participation, the requirements for the course include a writing project and a final examination. The examination is essay in form and is “open book,” which is to say that all assigned reading and notes may be consulted during the examinations. Instructions for the papers are given below. The grade for the course is determined as follows: the writing project 30%, the final examination 50%, and participation 20%.

WRITING PROJECT

The writing project consists of three separate assignments. (1) The first assignment is to write a scenario that describes a situation in which a manager must make a decision that involves one or more ethical issues. This scenario should be a maximum of 1,000 words, and should be completed by the fifth class period. (2) The second assignment is to write a response to another student’s scenario which describes the decision that you would make and the reasons for that decision. (Instructions for exchanging scenarios will be provided in class.) The response should be a maximum of 1,000 words, and should be completed by the seventh class period. (3) The third assignment is an evaluation of the response that another student has made to your own scenario. In this evaluation, you should indicate whether you agree or disagree with the response, fully justifying your evaluation. All three assignments—your scenario, the other student’s response, and your evaluation—should be submitted together on the eighth class period. All parts of the writing project should be typed double-spaced with one-inch margins on all sides, with the name of the writer at the top of the first sheet of each part. No binder or cover should be used.

OFFICE HOURS

Office hours are maintained on Mondays and Tuesdays from 9:00 until 12 noon, and from 1:00 until 3:00, and other times by appointment, at 25 E. Pearson, Room 1379. Telephone: (312) 915-6994. You may also communicate through fax at (312) 915-6988 or e-mail using the address: jboatri@luc.edu. Course information, including this syllabus, is available through the Internet at: http://homepages.luc.edu/~jboatri.

READING

The text for the course is John R. Boatright, *Ethics and the Conduct of Business*, 4th ed. (Prentice Hall, 2003). The cases in assigned portions of the text are required reading, although only cases listed in the schedule will be discussed. Videos are shown in class.

SCHEDULE

Session 1 August 26
Reading: Text, ch. 1
Case: “Johnson & Johnson: The Tylenol Crisis” (Case 1.1)
Case: “The Ethics of Hardball” (Case 1.3)
Video: “Out on a Limb”
Video: James Burke: A Career in American Business

Session 2 September 2

Reading: Text, ch. 2, and pp. 138-150, 350-354
Case: “Exporting Pollution” (Case 2.2)
Case: “The Conflict of an Insurance Broker” (Case 6.2)
Video: “Keith Barbara”

Session 3 September 9

Reading: Text, chs. 3 and 5
Case: “Beech-Nut’s Bogus Apple Juice” (Case 2.3)
Case: “Clean Hands in a Dirty Business” (Case 3.2)
Case: “An Auditor’s Dilemma” (Case 3.3)
Video: “The Whistleblower”

Session 4 September 16

Reading: Text, chs. 4 and 10, and pp. 345-350
Case: “Green Giant Runs for the Border” (Case 4.1)
Case: “The Firing of Robert Greeley” (Case 10.1)
Case: “AIDS Drugs and South Africa” (Case 4.3)
Video: “Your Job or Mine? Green Giant's Decision to Move to Mexico”

Session 5 September 23

First part of writing assignment due

Reading: Text, ch 7, and pp. 127-138
Case: “The Aggressive Ad Agency” (Case 6.1)
Case: “Three Challenges to Employee Privacy” (Case 7.2)
Case: “Ford Meter Box” (Case 7.3)
Case: “Procter & Gamble Goes Dumpster Diving” (Case 6.3)
Video: “Is Nothing Private Anymore?”

Session 6 September 30
Session 7   October 7

Second part of writing assignment due

Reading: Text, chs. 8 and 9, and pp. 329-335
Case: “Johnson Controls, Inc.” (Case 12.3)

Session 8   October 14

Completed writing assignment due

Reading: Text, ch. 15
Case: “Nike in Southeast Asia” (Case 15.1)
Case: “H.B Fuller in Honduras” (Case 15.2)
Case: “Shell Oil in Nigeria” (Case 15.3)
Video: “Globalization and Human Rights”

Session 9   October 21

Reading: Text, ch. 14, and pp. 354-362
Case: “Pacific Lumber Company” (Case 13.1)
Case: “The Nun and the CEO” (Case 14.1)
Case: “Sears Auto Centers” (Case 14.3)
Case: “Campbell Soup Co.” (Case 14.4)

Session 10   October 28

Final Examination