DESCRIPTION

This is an advanced business ethics course that addresses the ethical challenges of international business for corporate decision making. The aim is to understand the ethical issues that arise in the global business environment and to develop an ability to resolve these issues effectively. The major emphasis of the course is on standards for the operation of multinational corporations and on ethical problems in specific countries and areas of the world. Some attention is also given to the ethical perspectives of managers in different countries and national differences in the academic study of business ethics.

OBJECTIVES

Business ethics is an important part of the education of any manager, but managers with responsibility for foreign operations are confronted with many ethical issues that do not arise in domestic business. The distinctive ethical problems of international business are due to many factors, including: different ethical traditions and political and legal systems; diverse forms of economic organization and different levels of economic development; inadequate or ineffectual regulation, especially in less-developed countries; conflicts between national and regional economic and political interests; a lack of background institutions and guidelines for international business; the scope and power of multinational corporations and their ability to evade regulation; and pervasive corruption in some parts of the world.
In order to deal effectively with the ethical challenges of international business, managers need to:

- Understand the increasingly complex global environment of business and the specific ethical problems that it raises.

- Develop a sensitivity to different ethical perspectives and a tolerance for the conflicts and ambiguity of international business.

- Develop guidelines for personal decision making and for formulating and implementing ethical corporate policies under the conditions of international business.

- Learn how to work toward more effective background institutions and forms of international business regulation.

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.

**REQUIREMENTS**

The course material consists of packets of articles, cases, and documents, which are available in the bookstore. In addition, there are also three Harvard case studies that should be purchased separately. The class sessions are conducted primarily by discussion of the readings and cases. In addition to the assigned reading and class participation, the requirements for the course include a comprehensive examination and a group presentation. The examination is “open book,” which is to say that all assigned reading and notes may be consulted during the examination. The grade for the course is determined as follows: the examination 60%, the presentation 20%, and participation 20%.

**OFFICE HOURS**

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

**SCHEDULE**

**Session 1 February 18 Introduction: Ethics in a Global Context**

- **Article:** Donaldson, “Values in Tension”
- **Article:** Vogel, “The Globalization of Business Ethics”
- **Article:** Oestreich, “What Can Businesses Do to Appease Anti-Globalization Protestors?”
Article: Vernon, “Ethics and the Multinational Enterprise”
Case: “Italian Tax Mores”
Case: Dorrence Corporation Trade-Offs
Document: OECD, “Guidelines for Multinational Enterprises”

Session 2  February 25  Bribery and Corruption

Article: Boatright, “Foreign Bribery”
Article: Cragg and Woof, “The U.S. Foreign Corrupt Practices Act”
Article: Husted, “Honor among Thieves”
Article: Mirvis, “Transformation at Shell”
Case: “Lockheed in Japan”
Case: “Shell Oil in Nigeria”
Document: OAS, Inter-American Convention on Corruption

Session 3  March 11  Managing Ethics Globally: Practical Problems

Article: Puffer and McCarthy, “Finding the Common Ground in Russian and American Business Ethics”
Article: DeGeorge, “Ethical Dilemmas for Multinational Enterprise”
Article: Murphy, “European Managers' Views on Corporate Ethics”
Case: “Foreign Assignment”
Case: “H.B. Fuller in Honduras”
Case: “W. R. Grace & Co. and the Neemix Patent” (A)

Session 4  March 18  Responsibility for Foreign Contractors

Article: Sethi, “Standards for Corporate Conduct in the International Arena”
Article: Maitland, “The Great Non-Debate over International Sweatshops”
Case: “Hitting the Wall: Nike and International Labor Practices”
Document: Nike, “Code of Conduct” and “Monitoring and Assessment”

Session 5  March 25  Ethics and Multinational Corporations

Article: Bowie, “Relativism and the Moral Obligations of Multinational Corporations”
Article: Donaldson, “Moral Minimums for Multinationals”
Article: Velasquez, “International Business Ethics: The Aluminum Companies in Jamaica”
Case: “Levi Strauss & Co.: Global Sourcing” (A)
Session 6  April 1  Business Ethics in Japan

Article:  Gundling, “Ethics and Working with the Japanese: The Entrepreneur and the ‘Elite Course’”
Case:  “Nomura II: Japanese Business Ethics”

Session 7  April 8  Business Ethics in China

Article:  Lu Xiaohe, “Business Ethics in China”
Article:  Hanafin, “Morality and the Market in China: Some Contemporary Views”
Article:  Steidlmeier: “Business Ethics and Politics in China”
Case:  Haier Hefei Electronics Co. (A)

Session 8  April 15  Developing Global Codes of Ethics

Article:  Rondinelli, “Transnational Corporations: International Citizens or New Sovereigns?”
Article:  Sethi, “Codes of Conduct for Multinational Corporations”
Article:  Frederick, “The Moral Authority of Transnational Corporate Codes”
Document:  Caux Round Table, “Principles for Business”
Document:  ICCR, “Principles for Global Corporate Responsibility”

Session 9  April 22  Presentations

Session 10  April 29  Examination

SOURCES

Articles


Ethics and the Multinational Enterprise (Lanham, MD, 1986), 61-69.
California Management Review, 35 (Fall 1992), 30-49.
Webley, Simon, “The Interfaith Declaration: Constructing a Code of Ethics for International

Cases

“Dorrence Corporation Trade-Offs,” in W. Michael Hoffman and Robert E. Frederick, eds.,
“Foreign Assignment,” in Thomas Donaldson and Al Gini, eds., Case Studies in Business Ethics,
“Lockheed in Japan,” in John R. Boatright, Ethics and the Conduct of Business, 4th ed. (Upper
“H. B. Fuller in Honduras: Street Children and Substance Abuse,” in John R. Boatright, ed.,
Cases in Ethics and the Conduct of Business (Englewood Cliffs, NJ: Prentice Hall, 1995),
301-314.
“Hitting the Wall: Nike and International Labor Practices,” Harvard Business School, M1-700-
047.
“Italian Tax Mores,” in Thomas Donaldson and Patricia H. Werhane, Ethical Issues in Business,
“W. R. Grace & Co. and the Neemix Patent” (A), Darden School, University of Virginia, UVA-
E-0157

Documents

“Caux Round Table, Principles for Business.”
Fair Labor Association, “About the FLA,” “Workplace Code of Conduct,” and “Principles of
Monitoring.”
“ICCR, Principles for Global Corporate Responsibility.”
Nike, “Code of Conduct” and “Monitoring and Assessment.”
Organization of American States, “Inter-American Convention on Corruption.”
OECD, “Convention on Combating Bribery of Foreign Officials in International Business
Transactions.”
OECD, “Guidelines for Multinational Enterprises.”
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