

LINCOLN UNIVERSITY
BUSINESS ADMINISTRATION 309: BUSINESS ETHICS

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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 circumvent bureaucratic regulations? What's wrong with exchanging a promotion for sexual favors? What's wrong with giving expensive gifts to get a contract? Why should you refuse expensive gifts from a company which wants your company's business? What's wrong with hiring your relatives even if they are not as well qualified as another job candidate? What's wrong with using insider knowledge to buy or sell a 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 both increase your company's profit and provide employment to benefit the unemployed parents of the children? Should you report on the management of your own company if you know they are hiding or covering up hazardous chemicals and if it may result in your losing your own job?? What's wrong with using your own company's economic power to lower prices in order to drive a competitor out of business? What's wrong with deregulation with minimum governmental oversight? What's wrong with setting up a secret overseas bank account? What's wrong with what Bernie Madoff did? What's wrong with being more concerned about your company's shareholders than about the community in which it operates?

Required Readings:

Ferrell, Fraedrich and Ferrell: "Business Ethics: Ethical Decision Making and Cases"(7th edition Houghton Mifflin 2008, ISBN-10: 0-618-74934-9)

Numerous articles and cases on domestic and international business ethics which will be held in the library available for copying.

Purpose of Course

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, bribery and corruption, corporate dishonesty, corporate social responsibility, global ethics, codes of conduct, managing ethics globally, responsibility for foreign contractors, business ethics in America, Europe, China, Japan, and Islamic countries, and the problems and possibilities of developing a global code of ethics.

Course Objectives

Business ethics is an important part of the education of every executive and decision-maker. This course will hopefully provide a framework within which to:

1. Consider ethics in relation to social responsibility,
2. Define values, ethics and ethical leadership and relate these terms to different situations and different types of organizations.
3. Describe the stakeholder model in relation to potential ethical situations that concern honesty and fairness, conflicts of interest, and fraud.
4. Compare American ethical business values with those found in other international cultures.
5. Consider issues of business ethics as it relates to a global economy.
6. Consider Corporate Social Responsibility and Socially Responsible Investing
6. Within the framework of case studies, discuss important ethical problems that have beset large corporations such as IKEA, Nike, Exxon, Pepsi, WalMart, Shell, GlaxoSmithKline, and others.

Grading Standards.

Grades will be based on the following allocation:

Mid-term	: 40 per cent
Take-Home Final	: 30 per cent
Attendance and Class Participation	: 20 per cent
Case Studies Interpretation	: 10 per cent

Course Calendar and Assignments

The assigned material for each date should be read before the class. Class participation on the material and cases is expected.

Date Assignments

June 8: There will be no class on June 8. I will be attending an out-of-town conference on intellectual business law as it concerns intellectual property. Please read the assigned material for the June 10 class.

June 10: Introduction to Business Ethics

Bowen H. McCoy: "The Parable of the Sadhu," Harvard Business Review (in library)

The Importance of Business Ethics: Chapter 1 (Ferrell)
"A Promise to be Ethical in an Era of Immorality." *New York Times* (May 30, 2009) (in library)

June 15: Stakeholder Relationships

Stakeholder Relationships: Chapter 2 (Ferrell)

Case 1 (Ferrell): “Wal-Mart: The Challenge of Managing Relationships with Stakeholders”

June 17: American Ethical Issues

Emerging Ethics Issues: Chapter 3 (Ferrell)

Case 2: (Ferrell) The Coca Cola Company Struggles with Ethical Crises”

June 22: American Ethical Issues

“Corporate Governance and Accountability” (in library)

“Ethics in Finance (in library)

Case 3: (Ferrell) The Fall of Enron

June 24: American Ethical Issues

The Institutionalization of Business Ethics: Chapter 4 (Ferrell)

“Whistle-Blowing” (in library)

June 29: Global Ethical Issues

Business Ethics in a Global Economy: Chapter 10 (Ferrell)

“Case Studies: Personal Decisions,” (In library)

“Google, Inc., in China (condensed),” *Business Roundtable: Institute for Corporate Ethics*, Case BRI-1005 (in library)

“Transnationals Swap Ethics for Profit in China,” Nury Vittachi
<http://oneworld.net/article/view/119092/1> (in library)

“Ethics be Hanged: Rupert Murdoch is in it to Win,” Jeff Bercovici,
Portfolio.com, http://www.wired.com/techbiz/people/news/2008/04/portfolio_0411 (in library)

July 1: American, European, Chinese, Japanese and Islamic Business Ethics

David Vogel, "The Globalization of Business Ethics: Why America Remains Distinctive," *California Management Review*, 35 (Fall 1991) (in library)

John J. Hanafin, "Morality and the Market in China: Some Contemporary Views," *Business Ethics Quarterly*, 12 (2002), 1-18 (in library)

Chenting Su and James E. Littlefield, "Entering Guanxi: A Business Ethical Dilemma for China,?" *Journal of Business Ethics*, 33 (2001), 199-210 (in library)

"You Say *Guanxi*, I Say Schmoozing," Frederik Balfour, *Business Week Online*, November 9, 2007 (in library)

Iwao Taka, "Business Ethics: A Japanese View," *Business Ethics Quarterly*, 4 (1994), 53-78 (in library)

Material on Islamic business ethics to be assigned

July 6: Doing Business in Less Developed Nations

Thomas Donaldson: "Values in Tension," *Harvard Business Review*, September-October 1996, 48-62 (in library)

Jeffrey A. Fadiman: "A Traveller's Guide to Gifts and Bribery," *Harvard Business Review*, 64(4) 1986 (in library)

"Hitting the Wall: Nike and International Labor Practices," *Harvard Business School*, MI-700-047 (in library)

Case 12: (Ferrell) "Nike: From Sweatshops to Leadership in Employment Practices"

July 8: Bribery and Corruption

Phil Bodrock, "The Shakedown," *Harvard Business Review* Reprint R0503X (in library)

Louis Wells, "Caselets: Bribery and Extortion in International Business," *Harvard Business School*, 9-707-052 (in library)

"Shell Oil in Nigeria," *Case Research Journal*, 17(4), 1997, 1-21 (in library)

"Transparency International Corruption Perceptions Index 2007" (in library)

OECD, “Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions” (in library)

July 13 and July 15: Corporate Social Responsibility and Socially Responsible Investing

Case 16 (Ferrell) : Starbuck’s Mission: Responsibility and Growth

“Corporate Social Responsibility” (in library)

“The Logic: the Multifaceted Notion of Corporate Responsibility” (in library)

“Do More, Feel Better, Live Longer, but only if You can Afford it: MSF and Oxfam vs. GlaxoSmithKline,” Chapter 17 in Rob van Tulder with Alex van derZwart, *International Business-Society Management*, 304-317 (in library)

“GlaxoSmithKline and AIDS Drug Policy,” Stanford Graduate School of Business, Case P-39 (in library)

“A Changing Climate for a Sleeping Tiger: Stop Exxon Coalition vs. Exxon Mobil,” Chapter 18 in Rob van Tulder with Alex van derZwart, *International Business-Society Manager*, 318-333 (in library)

“The Ocean as Rubbish Dump: Greenpeace vs. Shell,” Chapter 15 in Rob van Tulder with Alex van derZwart, *International Business-Society Manager*, 289-297 (in library)

“Provocative Bras from Burma: Clean Clothes Campaign, FNV Global and BCN vs. Triumph International,” in Rob van Tulder with Alex van derZwart, *International Business-Society Manager*, 298-303 (in library)

July 22: Developing Global Codes of Ethics

Caux Round Table, Principles for Business (in library)

Global Sullivan Principles of Social Responsibility (in library)

ICCR, Principles for Global Corporate Responsibility (in library)

Additional material to be assigned