MGMT 446, Section 001

INTERNATIONAL BUSINESS ETHICS

Spring Quarter 2014, Tuesdays 6:00 PM to 9:00 PM, Corboy 321

CATALOG DESCRIPTION

This is an advanced business ethics course that addresses the ethical challenges of international business for managerial decision making. The aim is to understand the ethical issues that arise in the global business environment and to develop an ability to analyze and resolve these issues effectively. The main emphasis of the course is on standards for the operation of multinational corporations and on ethical problems in specific countries and areas of the world. Some attention is also given to the ethical perspectives of people in different countries and national differences in ethical outlooks.

COURSE OVERVIEW

Business ethics is an important part of the education of any manager, but managers with responsibility for foreign operations are confronted with many ethical issues that do not arise in
domestic business. The distinctive ethical problems of international business are due to many factors, including: different ethical traditions and political and legal systems; diverse forms of economic organization and different levels of economic development; inadequate or ineffectual regulation, especially in less-developed countries; conflicts between national and regional economic and political interests; a lack of background institutions and guidelines for international business; the scope and power of multinational corporations and their ability to evade regulation; and pervasive corruption and oppression in some parts of the world.

**COURSE OBJECTIVES**

The objectives of this course are the development of the knowledge and skills that enable managers to make ethical decisions and to implement them effectively in international business. Specifically, the course seeks to:

- Understand the increasingly complex global environment of business and the specific ethical problems that international business raises.
- Develop an awareness of different ethical standards and perspectives and a tolerance for the conflicts and ambiguities of international business.
- Develop guidelines for personal decision making and for formulating and implementing ethical corporate decisions and policies under the conditions of international business.
- Learn how to work toward more effective background institutions and forms of international business regulation.

**REQUIRED READING**

The assigned reading for the course consists of a number of articles and cases. Materials marked [SK] are posted on Sakai. Materials marked [SN] are available from the website Study.net.

To access materials from Study.net, go to [www.study.net](http://www.study.net) and register as a student. A fee is charged for the documents, which covers only the royalty charge; the use of Study.net itself is free. Once you pay the fee, you can download and print out the documents and/or save them to your computer. You can also order a packet of the printed material at an additional cost.

The syllabus also includes suggested reading. These articles are additional resources for students who wish to pursue topics in greater depth. Some of them will also be referenced in class. All of these articles are in posted in Sakai. There is no requirement that students consult these articles; they are provided merely as a convenience for interested students.

**COURSE REQUIREMENTS**

A short quiz will be administered at each class period after the first one. These quizzes cover basic points in the assigned reading for the class period in which the quiz is administered. The
two lowest scores on the quizzes will not be considered in determining the course grade.

A piece of written work is assigned for each of the nine class periods after the first one. Instructions for each assignment are posted on Sakai, and all written work is to be submitted through Sakai. Of the nine assignments, you may choose any three to submit as graded work. These three graded assignments, which have a maximum length of 3 pages. The other six assignments, which have a maximum length of one page, are not graded and are considered as part of participation. Students may elect to submit four writing assignments (but only four), in which case, the best three writing assignments will be calculated in the grade.

**Grading Procedure**

Each graded component of the course is scored numerically so as to compare it with the work of other students. Once all work is scored with the specified weight, each student’s work is ranked in comparison with that of others. An explanation of the numerical grades is included as an appendix to this syllabus.

The grade for the course is determined as follows: the three writing assignments 50%, participation 25%, and quizzes 25%. Grades are distributed approximately as follows: 75th percentile and above, A; 50th to 75th percentile, A-; 25th to 50th percentile, B+; 25th percentile and below, B or lower. This grading system is intended to produce a class average of approximately 3.5.

**Class Conduct**

Students are expected to attend every class and be prepared to participate actively. Since the course consists of ten three-hour sessions, an absence from even one class involves missing a significant portion of the course. Students are also expected to stay for the whole class period.

It is recognized that students may need to miss a class or leave early on occasion for good reasons, but such absences should occur only when absolutely necessary. If you cannot attend a class, notice must be given to the instructor by e-mail either before the class period or on the next day after an absence. If it is necessary to leave before the end of class, you must notify the instructor beforehand, either in class or prior by e-mail.

Students are expected to use computers, tablets, phones, and other devices only for classroom purposes. All other uses are inconsiderate to classmates and the instructor and detract from the classroom learning experience. However, students are encouraged to use digital devices to take notes and access course materials and relevant information.

In all course work, students are expected to observe the School of Business Administration policy on academic integrity, which is appended to this syllabus.
SCHEDULE

2/25  SESSION 1   ETHICS IN A GLOBAL ENVIRONMENT

Cases

“Foreign Assignment,” by Thomas Dunfee and Diana Robertson. [SK]

Required Reading


Suggested Reading


3/11  SESSION 2   GLOBAL ETHICAL PERSPECTIVES

Cases


Required Reading

Rosen, Lawrence, “Understanding Corruption,” The American Interest (March-April 2010), 78-82. [SK]

Suggested Reading


### 3/18 SESSION 3 LABOR AND PRODUCT STANDARDS

**Cases**


“Unsafe for Children: Mattel’s Toy Recalls and Supply Chain Management,” Stanford Graduate School of Business, GS-63. [SN]

**Required Reading**


**Suggested Reading**


3/25 SESSION 4 HUMAN RIGHTS AND POLITICAL INVOLVEMENT

Cases

“Chrysler and Gao Feng,” by Michael A. Santoro, 2002. [SK]
“Mobil in Aceh, Indonesia (A),” Stanford Graduate School of Business, IB-40A. [SN]

Required Reading

Ottoway, Marina, “Reluctant Missionaries,” Foreign Policy (July-August 2001), 44-54. [SK]

Suggested Reading


4/1 SESSION 5 BRIBERY AND CORRUPTION

Cases

“Terry Rhodes (A),” London Business School, CS-08-014. [SN]

Required Reading

Suggested Reading


4/8 SESSION 6 BUSINESS ETHICS IN ASIA

Cases

“Google in China,” by John R. Boatright. [SK]
“NES China: Business Ethics” (A), Ivey School of Business, 9B01C029. [SN]

Required Reading


Suggested Reading


4/15  SESSION 7  ALLEVIATING GLOBAL POVERTY

**Cases**

“Procter & Gamble: Children’s Safe Drinking Water (B),” Darden School of Business UV1161. [SN]

**Required Reading**


**Suggested Reading**


4/22  SESSION 8  CERTIFICATION, FAIR TRADE, AND NGOs

**Cases**

**Required Reading**


**Suggested Reading**


**4/29 SESSION 9 CORPORATE SOCIAL RESPONSIBILITY**

**Cases**

“H.B. Fuller in Honduras,” by John R. Boatright. [SK]


**Required Reading**


Kapstein, Ethan B., “The Corporate Ethics Crusade,” *Foreign Affairs*, 80 (September-October 2001), 105-119. [SK]


**Suggested Reading**


Smith, N. Craig., “Corporate Social Responsibility: Whether or How?” *California Management*

**5/6 SESSION 10 REGULATION OF GLOBAL BUSINESS**

*Required Reading*


*Suggested Reading*


APPENDIX ON GRADING

GRADING OF WRITTEN WORK

Papers are graded on a 12-point scale, which does not correspond to a letter grade but is merely used for comparative purposes. The scale reflects student’s performance relative to that of others according to the following standards:

11-12: Superior work that is significantly above the level for most students; only a few papers receive a score in this range.

9-10: Good, solid work that is typical of most students; most papers receive a score in this range.

7-8: Acceptable work that is somewhat below the level of quality for most students; only a few papers receive a score in this range.

6 or less: Work that is significantly deficient and below the level expected in the course; scores in this range are seldom encountered.

GRADING OF PARTICIPATION

A portion of the grade in this course is based on participation, which is scored on a 10-point scale as explained below.

10: One of the best discussants in the class; is always very well prepared and participates actively and constructively in most or all sessions.

9: A moderately active discussant who is generally well prepared and participates with moderate frequency in most or all sessions.

8: An occasional discussant who is usually well prepared and has attended most class sessions, but participates infrequently in discussion.

7: A rarely active discussant who seldom participates in class discussion but is usually well prepared and has attended class regularly.

6: An inactive discussant who seldom or never participates in class discussion and/or has not attended regularly.
School of Business Administration Policy on Academic Integrity

The basic commitment of a university is to search for and to communicate the truth as it is honestly perceived. Faculty, staff, and students of the School of Business Administration are called upon to know, to respect, and to practice this standard of personal honesty. All members of the School of Business Administration shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsification.

Plagiarism is a serious violation of this standard. Plagiarism is the appropriation for gain of ideas, language, or work of another without sufficient public acknowledgement that the material is not one's own. Plagiarism involves deliberate taking and use of specific words and ideas of others without proper acknowledgement of the sources.

Cheating is attempting to gain an unfair advantage while taking a test or submitting other work. Cheating includes, but is not limited to, copying from others during exams, bringing unauthorized material to an exam, sharing previous exams without instructor permission, changing answers after the test is completed, and sharing exam questions and answers with students who have yet to take the test.

Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of "F" for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved. The chairperson or dean may constitute a hearing board to consider the imposition of sanctions in addition to those imposed by the instructor, including a recommendation of expulsion, depending upon the seriousness of the misconduct. Students may confidentially report observed instances of academic dishonesty to the instructor, chairperson, or dean. Instances of faculty misconduct should be reported to the department chair or dean.