

THE COLLEGE OF NEW JERSEY

MGT 385 - BUSINESS ETHICS & CORPORATE RESPONSIBILITY Spring 2011

Kevin H. Michels
Office: BB 315
609.771.2922
michels@tcnj.edu

Class Days: T, F 12 PM
Classroom: BB 122
Office Hours: T, F
1:30-2:30 PM and
by appointment

I. Themes, Skills and Questions.

We will examine and discuss fundamental questions about business and its place in society. Does business have a responsibility beyond the bottom line and the letter of the law? Should business behave morally, and if so, what does this obligation entail?

To provide context, we will examine the modern corporation, the idea, operation and limits of the free market, and how and why markets are regulated. To develop a conceptual framework, we will examine leading accounts of ethical behavior.

The core of our course will be real-world cases examining ethical questions faced by business organizations of all types. Our discussions will consider the meaning and value of work, the role of the employee and the manager in the workplace, product safety, pricing and marketing, business and the environment, international business, and the corporation's relationship with its shareholders, nongovernmental organizations, the community, and the government. We will study businesses that have sought to combine profit with ethical and socially responsible behavior -- from multinational corporations to local, social-entrepreneurship ventures. We will keep a close watch on current events throughout the course to consider how the demands of the marketplace and morality can conflict, and how businesses confront these issues on a regular basis.

We will challenge you to develop your analytical skills, and to deploy them in concrete ethical situations. We will emphasize speaking, discussion, analysis and fair, reasoned argument.

II. Course Materials.

Business Ethics and Corporate Responsibility, Bound Volume of Materials Collected by Professor Michels, (McGraw Hill-Irwin 2009).

Robert Hoyk and Paul Hersey, The Ethical Executive (Stanford 2008).

Mary C. Gentile, Giving Voice to Values: How to Speak Your Mind When You Know What's Right (Yale 2010)

Additional Materials -- to be distributed via SOCS throughout the semester.

III. Learning Goals.

Our learning goals are both conceptual and applied. You will be asked to:

- Identify and develop the conceptual and practical skills to address ethical issues relating to business.
- Consider and evaluate the central arguments in favor of unfettered and regulated markets.
- Consider how values influence our approach to business dealings.
- Understand the central philosophical accounts of ethical behavior, including the strengths and limits of each.
- Consider psychological, sociological and empirical approaches to business-ethics questions.
- Identify ethical issues and apply ethical concepts to concrete factual dilemmas faced by business.
- Consider how cultural differences influence our business dealings, and how to reconcile ethical differences in cross-cultural dealings.
- Examine your own assumptions about business and its role in society, and how your values and goals will shape your career choice and decision-making.

IV. Assignments and Grading.

A. Four Categories. The course will place a premium on careful reading, class preparation, class discussion, critical thought and writing. Your final grade will be based on:

Class Participation – 25%
Case Study – 20%
Midterm – 25%
Final Exam – 30%

B. Class Preparation and Participation.

For each class, you will be expected to have read and considered the significance of the assigned materials. From time to time, I will ask that you bring to each class a short (half page), typed set of ideas, comments or questions about the material that you have read. In class, you will be expected to participate by asking questions, offering ideas and insights and engaging in discussion and reasoned, fair argument. Attendance will be taken before every class.

In addition to attendance, your class participation will be graded based on these factors:

- Preparation.
- Interest and engagement with the material.
- Imagination and insight. Do you offer interesting ideas, arguments and contentions? Do you have questions that make the discussion interesting, and lead us into worthwhile areas of discussion?
- Fairness. Do you give the ideas, questions and arguments of others a fair hearing? Do you really listen to what others are saying? Are you willing to provide others the opportunity to disagree with you? Are you comfortable with disagreement? Do you disagree with others on the merits rather than personally?
- Reasoning. Do you reason clearly and understand the various arguments and concepts available to analyze the cases and issues?

C. Case Study.

Groups of three students will work together on a business-ethics case study. You will select a business-ethics issue based on your own research. You will find ideas for case studies in the *Wall Street Journal*, *The New York Times*, *Fortune*, *Business Week* and a variety of other credible reporting sources. Some of your best sources are to be found in the databases and articles available through the TCNJ library. Your case may be based on current events or an event that happened in the last few months or years. We will spend time in class discussing and analyzing case studies, which will provide you with a sense of what makes for a good study, and the types of questions and analysis that can be brought to bear on the event *you* select. If groups have difficulty finding a suitable topic, the group may visit with me to discuss ideas. Groups are also welcome to visit with me for input and suggestions during the course of their research and writing.

Your group must submit its **topic proposal** to me by e-mail in the form of a two-or-three paragraph description of the case, indicating your group number and names of participants. You are best off advising me as soon as possible of your topic. If I conclude that the topic is not likely to lead to a valuable learning experience for the class, I will ask you to select another case. If you submit the topic early, you will have more time to select another. In the event that two groups select the same topic, I will approve the selection of the group that notified me first by e-mail. I will assign a class date for each group's case study.

The **group presentations** will not consist of a lecture, but a conversation between all of us about the events and our various views and approaches to the issues. The group will prepare for the presentation by developing five questions about their case to ask of the class, and by being ready to answer questions about how to analyze, understand and critique what happened. The class and I will ask questions of the group.

The **written portion** of the case study **is due at the start of the class that follows your oral presentation** (i.e., if your group presents on a Tuesday, the paper will be due in class on Friday of the same week). The paper will consist of two parts. Part I will offer a clear, narrative account of what happened, i.e., a factual account of the events giving rise to the ethics problem or issue. It is essential that your factual account be based on a variety of credible sources. While the web is great resource for your research, it is not enough. You should access articles in the TCNJ library databases as well as books and other materials where appropriate in order to research your issue thoroughly. Your paper must contain citations to sources for all of your facts. In Part II of your paper, you will analyze the behavior and events described in Part I, using the principles, tools, ideas and theories examined in the course to date. Again, you should provide citations to all sources quoted or relied in your analysis of the case. The entire paper should be approximately six to ten pages, not including the works-cited list.

The group grade will be based on the quality of:

- the factual narrative in the paper, including the clarity and completeness of the description, and the range and credibility of the sources consulted and cited;
- the ethical analysis in the paper, including the critical thought brought to bear on analyzing, critiquing and understanding the events, the use of conceptual tools that we have discussed in the course, and the writing; and
- the in-class discussion, including the questions asked of the class, the willingness to analyze issues in response to questions, and the depth and range of the viewpoints and approaches considered.

D. Exams.

The mid-term will test the concepts that we have examined in the first half of the semester, and the final will test the balance of the concepts discussed and ask you to analyze business-ethics problems using the theories, arguments, and approaches that we have developed throughout the course.

E. Interview. Prior to week five, you should have a conversation with a relative or friend who has quit a job sometime in his or her life, and ask why. I will ask that you bring a one-page summary of the discussion to class for discussion in

week four, when we will discuss the meaning and value of work. The summary will be handed in and considered as a part of your class-participation grade.

F. Grades:

All assignments will be graded on 0-100 scale, and the final grade will be the weighted total of your scores in the four categories described above. The percentage scale will be converted to a letter grade at the end of the semester as follows.

A	92-100	B-	80-81	D+	68-69
A-	90-91	C+	78-79	D	60-67
B+	88-89	C	72-77	F	59 and
B	82-87	C-	70-71		below

Grades are not negotiable. If you believe that your grade is incorrect because of a clerical error, please advise me.

V. **Some Ground Rules.**

- All papers are to be submitted in hard copy. (Exception: the group-study *proposals* may be submitted by e-mail.) Papers are to be typed in 12-point Times New Roman font or 11-point Verdana (the font you are reading now).
- You are charged with reading and complying with the rules on academic integrity and plagiarism.
- Grades will be lowered by three points for each day (including Saturday and Sunday) that an assignment is late. An assignment is late if it is not handed in at the beginning of the class meeting on the due date.
- I will send articles and announcements to you via campus e-mail. You are responsible for checking your TCNJ e-mail on a regular basis.
- If you are confused about anything we read or discuss in class, you are always welcome to ask questions in class or stop by my office during office hours or by appointment.

Selected TCNJ Policies

Attendance

Every student is expected to participate in each of his/her courses through regular attendance at lecture and laboratory sessions. It is further expected that every student will be present, on time, and prepared to participate when scheduled class sessions begin. At the first class meeting of a semester, instructors are expected to distribute in writing the attendance policies which apply to their courses. While attendance itself is not used as a criterion for academic evaluations,

grading is frequently based on participation in class discussion, laboratory work, performance, studio practice, field experience, or other activities which may take place during class sessions. If these areas for evaluation make class attendance essential, the student may be penalized for failure to perform satisfactorily in the required activities. Students who must miss classes due to participation in a field trip, athletic event, or other official college function should arrange with their instructors for such class absences well in advance. The Office of Academic Affairs will verify, upon request, the dates of and participation in such college functions. In every instance, however, the student has the responsibility to initiate arrangements for make-up work.

Students are expected to attend class and complete assignments as scheduled, to avoid outside conflicts (if possible), and to enroll only in those classes that they can expect to attend on a regular basis. Absences from class are handled between students and instructors. The instructor may require documentation to substantiate the reason for the absence. The instructor should provide make-up opportunities for student absences caused by illness, injury, death in the family, observance of religious holidays, and similarly compelling personal reasons including physical disabilities. For lengthy absences, make-up opportunities might not be feasible and are at the discretion of the instructor. The Office of Academic Affairs will notify the faculty of the dates of religious holidays on which large numbers of students are likely to be absent and are, therefore, unsuitable for the scheduling of examinations. Students have the responsibility of notifying the instructors in advance of expected absences. In cases of absence for a week or more, students are to notify their instructors immediately. If they are unable to do so they may contact the Office of Records and Registration. The Office of Records and Registration will notify the instructor of the student's absence. The notification is not an excuse but simply a service provided by the Office of Records and Registration. Notifications cannot be acted upon if received after an absence. In every instance the student has the responsibility to initiate arrangements for make-up work.

TCNJ's attendance policy is available on the web:
<http://www.tcnj.edu/~recreg/policies/attendance.html>

Academic Integrity Policy

Academic dishonesty is any attempt by the student to gain academic advantage through dishonest means, to submit, as his or her own, work which has not been done by him/her or to give improper aid to another student in the completion of an assignment. Such dishonesty would include, but is not limited to: submitting as his/her own a project, paper, report, test, or speech copied from, partially copied, or paraphrased from the work of another (whether the source is printed, under copyright, or in manuscript form). Credit must be given for words quoted or paraphrased. The rules apply to any academic dishonesty, whether the work is graded or ungraded, group or individual, written or oral.

TCNJ's academic integrity policy is available on the web:
<http://www.tcnj.edu/~academic/policy/integrity.html>.

Americans with Disabilities Act (ADA) Policy

Any student who has a documented disability and is in need of academic accommodations should notify the professor of this course and contact the Office of Differing Abilities Services (609-771-2571). Accommodations are individualized and in accordance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1992.

TCNJ's Americans with Disabilities Act (ADA) policy is available on the web: <http://www.tcnj.edu/~affirm/ada.html> .

The Course: Week by Week

Here is a working outline of our course, which may change during the semester. For example, we may devote more time to certain topics that prove compelling, and reduce our time on others accordingly. If assignments or due dates are changed, the changes will be announced in class.

All reading is to be completed by the Tuesday class of each week except as otherwise noted. Readings from sources other than the purchased book will be posted on SOCS or on library reserve. The readings identified below will be supplemented with articles and news accounts throughout the semester. Page numbers for the textbook are in the upper right-hand corner of the page.

Week 1:

Introduction. What is Business Ethics?

Friday: Hoyk and Hersey -- begin reading (to be finished by week five)

Friday: New York Times, "Can Johnson & Johnson Get Its Act Together?"

Class Topics:

What is ethics?

What is business ethics?

Can business ethics be taught and learned?

Approaches to business ethics: theory, practice, the case method.

The relationship between law and ethics.

Preference, prudence and ethics.

Tuesday January 18
Friday January 21

Week 2:

Tuesday
January 25

Friday
January 28

Philosophical and Other Accounts of Ethical Behavior.

Textbook, (i.e., Business Ethics and Corporate Responsibility),
pages 1-52 (page numbers in upper, right-hand corner)

Class Topics:

What is normative philosophy?
Utilitarianism.
Challenges to Utilitarianism.
Deontological Accounts.
Aristotle -- The Ethics of Virtue.
Kant -- The Ethics of Duty.
Rawls -- Justice as Fairness.
Social Contract Accounts.

Week 3:

Tuesday
February 1

Friday
February 4

The Market, its Proponents and its Critics.

Textbook, pages 53-84
Hoyk and Hersey -- continue reading

Class Topics:

Elements of the Market System.
Adam's Invisible Hand.
The Exchange System.
Profit as Motive.
Competition.
Externalities.
Market Failures.
Noneconomic Values.
Intervention and Regulation

Week 4:

Tuesday
February 8

Friday
February 11

Corporate Social Responsibility.

Textbook, pages 85-122.

Class Topics:

What is CSR?
Arguments for and against CSR.
Stakeholder theory.
Utilitarian and rights-based analysis.
The "moral minimum."
Corporate manager perspectives on CSR.

Week 5:

Psychological Insights.

Hoyk and Hersey, finish book.

Tuesday
February 15

Friday
February 18

How psychology fits in to the ethical picture.
Psychological and philosophical approaches compared.
Experiments and outcomes.
Webs of deception.
Can these insights help us behave better?
Analyzing business problems with these tools.

Week 6:

The Meaning and Value of Work.

Tuesday
February 22

Friday
February 25

Tuesday, February 22nd -- Informal Interview Paper Due
Textbook, pages 123-144

Class Topics:

Is work only for a wage?
What meanings and values do employees ascribe to their work?
Conventional views of work.
The *teleos*: a human fulfillment model of work.
Reconciling the conventional and fulfillment views.
Good work and bad work.
Work and self identity.
Implications for market analysis and employers.
What do you want from your own career?

Week 7:

Ethical Issues in the Workplace.

Tuesday
March 1

Friday
March 4

Textbook, 175-210

Class Topics:

Employees as agents or something more?
Professionals and Gatekeepers.
Trust and Loyalty.
The whistleblower.

Spring Break—March 7-11

Week 8:

The Ethics of Leadership and Corporate Governance.

Tuesday
March 15

Friday
March 18

Tuesday: Textbook 145-174

Friday: **Midterm**

Class Topics:

The Management Structure Generally.
Management and Ethical Leadership.
Leadership and Trust.
Cooperation.

Unify.
Vision.
Ethical Decision Making.
Ethical Culture.
The Corporate Ethics and Compliance Department.

Week 9:

Tuesday March 22
Friday March 25

Marketing Ethics and Product Safety.

Textbook, pages 211-266

Class Topics:

Marketing and Ethics.
Truth in Advertising.
Pricing.
Product Safety.
Risk Analysis and The Value of Life.
The Pinto Case.

Week 10:

Tuesday March 29
Friday April 1

Business and the Environment; International Business

Tuesday, Textbook, pages 267-290
Friday, Textbook, pages 291-316.

Class Topics:

The CSR Model and the environment.
Baxter on Pollution and the Market.
Market failures and the environment.

Ethical standards, relativism and cross-cultural values.
The U.N.'s Universal Declaration of Human Rights.
The ethics of globalization.
Wages and third-world workers.
The race to the bottom.
Local self determination and international institutions.
What is an NGO?
How do NGOs influence business?
Business and human rights.
A businesses/NGO dialogue.
Business and its public image.
NGO funding and accountability

Week 11:

Tuesday
April 5

Friday
April 8

Giving Voice to Values

Gentile, Chapters 1-5

Class Topics:

Giving Voice to Values

Values

Choice

Why We Work -- Revisited

Week 12:

Tuesday
April 12

Friday
April 15

Finding Your Voice

Gentile, Chapters 6-9

Class Topics:

Finding your strengths

Self knowledge

Finding your voice

Reasons

Applying GVV

Week 13:

Tuesday
April 19

Friday
April 22

Social Entrepreneurship. The Triple Bottom Line.

Glen Rifkin, Small Business, Making a Profit And a Difference,
New York Times, October 5, 2006.

Additional Materials Posted on SOCS

Class Topics:

Income and a social mission.

Demand and social value.

Comparing and combining business and social entrepreneurship.

The market and social problems.

Large and small scale change.

Profit and nonprofit approaches.

The triple bottom line.

Week 14:

Tuesday
April 26

Some Unifying Thoughts and Themes.

Selected readings on business and ethics. [SOCS]

Business ethics and your career.

Final Exam – Date to be announced