



The Beijing Center

北京中国学中心

MGMT 341 Business Ethics

Accreditation Through Loyola University Chicago

Spring 2019

Tuesday: 1:30p.m.

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Office Hours: I am often in the office and you are most welcome to stop by without an appointment. We can also make an appointment at mutually convenient time.

Description: This course examines ethical issues in business activity and provides resources for making ethical decisions in managerial practice. A specific focus of the course is to examine the ethics of individual and organizational decision making in business. The major topics include: ethics and the world of business; the employee and the firm; whistleblowing and company loyalty; conflict of interest; privacy in the workplace; the ethics of employee relations; discrimination and affirmative action; protecting consumers and employees; ethical issues in advertising; marketing and product safety; corporate social responsibility; and ethics in international business.

Rationale: A course in business ethics is important in undergraduate study and for business education since ethical issues in business concern us all—as future managers, as business persons, as consumers, and as members of society. Ethical problems are present in situations faced by managers and employees at all levels of business organizations. Ethical awareness and sound ethical judgment are essential for individual success and organizational effectiveness. There are many consequences for neglecting ethics in business, including ruined careers, unnecessary organizational conflict, blemished corporate reputations, costly legal liability, and increased government regulation. The questions considered in this course are difficult and controversial as the course recognizes that business is conducted in a highly competitive market environment. Managers and others are often required to make decisions under severe time pressures without sufficient information. While the focus of this course is on ethical questions from the point of view of the practicing manager, the course also seeks to provide awareness and sensitivity to the kinds of ethical problems that arise in business activity.

Objectives: This course seeks to develop a set of attitudes, knowledge, and skills that enable the analysis of ethical problems in business practice so as to make ethical decisions and implement them effectively in an organizational setting. The specific objectives of this course are: to appreciate the essential role of ethical values in business

relations, to develop a respect for the legal and regulatory structure of business, to foster a sense of personal integrity and purpose in business practice, to be aware of the specific ethical issues which arise in business and management, and to learn practical skills to analyze and make decisions about complex problems in business ethics.

Procedure: The course consists of lectures, readings, case study discussions, brief videos, and site visits in Beijing.

Required Texts:

John R. Boatright. Ethics and the Conduct of Business. New Jersey: Prentice Hall, 2012. Seventh Edition.

John R. Boatright. Cases in Ethics and the Conduct of Business. Third Edition. New Jersey: Prentice Hall, 1995.

Selected articles are distributed in-class during the semester.

Local site visits in Beijing TBA.

Course Requirements:

1. Students are expected to read and prepare assigned readings before class and to participate in class discussions.
2. Students are required to complete a midterm exam, a final exam, two in-class case study presentations, and a final project (details forthcoming). The final project topic must be approved in advance by the Professor. The final project is due in class on December 4. Students are required to participate in 1-2 local Beijing site visits, TBA.
3. Regular class attendance is required for a number of reasons: active class participation and the contributions of students to the course are highly valued; the concepts and themes explored in the course build on themselves, and we all learn a great deal from each other. Please be advised that two or more unexcused absences will result in a significant penalty in a student's course grade. If a student has three or more unexcused absences the professor reserves the right to withhold credit for the course and assign a failing grade.
4. A word on academic freedom and academic honesty. Throughout the course students are encouraged to express themselves openly, freely, and honestly. Students are also expected to respect the views of others in a spirit of free discussion and open inquiry. In a classroom environment that values academic freedom, academic honesty is a very important expression of interpersonal justice and responsibility. Should instances of academic dishonesty be discovered the professor will assign a failing grade for the assignment or exam. Academic dishonesty includes but is not limited to copying and "cribbing" on exams, inappropriate use of notes, giving or receiving answers on

exams, collusion, plagiarism, etc. Students must familiarize themselves with the University's policies on "Academic Honesty" which are published in the University Catalogue under "Educational Policies and General Regulations." Serious violations of these regulations will result in failure of the course and other formal University sanctions may result.

5. Students are required to bring with them to class the book we are currently reading and all other necessary course materials. If the professor determines that students are not completing the assigned course readings quizzes may be presented to the class and will be counted as part of the class participation grade.

6. Students are required to take the Final Exam on the day and at the time formally assigned by TBC.

Policy on Disabled Students: Please note: Courses offered by The Beijing Center comply with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act. Any student who may require an accommodation under such provisions should provide relevant documentation. I will be happy to work with you to ensure that you are properly accommodated in this course.

Grading Procedure: The final grade for the course is determined as follows:

Midterm Exam: 15 %

Class Participation: 10 %

Two In-class case presentations: 20 %

Final Project: 25 %

Final Exam: 30 %

Please note: Make-ups will not be offered for the Midterm Exam. If you must be absent from the Midterm Exam because of illness or for a serious reason, your Final Exam will be counted as 45% of your final grade. Late Final Projects will not be accepted without prior permission.

Schedule: (Subject to change)

Part I. Introduction

9/4 Course Introduction – Review of syllabus and course materials
Presentation: Major types of Ethical Systems and Theories
Should Ethics Be a Part of Business Practice? If so, why?
Read: Albert Z. Carr, "Is Business Bluffing Ethical?" (Handout)
Ethics in the World of Business – Ethical Mapping Exercise (in-class)
Ethics, Economics, and the Law
Read: Boatright, 1-21.

Part II. Ethical Decision Making and Theories of Ethics

- 9/11 Ethical Decision Making
 Read: Boatright, 22-49.
 Ethical Theories: Utilitarianism, Kant, Virtue, Rights, Justice
 Read: Boatright, 50-71.
 Read: Case 3.2 Exporting Pollution (Boatright, p. 66); Case 3.3 Clean Hands in a Dirty Business (Boatright, 66-67); Case 3.5 An Auditor's Dilemma (Boatright, p. 69)

Part III. The Employee and the Firm

- 9/18 Whistleblowing
 Read: Boatright, 72-89. Case 4.3 A Whistle Blower's Quandry (Boatright, 86-88). Case: The Case of The Willful-Whistleblower (Boatright Casebook, p. 33-39)
- 9/25 Trade Secrets and Conflict of Interest
 Read: Boatright, 90-111. Case 5.2 The Conflict of an Insurance Broker (Boatright, 109-110) Case 5.3 Proctor and Gamble Goes Dumpster Diving (Boatright, 110-111)
- 10/2 Oct. 2 – No class, China National Holiday - TBC closed
- 10/9 Privacy in the Workplace
 Read: Boatright, 112-134; Case 6.3 Plugging Leaks at HP (Boatright, 131-132); Case: Testing Employees for Substance Abuse (Boatright Casebook, p. 68-86)

Part IV. Ethical Issues in Employee Relations

- 10/16 Discrimination and Affirmative Action
 Read: Boatright, 135-162;
 Sexual Harassment
 Read: Boatright, 141-143.
 Read: Case 7.2 Jacksonville Shipyards (Boatright, 158-159) Case 7.3 Sex Discrimination at Wal-Mart (Boatright, 159-161)
Case: Propmore Corporation (Boatright Casebook, p. 107-112)
- 10/23 Midterm Exam – Tuesday, October 23**

Part V. Protecting Consumers and Employees

- 10/30 Occupational Health and Safety
 Read: Boatright, 193-213. Case 9.3 Johnson Controls, Inc. (Boatright, 206-207) Case 9.4 Genetic Testing at Burlington Northern (Boatright, 211-212)
- 11/6 Marketing, Advertising, and Product Safety

Read: Boatright, 214-246.

Case: Dow Corning and the Silicone Breast Implant Controversy
(Boatright Casebook, p. 237-262)

Part VI. The Corporation and Society

- 11/13 Ethics in Finance
Read: Boatright, 247-273.
Case 11.3 Martha Stewart: Insider Trader? (Boatright, 267-269)
Case 11.4 Oracle's Hostile Bid for Peoplesoft (Boatright, 270-272)
Insider Trading
Read: Jennifer Moore, "What is Really Unethical About Insider Trading?"
(Handout)
Trade Secrets, Conflict of Interest, and Insider Trading
Case: R. Foster Winans (Boatright Casebook, p. 44-56)
- 11/20 Corporate Social Responsibility and Corporate Governance
Read: Boatright, 274-309. Milton Friedman, "The Social Responsibility
of Business Is to Increase Its Profits" (Handout)
Case: Campbell Soup Company (Boatright Casebook,
p. 314-330)
- 11/27 Ethics in International Business
Read: Boatright, 329-362. Thomas Donaldson, "Values in Tension: Ethics
Away from Home" (Handout)
Video segments: Pharmaceuticals: For Export Only
- 12/4 Case: H.B. Fuller in Honduras: Street Children and Substance Abuse
(Boatright Casebook, p. 301-314)
Ethics and Corporate Culture - (Focus on the article by Paine)
Read: (Before Final Exam) Lynne Sharp Paine, "Managing for
Organizational Integrity" (Handout)
Conclusion and Review – Brief Discussions of Final Projects
- 12/11 **Final Exam - Tuesday, December 11, 1:30 p.m.**