



# LINCOLN UNIVERSITY

Course No. BA 309  
Course Title: ETHICS OF BUSINESS MANAGEMENT  
Instructor: Allan Samson Contact: Allan Samson  
Credit: 3 units Office Hours: By Appointment  
Class Hours: Three (M & W, 6:30-9:15 PM) (415) 391-4949  
Term: Summer 2013 allan.samson@sbcglobal.net

**Textbook: Andrew Crane & Dirk Matten. Business Ethics, 3<sup>rd</sup> ed.,  
Oxford University Press: ISBN: 978-0-19-956433-0**

## 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, 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 parts 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.

Debates will be held on controversial topics.

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	: 25 per cent
Final Examination	: 50 per cent
Class Attendance and Homework	: 10 per cent
Case Studies Analysis	: 15 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	66-62	D
83-80	B-	Below 62	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 10:**

**Introduction to Class.**

Discussion Problems: “The Runaway Trolley”, “The Mignonette”, “The Girl in the Basement.”

Selections from the Academy Award-winning documentary, “Inside Job” will be shown.

**June 12:**

**Chapter 1. (excluding pp. 25-31)**

Presentation of Ethical Dilemma 1: “No Such Thing as a Free Drink”

McCoy: “The Parable of the Sadhu (HBR: Sept.-Oct. 1983 (PDF)

Discussion of “Study Questions” on p. 38 (excluding question 5)

Presentation of Case 1: “McEthics in Europe and Asia”

**June 17:**

**Chapter 2 (discussion of whether corporations have or should have social responsibilities: discussion of the “stakeholder” theory of corporations”). (excluding pp. 57-61 and pp. 73-82)**

Presentation of Ethical Dilemma: “When Good Results are Bad” Results

Discussion of Ethics in Action 2.1: “Satyam Fraud-Responsibility Issues in India”

Discussion of “Study Questions” on p. 84 (excluding Question 6)

**Debate:** Is Increasing Profits the Only Social Responsibility of Business?

Yes: Friedman: “The Social Responsibility of Business is to Increase its Profits (NYT Magazine, Sept. 30, 1970)

No: Text, pp. 47-57

**June 19: Chapter 3 (ethical theories) (excluding pp. 117-130)**

Presentation of Ethical Dilemma 3: "Producing Toys-Child's Play"

Discussion of "Study" Questions" on pp.131-132

Excerpts from the Academy-Award-winning movie, "The Corporation" will be shown.

Bredeson: "Kant's Duty Ethics," (PDF)

**June 24: Readings and Cases on Bribery**

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

Fadiman, "A Traveler's Guide to Gifts and bribery,"  
Harvard Business Review (July-August 1986) (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 2011(PDF)

Weber & Gertz: "Buy Bribes or Bye-Bye Bribes," Business Ethics  
Quarterly (2004) (PDF)

**June 26: Chapter 6 (Shareholders and Business Ethics)  
(excluding pp. 257-265 and pp. 276-279)**

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

Discussion of concept of "Insider Trading."

Discussion of "Study Questions" p. 280

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

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

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

Yes: Miller: "Executive Pay: How Much is too Much?" (June 16, 2012) (PDF)

**July 1:**

**Chapter 7 (Employees and Business Ethics) (excluding pp. 310-329 and pp. 327-331)**

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

Discussion of Study Questions on p. 332 (excluding Question 6).

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

**Debate:** Should the US Government Punish Bangladesh for Safety Violations? Should US Retailers Set Safety Standards" **Read the following:**

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

New York Times: ""As Wal-Mart Makes Safety Vows, It's Seen as Obstacle to Change" (Dec. 28, 2012)

NYT: "Major Retailers Join Bangladesh Safety Plan" (May 13, 2013)(PDF)

NYT: US Pressures Arise to End Bangladesh Trade Status

**July 3:**

**Midterm Examination**

**July 8:**

**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:  
Clean Clothes Campaign vs. CNA” (PDF)

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

Personal Questions (PDF)

**July 10: Chapter 8 (Consumers and Business Ethics) (excluding pp. 374-381)**

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

Discussion of Study Questions on p. 382 (excluding Question 6)

Case: “Ethics of Offshore Clinical Trials”

Bredeson: “Ethical Selling Labeling Sleight of Hand” (PDF)

**Debate:** Should Advertising Directed to Children be Restricted?  
**Read the following:**

Bredeson: “Marketing Unhealthy Food to Children” (PDF)

NYT: “A Fine Line when Ads and Children Mix” (Feb. 15, 2010)  
(PDF)

Basham & Luik: “A Happy Meal Ban is Nothing to Smile About”

**July 15: 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)

**July 17: Chapter 10 (Civil Society and Business Ethics)  
(excluding pp. 481-485)**

Presentation of Ethical Dilemma: "Where's the Beef?"

Brugman and Prahalad, "Cocreating Business's New Social Compact" Harvard Business Review (February 2011) (PDF)

Porter & Kramer, "Creating Shared Value, Harvard Business Review (January-February 2011) (PDF)

Discussion of Study Questions, pp. 485-486 (excluding Question 6)

Presentation of Case 10: "From Conflict to Collaboration"

**July 22: Cases on Human Rights and WTO Decisions**

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

New York Times: "Google Shuts China Site in Dispute over Censorship" (March 22, 2011)

Case: Google and Yahoo in China (PDF)

Presentation: ECONOMIST: "China and the Internet" (April 13, 2013) (PDF)

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

WTO: Labor Standards (PDF)

HARVARD: WTO and Labor Standards (PDF)

**Debate:** What is the most important?: Jobs, Human Rights, or the Environment.

**July 24: 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:**

June 14, 2013