Mgmt 587
Professional Ethics and Practice in Business
Fall 2015

Professor: Dr. Ken Butterfield
Office: Todd 442
Office Hours: Tuesdays and Wednesdays 12-1:30pm and by appointment
Telephone: 509-335-3078
Email: kdb@wsu.edu
Course website: https://learn.wsu.edu
Class schedule: Tuesdays and Thursdays 10:35 - 11:50pm, Todd 409

REQUIRED READINGS

1. Rachels, James. The Elements of Moral Philosophy with Dictionary of Philosophical Terms, 4th edition, 2002. McGraw-Hill. This book is available at the campus bookstore or online (e.g., at Amazon.com)

2. Beauchamp, Tom L. and Bowie, Norman E. (eds.), Ethical Theory and Business, 7th edition. Prentice-Hall. This book is available at the campus bookstore or online (e.g., at Amazon.com)

3. A packet of required readings is available for purchase at the campus bookstore.

COURSE OVERVIEW

Mgmt 587 is designed to provide students with the analytical and conceptual tools necessary to reason about business problems in moral terms. It is designed specifically for students who are, or intend to become, professional managers. We will draw upon the most relevant academic and professional literature to understand ethical issues in the context of business theory and practice.

This course is not about teaching students right from wrong or how to stay out of jail. The purpose is to cover what it means to say that businesses and professionals should engage or not engage in particular activities with reference to value claims other than the bottom line. Students will thus come to comprehend the various bases from traditional philosophical sources for discerning professional, ethical practices. The course has a dual focus on: (1) jointly examining ideas and perspectives in the field of business ethics and extend these ideas/perspectives to administrative practice and decision making; and (2) enhancing our moral sensibility and expand our capacity for moral inquiry, dialogue, and decision making in ways that will be useful in our professional and civic lives.

We will look at several ethical issues faced by businesses in the current environment. We have the opportunity to review the positions of advocates of one side or the other, but ultimately, you are expected to form your own opinions. Be prepared to take some risks. You should expect that your views will be challenged and that your opinions may change as you interact with others who bring insights to the question that you may not have considered. Learning in this course will come from your willingness to internalize the issues and from the effort you put into formulating your own views so that you can express them clearly and convincingly in class discussion. The approach to learning will balance cognitive understanding of business ethics concepts (provided by readings, lectures, and audiovisuals) with application through discussion of readings, cases, and our own experiences, and skill development through experiential exercises. You will be exposed to many different views, concepts, and experiences concerning business ethics. I hope that exposure to these varying, often conflicting, and sometimes even paradoxical views will enable you to have a better understanding of your past and future management experience. I also hope that you will be better able to "read" ethical situations and make sense of what's
happening in them. Ultimately, you should better understand the forces that influence the ethical behavior of people in organizations, including your own.

**Course Goals**

At the end of this course, students will...

1. Be able to analyze individual and corporate ethical problems and opportunities by addressing relevant ethical issues, determining relevant stakeholders, and applying various analytical techniques to evaluate alternative responses to these problems and opportunities in ways that take into account these issues and stakeholders (assessed by individual papers, team case analyses).

2. Be able to identify relevant social responsibilities to be fulfilled by corporations when responding to ethical problems and opportunities (assessed by individual papers, team case analyses).

3. Incorporate cultural, social, and global considerations into their analyses of individual and corporate ethical problems and opportunities (assessed by individual papers, team case analyses).

4. Demonstrate effective written communication skills in their analyses of individual and corporate ethical problems and opportunities (assessed by individual papers, team case analyses).

**WHY TAKE THIS COURSE?**

Mgmt 587 mixes theory and concepts with application. It not only provides frameworks for understanding business ethics, but also deals with the realities of ethics in everyday life. It focuses on how people think and act and how ethics might be improved. As an MBA elective, Mgmt 587 is intended to "round out" your business education by looking at some real-world issues that can help you better handle life in organizations. This is one of the main courses in the WSU MBA program that will help you to know your own tendencies and values. It is also one of the major classes that will allow you to see the differing viewpoints and perspectives of your peers and colleagues concerning many ethical issues that are important to the practice of management.

**PREREQUISITES**

There are no specific academic prerequisites for this course. However, it will be assumed that you have had some organizational experience that you can use to provide a frame of reference for thinking about what you are learning. If you do not, talk with me. Other prerequisites include the skills and values you bring with you into the course: a willingness to learn, a desire to give to and to take from the class, an inclination to ask questions, and a willingness to change your mind.

**FORMAT OF THE COURSE**

**Individual and Team Learning** Although much of the course work will be performed on an individual basis, a significant component of this course is devoted to teamwork. Teamwork is an increasing reality of organizational life, and being able to work within and manage teams is a skill that organizations are demanding of their managers. Therefore, each student will be assigned to a team and a significant component of the course and course grade will involve teamwork.
**Interactive Discussion.** This is a graduate-level course. I expect you to think about the readings, cases, and discussion points, to have an opinion about them, and to express that opinion to me and to others in class. I also expect you to be open to others' opinions and to challenge the opinions of others. You don't learn as much by letting others tell you things; you learn more by discussing things interactively.

**Experientials.** I will work to provide you with exercises that help you "feel" the course concepts. These experiences should be interesting, and might even be entertaining, but they will all make a point. Some of them might make you a bit uncomfortable because they are designed to get you to confront a concept, issue, or yourself, but all of them should be worthwhile learning devices.

**Visuals.** Where appropriate, we will view video clips or other visuals to introduce, demonstrate, or explore a point.

**COURSE REQUIREMENTS**

Grades will be determined by scores in three major performance areas: individual performance, team performance, and team maintenance.

**Individual Performance**

1. **Class Attendance and Contribution.** The quality of this course is heavily dependent upon your thorough preparation, regular attendance, and spirited contribution. Therefore, I expect you to manage your time and be prepared to respond to questions and to discuss the readings at each class meeting. Assigned material should always be read before class, without fail. I will take attendance randomly throughout the semester. Students who miss more than two classes will lose 10% of their attendance/contribution points for each additional class missed.

Another part of class contribution concerns students’ ability to participate in case discussions. In this course, we will cover many cases, each of which is intended to illustrate a particular course topic. Students will be expected to read and prepare each case thoroughly before coming to class.

The class can be successful and fun only if students contribute actively to classroom discussion. Your contribution will be evaluated based upon:

- **Relevance** - Do the student's comments speak directly to the issues, principles, and concepts being addressed? Do they extend our understanding of those issues, principles, and concepts? Do they reflect that the student prepared for the class by reading and thinking about the issues, principles, and concepts?

- **Additivity** - Do the student's comments reflect active listening to the comments of other class members? Have they incorporated insights introduced earlier and build upon them?

- **Substance** - Do the student's comments make a real contribution to the ideas being exchanged? Has anything new been gained from their introduction into the discussion?

- **Persuasiveness** - Has the student cogently articulated his or her points and supported them?

I acknowledge that not all students are equally able (e.g., based on language barriers) to contribute to class discussions. Consequently, there is an alternative way to obtain credit for class contribution. Before a few class periods, I will make available a list of questions that are likely to be discussed during the upcoming class period. Students can submit written responses to the discussion questions in order to
obtain credit toward the class contribution grade. These responses will be evaluated in terms of application of course material along with the using the four criteria listed above (relevance, additivity, substance, and persuasiveness) and must be handed in prior to the class period in order to receive credit.

2. **Individual Ethics Paper.** Each student will individually prepare an original paper exploring a relevant topic in business ethics. This paper will be used to facilitate the creation of the team workshop (see below). More information will be provided on this assignment early in the course.

3. **Individual Reflections Paper.** An important aspect of this course is reflecting on your experience. You will individually prepare an original 12-page paper in which you will apply relevant course concepts to your experience in the course. I recommend that you keep a journal of your reflections throughout the course in order to facilitate the writing of this paper. As we cover course topics, the journal will be useful for keeping track of your thoughts as they relate to course topics. This paper will be graded based on: (1) comprehensiveness and accuracy of course concept applications, and (2) breadth and/or depth of thought, analysis and introspection, and (3) writing quality.

**Team Performance**

1. **Team Analyses.** Your team will be responsible for four case or movie analyses. They will be take-home, open-book and open-notes in nature. Each team member will receive exactly the same grade on each analysis.

2. **Team Workshop.** At the end of the semester, each team will be responsible for creating and conducting a workshop on a specific course topic (e.g., moral philosophy, technological issues, corporate governance). The workshop should be a natural extension of the individual ethics paper, so be sure to work with your team to select a mutually interesting and engaging topic. This workshop is intended to provide each team with an opportunity to augment the course treatment of their chosen topic. I can provide ideas about successful topics from the past, but I would prefer that team members work together to select their own topic. All workshop topics require my approval. Workshops should last one hour (not including post-workshop questions). Minimally, I would expect a workshop to engage the class in an activity that offers insights, enhances knowledge, or develops skills. Higher quality workshops will also tend to include exercises and professional-looking slides/handouts that enhance the presentation. However, please note that my intention is not to make this an expensive endeavor. Although professionalism counts, it is the substance and impact of the workshop on your classmates, and not the amount of money spent, that will lead to the highest grades. Peer evaluations of the workshops will supplement my own assessments in assigning grades.

**Team Maintenance**

At the end of the semester, each individual will rate the helpfulness demonstrated by each of his/her team members over the course of the semester. Individual helping behavior scores will be based on the number of points and qualitative comments they receive from the members of their team.

**LATE ASSIGNMENTS**

Students should make every effort to turn in assignments by the assigned deadline. Any late assignment will receive a full grade deduction (e.g., from an A to a B) for each day that it is late.

**ACADEMIC INTEGRITY**


As an institution of higher education, Washington State University is committed to principles of truth and academic honesty. All members of the University community share the responsibility for maintaining and supporting these principles. When a student enrolls in Washington State University, the student assumes an obligation to pursue academic endeavors in a manner consistent with the standards of academic integrity adopted by the University. To maintain the academic integrity of the community, the University cannot tolerate acts of academic dishonesty including any forms of cheating, plagiarism, or fabrication. Washington State University reserves the right and the power to discipline or to exclude students who engage in academic dishonesty.

Students found responsible for academic integrity violations may receive an F on the particular assignment or exam, as well as an F for the course. Repeated and/or serious offenses may result in referral to the conduct board and expulsion from WSU. For graduate students, academic integrity violations may also result in the loss of teaching and/or research assistantships.

Academic Integrity Statement and link to WSU’s policy:
http://www.wsulibs.wsu.edu/plagiarism/main.html
http://conduct.wsu.edu/academic-integrity-policies-and-resources/

STUDENTS WITH DISABILITIES

Students with Disabilities: Reasonable accommodations are available for students with a documented disability. If you have a disability and may need accommodations to fully participate in this class, please visit or call the Access Center (Washington Building 217; 509 335-3417) to schedule an appointment with an Access Advisor. All accommodations MUST be approved through the Access Center.

CAMPUS SAFETY

The Campus Safety Plan, which can be found at http://safetyplan.wsu.edu, contains a comprehensive listing of University policies, procedures, statistics, and information relating to campus safety, emergency management, and the health and welfare of the campus community. All faculty, staff, and students are encouraged to visit this web site as well as the University emergency management web site at http://oem.wsu.edu/Emergencies.html to become familiar with the campus safety and emergency information provided.

GRADE WEIGHTS

Setting Grade Weights

The percentage of the grade that will be determined by scores in each of the major performance areas (individual performance, team performance, and team maintenance) will be determined by team representatives. These representatives will also decide on the relative weight of course assignments within the individual performance area. Grade weights will be set for the class as follows:

1. Teams decide on preliminary weights for each area and select a member to meet with other team representatives.
2. The representatives will meet to reach a consensus on the grade weights that will be used for the entire class.

Note: The following limitations apply: (1) a minimum of 20% must be assigned to each of the individual performance components; (2) a minimum of 25% must be assigned to the individual and team performance areas.

**Grade Weights**

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<tr>
<th>Within Area</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Individual Performance</strong></td>
<td></td>
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<tr>
<td>1. Attendance and Contribution</td>
<td>___%</td>
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<tr>
<td>2. Individual Ethics Paper</td>
<td>___%</td>
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<td>3. Individual Reflections Paper</td>
<td>___%</td>
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<td>-----------------------------</td>
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<tr>
<td></td>
<td>100%</td>
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<tr>
<td><strong>Team Performance</strong></td>
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<tr>
<td>1. Team Case Analyses</td>
<td>50 %</td>
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<td>2. Team Workshop</td>
<td>50 %</td>
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<td>-----------------------------</td>
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<tr>
<td></td>
<td>100%</td>
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<tr>
<td><strong>Team Maintenance</strong></td>
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<tr>
<td>&quot;Helping&quot; Behavior (Peer evaluations)</td>
<td>100 %</td>
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Total course points for the semester are rounded to the nearest whole number and translate to letter grades as follows:

<table>
<thead>
<tr>
<th>Points</th>
<th>Grade</th>
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<tbody>
<tr>
<td>93+</td>
<td>A</td>
<td>77-79</td>
<td>C+</td>
</tr>
<tr>
<td>90-92</td>
<td>A-</td>
<td>73-76</td>
<td>C</td>
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<tr>
<td>87-89</td>
<td>B+</td>
<td>70-72</td>
<td>C-</td>
</tr>
<tr>
<td>83-86</td>
<td>B</td>
<td>67-69</td>
<td>D+</td>
</tr>
<tr>
<td>80-82</td>
<td>B-</td>
<td>60-66</td>
<td>D</td>
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<tr>
<td>&lt; 60</td>
<td>F</td>
<td></td>
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**FINAL WORDS**

Coming to class is an enjoyable experience for me and I want it to be for you as well. I believe in trying to make learning fun, so I think that you will find that our class will be conducted in an informal way. Still, the overarching goal here is learning and I take that goal seriously. There are, however, many avenues to learning. I will try to pick ways that maximize learning while making classroom time an enjoyable experience for you, but I will need your help to do it.
Tentative Schedule

Class 1: Introduction

Class 2: Overview of Business Ethics

Watkins, S. Ethical Conflicts at Enron: Moral Responsibility in Corporate Capitalism


Class 3: Moral Awareness in the Workplace

Gioia, D. Pinto Fires and Personal Ethics, Journal of Business Ethics

Class 4: Basics of Moral Philosophy: What is Morality?, Cultural Relativism, and Subjectivism

Rachels, Chapters 1-3

Class 5: Basics of Moral Philosophy II: Religion, Spirituality and Egoism

Rachels, Chapters 4-6

Class 6: Basics of Moral Philosophy III: Utilitarianism, Absolute Moral Rules

Rachels, Chapters 7-10

Class 7: Basics of Moral Philosophy IV: Virtue Ethics and Social Contracts

Rachels, Chapter 2 11-13

Class 8: Basics of Moral Philosophy V: Ethics of Care and Compassion

Friedman S. et al., Work-Life: The End of the Zero-Sum Game

Case Discussion: Kathryn McNeil

Class 9: Social Responsibility I: Public Responsibility and Stakeholders

ETB, pp. 50–53 (editors’ introduction)

ETB, pp. 56–61 (Milton Friedman, “The Social Responsibility of Business Is to Increase its Profits”)

Class 10: Social Responsibility II: Stakeholders vs. Stockholders

ETB, pp. 53–54 (editors’ introduction)

ETB, pp. 66–76 (R. Edward Freeman, “A Stakeholder Theory of the Modern Corporation”)

ETB, pp. 54–56 (editors’ introduction)

Class 11: Consumer Protection

*ETB*, pp. 250–254 (*Henningsen v. Bloomfield Motors, Inc. and Chrysler Corporation*)
*ETB*, pp. 191–195 (editors’ introduction)
*ETB*, pp. 201–209 (Manuel G. Velasquez, “The Ethics of Consumer Production”)

Class 12: Investor Protection

*ETB*, pp. 262–263 (“Case 2: Do Apple Computer Shareholders Need Protection?”)
*ETB*, pp. 263–264 (“Case 3: Virazole and Investor Risk”)
*ETB*, pp. 195–197 (editors’ introduction)

Class 13: Purpose of the State, Regulating Business I

*ETB*, pp. 187–188 (“Case 1: The Advertising Code Case”)
*ETB*, pp. 188–189 (“Case 2: Beech-Nut Corporation”)
*ETB*, pp. 117–123 (editors’ introduction)
*ETB*, pp. 124–126 (Kenneth J. Arrow, “Business Codes and Economic Efficiency”)
*ETB*, pp. 126–135 (Ian Maitland, “The Limits of Business Self-Regulation”)

Class 14: Purpose of the State, Regulating Business II

*ETB*, pp. 136–143 (Richard T. DeGeorge, “Ethical Responsibilities of Engineers in Large Organizations: The Pinto Case”)
*ETB*, pp. 143–157 (Russell P. Boisjoly, Ellen Foster Curtis, and Eugene Mellican, “Roger Boisjoly and the Challenger Disaster: The Ethical Dimensions”)

Class 15: Justice

*ETB*, pp. 654–655 (“Case 1: Baseball Economics”)
*ETB*, pp. 655–656 (“Case 2: Selling Cyclamates Abroad”)
*ETB*, pp. 656–657 (“Case 3: Cocaine at the Fortune-500 Level”)
*ETB*, pp. 658–659 (“Case 4: Covering the Costs of Health Care”)
*ETB*, pp. 609–613 (editors’ introduction)
*ETB*, pp. 625–629 (Robert Nozick, “An Entitlement Theory”)
*ETB*, pp. 629–635 (Peter Singer, “Rich and Poor”)

Class 16: Employers and Employees I: Privacy and Drug/Honesty Testing


*ETB*, pp. 358–359 (“Case 2: Catching a Thief by Honesty Exams”)
*ETB*, pp. 268–272 (editors’ introduction)
Class 17: Employers and Employees II: Whistleblowing


Class 18: Employers and Employees, part III: Discrimination and Affirmative Action

*ETB*, pp. 344–348 (*Potter v. Village Bank of New Jersey*)

*ETB*, pp. 273–274 (editors’ introduction)

*ETB*, pp. 328–334 (Sissela Bok, “Whistleblowing and Professional Responsibility”)

*ETB*, pp. 335–339 (Ronald Duska, “Whistleblowing and Employee Loyalty”)

Class 19: Employers and Employees, part IV: Sexual Harassment


*ETB*, pp. 436–437 (“Case 1: ‘Harassment’ at Bradmore Electric”)

*ETB*, pp. 368–370 (editors’ introduction)

*ETB*, pp. 410–412 (Edmund Wall, “The Definition of Sexual Harassment”)

*ETB*, pp. 413–419 (Vaughana Macy Feary, “Sexual Harassment: Why the Corporate World Still Doesn’t ‘Get It’”)

Class 20: The Ethics of Information I: Disclosure

*ETB*, pp. 506–507 (“Case 1: Food Labels and Artful Sales”)

*ETB*, pp. 509–510 (“Case 3: Green Advertising”)

*ETB*, pp. 510–511 (“Case 4: Computer Math for Car Loans”)

*ETB*, p. 512 (“Case 5: Marketing the Giant Quart”)

*ETB*, pp. 443–446 (editors’ introduction)

*ETB*, pp. 472–480 (Tom L. Beauchamp, “Manipulative Advertising”)

*ETB*, pp. 480–490 (George C. Brenkert, “Marketing to Inner-City Blacks: PowerMaster and Moral Responsibility”)

Class 21: The Ethics of Information II: Lying and Spying

*ETB*, pp. 508–509 (“Case 2: The Conventions of Lying on Wall Street”)

*ETB*, pp. 446–448 (editors’ introduction)


*ETB*, pp. 456–462 (Thomas Carson, “Second Thoughts About Bluffing”)

*ETB*, pp. 449–451 (editors’ introduction)
ETB, pp. 491–498 (Lynn Sharp Paine, “Corporate Policy and Ethics of Competitor Intelligence Gathering”)

**Class 22: Global Competition and Global Economic Growth I**

ETB, pp. 514–517 (editors’ introduction)
ETB, pp. 535–545 (Thomas Donaldson, “Fundamental Rights and Multinational Duties”)
ETB, pp. 545–555 (Richard T. DeGeorge, “International Business Ethics: Russia and Eastern Europe”)

**Class 23: Global Competition and Global Economic Growth II**


Case Discussion: Levi Strauss & Co.: Global Sourcing (A), Levi Strauss & Co.: Global Sourcing (B)

**Class 24: Strategy and Ethical Dilemmas Posed by Activists**


Case Discussion: The Brent Spar Platform Controversy (A, B, C) (Royal Dutch Shell and Greenpeace)

**Class 25: Your Career**


**Classes 26-32: Student Workshops**