



# 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 (Mon-Wed, 6:30 – 9:15 PM) (415) 391-4949  
Semester: Summer 2017 allan.samson@sbcglobal.net

## **Textbooks:**

**Business Ethics, 4<sup>th</sup> edition, Crane and Matten (2016)**  
**Oxford University Press: ISBN: 9778-0-19-969731-1**

**Business Ethics, 8<sup>th</sup> edition, William H. Shaw (2014)**  
**Wadsworth Cengage: ISBN-13: 978-1-133-94307-5**  
**(it is not necessary to purchase this book. We will only read three chapters and copies will be on reserve in the library)**

## **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? What's gone wrong with the "free market"?

## **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, whether multinational corporations can act in a socially responsible manner, and what is the relationship between ethics and capitalism.

## **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?
8. Capitalism and ethics

## **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.

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 Participation 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- | Below 60 | 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****June 12:****Hypothetical Ethics Problems****Crane & Matten: Chapter 1****June 14:****Crane & Matten:Chapter 2 (Concepts of Stakeholder Analysis and Corporate Social Resp;onsibility)**

**June 19: Crane & Matten: Chapter 3 (excluding pp. 112-125) (Ethical Theories)**

Discussion problems: The Runaway Trolley; The Mignonette; The Girl in the Basement

**June 21: : Shaw: Chapter 4: The Nature of Capitalism**

Movie: "Inequality for All"

**June 26: Shaw: Chapter 5: Corporations**

**June 28** Movie: "Inside Job"

**July 3: Mid-Term**

**July 5: Crane & Matten: Chapter 6 (Shareholders & Business Ethics)**

**July 10: Crane & Matten: Chapter 7 (Employees & Business Ethics)**

**July 12 Crane & Matten: Chapter 8 (Consumer & Business Ethics)**

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?

**July 17: Topical Issues: Inequality of Income; Corruption; Executive Compensation; Race to the Bottom**

**The following articles can be accessed in:**

<https://goo.gl/W6S37X>

Economist: "Capitalism and Inequality" (Oct. 13, 2012)

John Cassidy: "Pope Francis's Challenge to Global Capitalism: The New Yorker, Dec. 3, 2013)

Thomas Donaldson: "Vales in Tension": HBR (Sept.-Oct. 1996)

Bodrick: "The Shakedown" (Harvard Business School Case Study)

Case: "Boycott the Baby Killers", Crane & Matten, 3<sup>rd</sup> edition

Transparency International: Corruption Perception Index 2014  
(look it up on Google)

Three NYT articles on Executive Compensation (see Articles Link in site above)

Four NYT articles on garment manufacturing in Bangladesh exemplifying concept of "Race to the Bottom". (see Articles Link in site above)

**July 19: Crane & Matten: Chapter 10 (Civil Society & Business Ethics)**

Brugmann & Prahalad: "Cocreating Business's New Social Contract: HBR (February 2007)

**Shaw: Chapter 7: The Environment**

**July 24: Presentations**

**July 26: 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 nine years.

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

He is a practicing attorney in San Francisco.

**Syllabus Updated:**

June 2, 2017

