



# LINCOLN UNIVERSITY

Course No. BA 309

Course Title: ETHICS OF BUSINESS MANAGEMENT

Instructor: Allan Samson

Contact: Allan Samson

Credit: 3 units = 45 lecture hours

Office Hours: By Appointment

Class Hours: Three (M, 3:30 – 6:15 PM)

(415) 391-4949

Semester: Spring 2015

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## **Textbook:**

**Business Ethics, 8th edition (2013), William H. Shaw**

**Wadsworth Cengage: ISBN-13: 978-1133943075, ISBN-10: 1133943071**

## **Course Description:**

The course is an advanced review of ethical theories and value systems. Topics include moral issues, codes of ethics, conflict of interest, social and fiduciary responsibilities, the work ethics, and other situations which arise within business management. (3 units)

## **Introductory Questions:**

What's wrong with giving bribes? What's wrong with asking for bribes? What's wrong with paying money to a lower official if it will speed up bureaucratic regulations? What's wrong with large executive bonuses after company losses? What's wrong with exchanging promotions for sexual favors? What's wrong with giving expensive gifts to get a contract? What's wrong with hiring your less qualified relatives for important positions? What's wrong with using insider knowledge to buy or sell stock in a company? What's wrong with outsourcing jobs if it will increase your company's profits? What's wrong with allowing foreign contractors to hire children to produce your product if it will increase company profits? Should you report on the management of your own company if you know it is hiding or covering up hazardous chemicals if you risk losing your job? What's wrong with selling chemicals to other countries (where it is legal to do so) if it is against the law to sell these same chemicals in your own country? What's wrong with using your company's economic power to lower process in order to drive competitors out of business? What's wrong with deregulating government rules? What's wrong with opposing government oversight? What's wrong with setting up secret overseas bank accounts?

**Learning Objectives:**

This course will consider ethical behavior in American and international businesses. Topics will include awareness of ethical issues in organizations, stakeholder interests in organizations, the cultural background of business ethics, the ethics of income inequality, bribery and corruption, corporate dishonesty, corporate social responsibility, global ethics, codes of conduct, responsibility for foreign investors, transparency in global business, child labor, human rights in international business, regulating foreign contractors, business ethics in America, Europe, China, Japan and Islamic nations, developing a global code of conduct, socially responsible investment, ethics and the environment, and whether multinational corporations can act in a socially responsible manner.

**Course Questions:**

1. Ethics in relation to social responsibility.
2. Values, ethics, and ethical leadership in relation to different situations.
3. Comparison of American ethical business values with those found in other international cultures.
4. Application of Corporate Social Responsibility and Socially Responsible Investing.
5. Ethical questions concerning Google, Shell, IKEA, Walmart, Exxon, Pepsi, GlaxoSmithKline, Nestle, and Siemens.
6. How endemic are bribery and corruption?
7. Income Inequality – how acceptable?

**Methodology:**

Students are expected to read the assigned chapter and articles and case studies before each class. Case studies and hypothetical problems will comprise a part of each class session. Students will consider the case studies individually and in teams. Many of the case studies and articles will be available by downloading from their computers.

Case studies and articles will be sent to the students' e-mail addresses several days before class. Hard copies of some cases will be provided a week before.

There will be class discussions and group presentations by students on the case studies and articles.

**Project:**

Case study problems on ethical issues will be assigned to students on an individual basis and on a group basis. Answers will be turned in and graded.

There will be a final project on a topic to be decided by the students and the professor. The projects will be presented by teams on the last day of class. The project paper will be submitted before the end of the semester. The project will comprise approximately 20 per cent of the final grade.

Students' work is expected to be original.

**Testing:**

There will be one mid-term examination and one final examination. Both will be essay examinations. Homework assignments will be turned in. Questions on ethical case studies will be given and answered in class.

**Grading:**

Grading will be based on the following criteria:

Mid-term	: 30 per cent
Final Examination	: 40 per cent
Class Attendance and Homework	: Discretionary Evaluation
Case Studies Analysis	: 10 per cent
Presentation	: 20 per cent

**Grading Standard:**

100-95	A	76-74	C
94-90	A-	73-70	C-
89-87	B+	69-67	D+
86-84	B	66-60	D
83-80	B-	59 or <	F
79-77	C+		

**Classroom Protocol:**

Courtesy is expected. This includes no cell phone usage. Excessive talking will be punished by immediate beheading.

**Course Calendar and Assignments:**

The assigned material for each date should be read before the class with the exception of the first class. Class participation in discussing the material and case studies and hypothetical questions is expected.

**Date****Assignments**

**January 26:** Chapter 1: The Nature of Morality.

Discussion Problems: "The Runaway Trolley", "The Mignonette", "The Girl in the Basement"

**February 2:** Chapter 2: Normative Theories of Ethics.

Chapter 3: Justice and Economic Distribution

**February 9: Chapter 4: The Nature of Capitalism**

Video of Interview with Robert Reich on Economic Inequality

**February 16: No Class**

**February 23: Readings on the Ethics of Income Inequality**

The Economist: "Capitalism and Inequality" (October 13, 2013)

Paul Krugman: "Why We're in a new Guilded Age" (New York Review of Books, May 8, 2014)

John Cassidy: "The Forces of Divergence" (New Yorker, March 31, 2014)

"Pope Paul Denounces Trickle-Down Economics" (Nov. 26, 2013)

**March 2: Readings and Cases on Bribery**

Bodrick, Case: "The Shakedown" Harvard Business School (PDF)

Case: "Siemens and Bribery" (PDF)

Wells, Cases: "Bribery and Extortion in International Business: Harvard Business School (PDF):

Transparency International Corruption Perception Index 2012 (PDF)  
OECD Foreign Bribery Report

**March 9: Chapter 5: Corporations**

**Readings on Concept of Corporate Social Responsibility**

**March 16: Shareholders**

Discussion and Readings on 'Insider Trading'

Discussion and Readings on 'ethical investment'

**Debate: Is CEO Pay too High?**

No: NYT: "What if CEO Pay is Fair?" (NYT: Oct. 13, 2007)

Yes: NYT: "CEO Pay is Rising Despite the Din" (June 16, 2012)

**Ethical Business Choice Questions**

**March 23: Mid-Term**

**March 30: Chapter 6: Consumers**

Case: "Ethics of Offshore Clinical Testing"

Discussion Case: As CEO of your company you must decide whether to market a product that could cause cancer but is economically beneficial (as in the case of some pesticides) to a less-developed country. The death rate could increase over many years but the use of the product will result in an increase in agricultural productivity and income. It is legal to sell that product inside the less-developed country, but it is not legal to sell the same product in your own country. What should you do?

**April 6: Cases on Consumers and Business Ethics**

Case: "Nestle and Infant Formula"

Case: "Nestle: Boycotting the Baby Killers"

March/April 2007 Case: "Big Pharma and AIDS: Act II: *Multinational Monitor*,"

Case: "Do More, Feel Better, Live Longer but Only if You Can Afford It: MSF and Oxfam vs. GlaxoSmithKline:"

**April 13: Chapter 7: The Environment**

Academy Award-Winning Movie: "Inside Job"

**April 20: Chapter 8: The Workplace I (Basic issues)**

**Chapter 9: The Workplace II (Today's Challenges)**

**April 27: Chapter 10: Moral Choices Facing Employees  
Cases on Employees and Business**

(Dec. 26, 2012) New York Times: "Signs of Change in Electronic Factories in China"

New York Times: “Garment Workers Stage Angry Protest after Bangladesh Fire” (Nov. 26, 2012)

New York Times: “As Walmart Makes Safety Vows, It’s Seen as Obstacle to Change” (Dec. 28, 2012)

New York Times: “Major Retailers Join Bangladesh Safety Plan” (May 13, 2013)

New York Times: “US Flouts its own Advice in Procuring Overseas Clothing” (Dec. 22, 2013)

New York Times: “Walmart and Safety in” (Dec. 5, 2013)

Case: “Hitting the Wall: Nike and International Labor Practices,” Harvard Business School, MI-700-047 (PDF)

Case: “Sweatshops, Nike, and Kathie Lee” (PDF)

**May 4: Class Presentations**

**May 11: Final Examination**

**Faculty Information:**

Professor Samson has a B.A. in Economics from the University of Illinois, an M.A. in Economic Development from the East-West Center of the University of Hawaii, a Ph.D. in Political Science from the University of California-Berkeley, and a J.D. from the University of San Francisco.

He has been professor at Lincoln University since 2001 and has taught Business Ethics at Lincoln University for the past five years.

He is Chairman of the Board of Trustees at Lincoln University.

He is a practicing attorney in San Francisco.

**Syllabus Updated:**

January 13, 2015