



# LINCOLN UNIVERSITY

Course No. BA 109  
Course Title: BUSINESS ETHICS  
Credit 3 units = 45 lecture hours  
Class Hours Three (T & Th, 3:30-6:15PM)  
Semester Fall 2012

Instructor: Allan Samson  
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**Textbook: Andrew Crane & Dirk Matten. Business Ethics, 3rd edition (2010), Oxford University Press**  
ISBN-10: **0199564337**, ISBN-13: **978-0199564330**

## Course 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 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, 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, Wal-Mart, Exxon, Pepsi, GlaxoSmithKline, Nestle, and Siemens.
6. How endemic are bribery and corruption?

## **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 15 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. Occasional questions on ethical case studies will be given and answered in class.

**Grading:**

Grading will be based on the following criteria:

Mid-term	: 20 per cent
Final Examination	: 40 per cent
Final Project	: 15 per cent
Class attendance and Participation	: 15 per cent
Case Studies Analysis	: 10 per cent

**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

<b>August 21:</b>	Introduction to Class.  The award-winning movie, "The Corporation" will be shown.
<b>August 23:</b>	Chapter 1.  Presentation of Ethical Dilemma 1: "No Such Thing as a Free Drink"  Discussion of Ethics in Action 1.2: Counterfeits-Knock-offs, no bargain  Discussion of "Study Questions" on p. 38  Presentation of Case 1: "McEthics in Europe and Asia"
<b>August 28:</b>	Chapter 2 (discussion of whether corporations have or should have social responsibilities: discussion of the "stakeholder" theory of corporations").  Presentation of Ethical Dilemma: "When Good Results are Bad"
Results"	  Discussion of Ethics in Action 2.2: "Private, but Public"  Discussion of "Study Questions" on p. 84  Presentation of Case 2: "The Business of Water"
<b>August 30:</b>	<b>Chapter 3 (discussion of ethical theories)</b>  Discussion of the runaway train, the girl in the basement, and the Mignonette  Presentation of Ethical Dilemma 3: "Producing Toys-Child's Play"  Discussion of "Study" Questions" on p.131 Presentation of Case 3: "British Petroleum and the BTC Pipeline"

**Sept. 4: Readings and Cases on Bribery**

Bodrick, Case: "The Shakedown" Harvard Business School (PDF)  
Donaldson, "Values in Tension," Harvard Business Review (Sept. Oct 1996) (PDF)

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

Case: "Siemens and Bribery" (PDF)

Gellerman, "Why Corporations Can't Control Chicanery," Business Horizons 2993 (PDF)

Transparency International Corruption Perception Index 2010 (PDF)

**Sept. 6: Chapter 6 (Shareholders and Business Ethic)**

Presentation of Ethical Dilemma 6: "Who Cares Whose Shares"

Discussion of "Study Questions" p. 280

Discussion of "A Directory of Socially Responsible Stocks" (PDF)

Discussion of Study Questions on p. 280.

Presentation of Case 6: "Corporate Governance of Professional Football Teams"

**Sept. 11: Chapter 7 (Employees and Business Ethics)**

Case: Ethical Dilemma 7: "Off Your Face on Facebook"

Discussion of Study Questions on p. 332.

Presentation of Case 7 "Uzbek Cotton: A New Spin on Child Labour in the Clothing Industry"

**Sept. 13: Cases on Employees and Business Ethics**

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

Case: "Sweatshops, Nike, and Kathie Lee" (PDF)

Case: “Cheaper Through Exploitation” (PDF)

Case: “IKEA Family: Old Enough to Work” (PDF)

Article on “Race to the Bottom to be Assigned”

**Sept. 18: Mid-Term Examination**

**Sept.20: Chapter 8 (Consumers and Business Ethics)**

Case: Ethical Dilemma 8: “A Fitting Approach to Shoe Selling?”

Discussion of Study Questions on p.382

Presentation of Case 8: “Targeting the Poor with Microfinance”

**Sept. 25: Cases on Consumer and Business Ethics**

Case: “Nestle: Boycotting the Baby Killers” (PDF)

Case: “Nestle and Infant Formula” (PDF)

Case: “Tylenol and Consumers” (PDF)

Case: “Merck and Consumers” (PDF)

Case: “Big Pharma and AIDS: Act II: *Multinational Monitor*,”  
March/April 2007 (PDF)

Case: “Do More, Feel Better, Live Longer but Only if You can Afford  
It: MSF and Oxfam vs. GlaxoSmithKline” (PDF)

**Sept. 27: Chapter 10 (Civil Society and Business Ethics)**

Presentation of Ethical Dilemma: “Where’s the Beef?”

Discussion of Study Questions, pp. 485-486

Presentation of Case 10: From Conflict to Collaboration”

**Oct. 2: Cases on Human Rights and WTO Decisions**

Presentation: "Google, Inc. in China (condensed) *Business Roundtable: Institute for Corporate Ethics*, Case BRI-1005 (PDF)

Case: Google and Yahoo in China (PDF)

Cases: Personal Questions (PDF)

Case: "Burmese Dictator Beer" (PDF)

Case: "Quiet Diplomacy; Amnesty International vs. Shell (PDF)

Selected readings on the WTO decisions impacting Environment, Labor, and Human Rights (to be distributed)

**Oct. 4: Class Presentations**

**Oct. 9: 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 four years.

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

He is a practicing attorney in San Francisco.

**Update:**

August 14, 2012