



# Lincoln University

## BA 19 – Business Ethics

### COURSE SYLLABUS Spring 2020

**Instructor:** Richard S. Rachlin, JD  
**Lecture Schedule:** Wednesdays, 3:30 PM – 6:15 PM  
**Credits:** 3 units / 45 lecture hours

**Level:** Introductory (I)  
**Office Hours:** By appointment  
**e-mail:** [Rocky47@gmail.com](mailto:Rocky47@gmail.com)  
**Phone:** (805) 210-1613

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

What Money Can't Buy, 1st edition, Sandel, Michael,  
Farrar, Straus & Giroux, (2012)  
ISBN:13-978-037420303

**Prerequisite:** *None*  
**Last Revision:** January 2, 2020

### CATALOG DESCRIPTION:

The course is an introduction to basic 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 environment. (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 prices 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”?

### EDUCATIONAL 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.

### COURSE LEARNING OUTCOMES<sup>1</sup>

	Course LO	Program LO	Institutional LO	Assessment activities
1	Consider the ethical issues in Capitalism.	PLO 6	ILO 3a	Assess concepts such as profit motive, competition, the “Invisible Hand”, Inequality, alienation, Short-term focus, and work ethic.
2	Stakeholder or Shareholder Theory as a model for business ethics.	PLO 2	ILO 1a, ILO 2a, ILO 4a	Assess each theory as providing a base for business ethics.
3	What ethical theories are consonant with Capitalism?	PLO 6	ILO 3a	Assess the ethical theories of utilitarianism, ethics of duties,

<sup>1</sup> Detailed description of learning outcomes and information about the assessment procedure are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

				ethics of human rights, and ethics of justice as they apply to international business.
4	Consider the social and ethical responsibilities of corporations.	PLO 2	ILO 1a, ILO 2a, ILO 4a	Assess codes of ethics, corporate governance, fiduciary responsibility, ethics in advertising, insider trading, whistleblowing, and socially responsible investing.
5	Consider Free Market Capitalism and Income Inequality and the “hollowing out” of the middle class.	PLO 2	ILO 1a, ILO 2a, ILO 4a	Assess the positive and negative aspects of income inequality as an engine of economic growth and the effect of regulation, government spending, and progressive taxation.
6	Evaluate the ethical effects of artificial intelligence and robotization.	PLO 1	ILO 1a, ILO 2a	Assess how secure the middle class is in the wake of artificial intelligence and robotization.

## INSTRUCTIONAL METHODS

*This is a direct classroom instruction course.*

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 groups.

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

Assignments and projects require students to actively use resources of the library. Detailed guide to business *resources of the library* as well as the description of Lincoln University approach to *information literacy* are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

## PROJECT PRESENTATION:

There will be a final presentation 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 presentation paper will be submitted before the end of the semester. The presentation will comprise approximately 20 per cent of the final grade.

Students' work is expected to be original.

## TESTING

There will be one final essay examination. 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:

Final Examination	: 50 per cent
Class Attendance and Homework	: 30 per cent
Presentation	: 20 per cent

**Grading Standard:**

Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	F
Points	95-100	90-94	87-89	84-86	80-83	77-79	74-76	70-72	67-69	60-66	0-59

**Classroom Protocol:**

Courtesy is expected. This includes no cell phone usage.

**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.

DateAssignments

<b>Jan 22</b>	<b>General discussion on goals of the course. Introduction on the question of morality</b>
<b>Jan 29</b>	<b>Crane &amp; Matten: Chapter 2</b>
<b>Feb 5</b>	<b>Crane &amp; Matten: Chapter 3 (excluding pp. 112-125)</b>  Discussion problems: The Runaway Trolley; The Mignonette; The Girl in the Basement
<b>Feb 12</b>	<b>Sandel: Chapters 1 &amp; 2</b>
<b>Feb 19</b>	<b>Sandel: Chapter 3</b>
<b>Feb 26</b>	<b>Sandel: Chapter 4</b>
<b>March 4</b>	<b>Sandel: Chapter 5</b>
<b>March 11</b>	<b>No Class - Spring Break</b>
<b>March 18</b>	<b>Crane &amp; Matten: Chapter 6</b> <b>Movie: "Inequality for All"</b>

- March 25**                    **Crane & Matten: Chapter 7**
- April 1**                     **Movie: “Inside Job” (Academy Award-nominated)**
- April 8**                     **Crane & Matten: Chapters 8 and 10**

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 a significant 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 15 & 22**            **Topical Issues:**  
**Inequality of Income;**  
**Corruption: Executive Compensation;**  
**Race to the Bottom**

**The following articles can be accessed at:**  
**<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: “Values 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 2016 (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)

**April 29**

**Presentations**

**May 6**

**Final Examination**

### **FACULTY INFORMATION**

Professor Rachlin has a B.A. in Political Science from the University of North Carolina at Chapel Hill, and a J.D. from the University of Texas at Austin.