BUSINESS ETHICS

MGMT 441

Ethical Challenges for Business Leaders

Winter Quarter, 2013-2014

Section 001, Mondays 6:00 - 9:00, Maguire 110

Section 002, Tuesdays 6:00 – 9:00, Maguire 110

Catalog Description

This course examines the ethical aspects of individual and corporate decision making in business and provides resources for making ethical decisions within the context of managerial practice.

Outcome: Students will be acquainted with the concepts and principles of ethical reasoning that have been developed in ethical theory; be aware of the specific ethical issues that arise in management and of the ways in which these issues are commonly analyzed; and be able to make sound ethical and managerial decisions and to implement those decisions within the context of an organization in a competitive marketplace.
COURSE GOALS

The core goals of the course are to *equip* business leaders with the knowledge and skill needed both to operate with personal integrity and to impact the business setting in positive ways and also to *encourage* them to commit themselves to that integrity.

In light of that, specific expected outcomes are that participants will have:

1. **Knowledge** of traditional ways of considering and discussing ethical issues;

2. **Knowledge** of the range of ethical challenges commonly encountered in the business setting;

3. **Skills** needed for clarifying and assessing the ethical dimensions of business issues;

4. **Skills** needed for responding confidently and courageously when facing those issues;

5. **Resources** that will assist in enacting ethically admirable behavior;

6. **Self-awareness** of one’s ethical stance and of the opportunities and challenges it will present.
COURSE REQUIREMENTS

1. Timely completion of assigned readings and of other assignments for specific classes.
   a. There are two textbooks for this course:
      
      
      **NOTE:** This text is also available as a e-book, through Loyola’s bookstore.
      
   
   b. The course will also use Sakai, where additional materials will be posted.
   
   c. Certain additional material will be available from Harvard Business Publishing, at [http://hbsp.harvard.edu](http://hbsp.harvard.edu). You will need to register at this site, if you have not already done so, in order to access and purchase these materials.

2. Prompt arrival, consistent attendance at, and active participation in all classes.
   a. **NOTE:** The presumption at the heart of this syllabus is that, if you are faithful to the process of reading, writing, and conversing, you will learn what you need to learn. So individual contributions will not be graded on quality. But, on the other hand, the **deadlines** for submission will be maintained **strictly**. In other words, a good grade is achieved by consistent professional participation in the process.

   b. Since this course involves only ten meetings, missing even one class is a significant interruption. This is all the more true in the Winter Quarter, when two groups of five meetings are separated by a month. If you find it necessary to miss a class, you may deal with that in one of three ways:
      
      i. If necessary -- and with advance notice to the instructor -- you may attend and participate in the other section of this course (but no more than once).
      
      ii. The classes will all be video-recorded and published immediately after the class in Sakai. You can view the class recording and then submit to the instructor a substantive email (at least 300 words) in which you:
          1. Identify the issues and activities that constituted the class
          2. Offer substantive comments about the most important features
3. Articulate the questions that are raised for you by that class. Please note: While you are welcome to submit this document as an email, it must be carefully written, correct in grammar and spelling. And the email must be postmarked by 10:00 PM, CST, three days after the missed class (Thursday for the Monday section; Friday for the Tuesday section). You may use this option no more than twice.

To locate the video, click on the PANOPTO button. The videos will be identified by the week.

iii. You may inform the instructor via email no later than 24 hours after the missed class, that you did miss the class and do not wish to use either of the options listed above. You may exercise this option only once during the course. If you miss a class and do not provide notice, four points will be deducted from this portion of the grade. If you miss more than one class – even with notice – and do not use options i or ii above, there will be a four point deduction from this portion of the grade since, no matter the validity of the reason for the absence, this amount of non-involvement inevitably impacts the learning of the course.

c. Since class conversation is a key element in the learning of the course, active participation in class activities and discussions, in a manner that evidences familiarity with and understanding of the readings, is required. Toward that end, I will use the Present AND Prepared approach. Here is how it works:

i. At every class, there will be a sign-in sheet, on which ALL students should record their presence.

ii. Beyond that, beginning with Week Two and through Week Nine, the sign-in sheet will have a column where you can confirm that you are Present AND Prepared. If this box is checked, I will plan to call on you; if it is not checked, I will not call on you.

iii. To be Present AND Prepared means that, in the case of Business Ethics, you are able to respond intelligently to the questions at the beginning and end of each chapter and, in case of Living into Leadership and other assigned readings, that you can comment thoughtfully on the reading.

iv. To receive full credit for the participation portion of the grade, you must be Present AND Prepared at least six of the eight classes. If you check-mark your name less than six times, four points will be deducted from this portion of the grade for each deficit. (Classes that you miss – even if you use Option ii, above – do not count toward your Present AND Prepared total.)
v. If I call on you and it is clear that, despite your name being checked, you are not present and prepared, four points will be deducted from this portion of the grade.

vi. If by accident, I call on you when you have not checked your name, simply point out my error and I will move on.

d. One more point regarding participation: Quinlan is proud of the fact that it provides a welcoming location for international students. Students from other parts of the world come to study in the U.S. for the content of the program of course. But they also come in order to hone their skills at speaking and writing English since, in the end, English is the language of international business. Using a second language is hard work; it needs and deserves our support. So all conversation in these classes, whether between students and the instructor or among students, is to be conducted entirely and only in English.

3. Short written activities will be required as follow-ups to Week Two through Seven. These activities will demand 30-60 minutes of effort. Half the participants will be assigned this task in a given week, meaning that each participant will be responsible for three follow-up exercises. These assignments will be submitted via Sakai. Each Follow-up Posting is due by 6:00 PM, CST, of Saturday at the end of the week for which it is assigned.

4. Other brief written assignments, delivered via Sakai, will also be required. These include:
   a. Personal Introduction
   b. Holiday Learnings
   c. Letter to Buzz
   d. Peer Review
   e. (A mid-course assessment and supplementary final assessment are requested, but not obligatory.)

5. In groups, you will prepare a Rehearsing for Integrity exercise, to be presented in one of the final three classes. The details of the procedure will be as follows:

   a. In Week Two, participants will be assigned to groups in an arbitrary fashion. Since in business we do not have the luxury of only “working with our friends,” self-selected groups will not be allowed.

   b. A leader of each group will also be designated. Brief time will be allowed in Weeks Two, Three and Four for the members of the group to meet. Should you wish to identify another member as the leader, you may do so no later than the day after the fourth class.

   c. In Week Five, specific cases will be distributed, one to each group. These cases are typical in that they involve an ethical dilemma. But the cases
include more in that they require the group not only to complete an analysis of the case but also to prepare a strategy for communicating and implementing the analysis. (Details about all this will be provided in Weeks Four and Five.)

d. The Group will pursue its work in whatever way it wishes.
e. Each group will present its conclusions and implementation plan in class: three groups each in Weeks Eight, and Nine, and four groups in Week Ten.

6. You should expect the work for this course to require about nine hours a week, including class time. Especially for those who are working full time, this will require careful planning.

GRADING STANDARDS

NOTE: The presumption at the heart of this course, and the grading standard it uses, is that, if you are faithful to the reading and writing, listening and conversing, you will learn what you should. Thus, in the standards below, you will see that most of the points are awarded for the simple completion of the assignment. At the same time, failing to complete an assignment or to meet a deadline, can seriously affect your grade.

• CLASS PARTICIPATION (36 points)
  As mentioned above, participants will be expected to be Present AND Prepared for at least six meetings, within classes two through nine. Doing so achieves the total points. Being Present AND Prepared less than six times will result in a deduction of 4 points per. If it becomes clear in class conversation that a person is not Present AND Prepared when claiming to be, there will be a deduction of 4 points.

  Also, as mentioned above, an absence from class, without timely communication to the instructor and/or completion of the “make-up assignment” will lead to a deduction of 4 points.

• “FOLLOW-UP ASSIGNMENTS” (24 points)
  As mentioned above, “follow-up” written assignments will be made for classes two through seven, with half the participants being assigned in a specific week. The assignment will call for a written reflection of 300-500 words. The assignments will be submitted via Sakai, making them available to be read by all members of the class. Assignments that are completed in a timely fashion and show knowledge and thoughtfulness will be fully credited at 8 points per assignment. Tardiness will result in a 4 point deduction. Prompt submissions that do not demonstrate knowledge and thoughtfulness will receive a deduction of up to 4 points.

• BRIEF WRITTEN ASSIGNMENTS (16 points)
The details of the various course assignments, as provided within Sakai, will include additional brief written contributions. The assignments will include:

1. An autobiographical statement of approximately 100 words, submitted before the first class meeting. (2 points)
2. A presentation of “Holiday Learnings” in advance of Week 6. (6 points)
3. A “letter” written to Buzz McCoy, author of one of the required texts, at the conclusion of the course. (6 points)
4. A Peer Review at the conclusion of the course (2 points).

• FINAL PROJECT (24 points)
The Rehearsing for Integrity project will be graded. A rubric will be provided, showing the criteria for evaluating the project. In general, all members of the group will receive the same grade. However, if it is clear that one or another member has not participated in a professional and collaborative manner, I reserve the right to reduce the credit awarded to that person.

You will be able to follow the grading of the various components in Sakai. When the numeric grades are converted to letters, to produce the official university grade for the course, the following scale will be used:

- 97-100 = A
- 93-96 = A-
- 89-92 = B+
- 85-88 = B
- 81-84 = B-
- 77-80 = C+
- 73-76 = C
- 70-72 = C-

LEGAL DISCLAIMER

This course deals with business ethics. But in pursuing that topic, issues of business law cannot be avoided. Please understand that discussions of legal provisions in this course do not constitute legal advice and are provided solely as a reference. In addition, it is to be expected that legal requirements and prohibitions will change over time. Therefore, when facing actual business issues in their work or personal lives, participants in this course should always seek appropriate professional legal advice.

CONTACTING THE INSTRUCTOR

The best way to communicate with me will be via email. As noted on the first page, my Loyola email is toconne@luc.edu. I intend to commit to replying to emails sent during the work week within 24 hours. Emails sent over the weekend may take up to 48 hours.

If it seems like a phone conversation would be helpful, we can schedule that. And I have the technology for a Skype video phone call, if that’s seems appropriate.
COURSE SCHEDULE & ASSIGNMENTS

NOTE: Items in ITALICS are assignments from the textbooks. Other items are accessed via Sakai. Of those, items marked HBS, are available for purchase at the Harvard Business School site – which is accessed via the links in Sakai.

WEEK 1: The Question of Ethics
READ: Living Into Leadership: pp 1-30

Damon Horowitz Video
Johnson & Johnson Credo
James Burke: A Career in American Business (HBS)

WEEK 2: Approaches to Ethics
READ: Business Ethics: pp. 1-47
      Living Into Leadership: pp 31-43

World’s Most Ethical Companies
Novo Nordisk Blueprint for Change
The Disney Corporation
Catholic Social Thought

WEEK 3: Character and Corporation
READ: Business Ethics: pp. 48-68
      Living Into Leadership: pp 44-59

Coca Cola Co. Code of Ethics
HP Global Citizenship Report
KPMG Code of Conduct
Howard Schultz article

WEEK 4: Employee Dignity and Rights
READ: Business Ethics: pp. 97-144
      Living Into Leadership: pp 61-85

Finding Meaning in the Organization (HBS)
“Strategy & Society” (HBS)
Universal Declaration of Human Rights
REHEARSING FOR INTEGRITY Introduction
WEEK 5: **Employee Responsibilities**  
READ: *Business Ethics*: pp. 145-173  
*Living Into Leadership*: pp 86-106

Time Mag WoY – Intro  
Time Mag WoY – Cooper  
Time Mag WoY – Rowley  
Time Mag WoY – Watkins  
Solving a Problem or Sounding the Alarm (HBS)

WEEK 6: **Ethical Challenges of Marketing**  
*Living Into Leadership*: pp 107-132

The Dependence Effect  
Managing Product Safety: The Ford Pinto (HBS)  
The Case of the Contested Firearms  
Everquest: Entertainment or Addiction?  
Drug Advertising Regulation

WEEK 7: **Business in a Limited World**  
READ: *Business Ethics*: pp. 216-233  
*Living Into Leadership*: pp 133-161

Global Reporting Initiative  
Baxter Sustainability Report  
Toyota Annual Environmental Report  
Patagonia Common Threads Initiative

WEEK 8: **Business in a Diverse World**  
READ: *Business Ethics*: pp. 234-260  
*Living Into Leadership*: pp 162-180

Johnson & Johnson on Diversity  
Sexual Harassment, Free Speech or …? (HBS)  
Sexual Discrimination at Eastern Airlines  
Women Employed
WEEK 9: Business in a Transnational World
READ: Business Ethics: pp. 218-280
Living Into Leadership: pp 180-202

Merck & Co., Inc.: Addressing Third-World Needs (HBS)
NOTE: This case involves four articles!
UN Global Compact
Principles of Responsible Management Education
Schwab Foundation for Social Entrepreneurship

WEEK 10: Conclusions
Rehearsing for Integrity

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UNIVERSITY ACADEMIC INTEGRITY POLICY

The basic commitment of a university is to search for and to communicate the truth as it is honestly perceived. The university could not accomplish its purpose in the absence of this demanding standard. To the extent that this standard is respected, a genuine learning community can exist. Students of this university are called upon to know, to respect, and to practice this standard of personal honesty.

Plagiarism is a serious form of violation of this standard. Plagiarism is that appropriation for gain of ideas, language, or work of another without sufficient public acknowledgement that the material is not one’s own. It is true that every thought probably has been influenced to some degree by the thoughts and actions of others. Such influences can be thought of as affecting the ways we see things and express all thoughts. Plagiarism, however, involves the deliberate taking and use of specific words and ideas of others without proper acknowledgement of the sources.

The faculty and the administration of Loyola University Chicago wish to make it clear that they following acts are regarded as serious violations of personal honesty and the academic ideal that binds the university into a learning community:

- Submitting as one’s own:
  - Material copied from a published source: print, Internet, CD-ROM audio, video, etc.
  - Another person’s unpublished work or examination material.
  - A rewritten or paraphrased version of another person’s work.
- Allowing another or paying another to write or research a paper for one’s own benefit.
- Purchasing, acquiring, and using a pre-written paper for course credit.

The critical issue is to give proper recognition to other sources. To do so is an act both of personal, professional courtesy and of intellectual honesty. If, after giving proper recognition to sources other than one’s own, the student has nothing left to call his/her own, insufficient work has been done.

In the course of completing a written assignment, a student, just as a professional, has access to several kinds of assistance and advice. The student, however, must do the revising.

Obtaining, distributing, or communicating examination materials prior to the scheduled examination without the consent of the teacher; providing information to or obtaining information from another student during the examination; attempting to change answers after the examination has been submitted; and falsifying medical or other documents to petition for excused absences are violations of the integrity and honesty standards of the examination process.

Plagiarism on the part of a student in academic work or dishonest 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 Dean of the School of Business Administration.
Quinlan School of Business Honor Code

Loyola University Chicago is Chicago's Jesuit Catholic University—a diverse community seeking God in all things and working to expand knowledge in the service of humanity through learning, justice and faith. The Quinlan School of Business embraces our university's Jesuit tradition in striving to develop responsible leaders who treat others honestly, fairly, and respectfully—leaders who build relationships of loyalty and trust, who honor their commitments and obligations, who are infused with a sense of responsibility to serve the common good, who share their knowledge and skills with others, and who act at all times with the highest level of integrity and ethical behavior.

To support this commitment, the Quinlan School has adopted this Honor Code which outlines the standards of academic integrity and professional behavior that are expected of all faculty, staff, and students, both undergraduate and graduate.

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 Quinlan School are called upon to know, to respect and to practice this standard of personal honesty. All members of the Quinlan School 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.

For further information about our expectations for academic integrity and sanctions for violations, consult the Statement of Academic Integrity on the Quinlan School of Business website.

Professional Behavior: The Quinlan School expects all constituents to conduct themselves in a professional manner, respecting the dignity of each individual. We embrace the diversity that each of us brings to our learning partnership: religious, ethnic, cultural, political, and academic. We do not tolerate discrimination, harassment, or abuse, whose sanctions may include probation and dismissal from the university. For further details regarding community standards, judicial procedures, and university policies, consult the Student Handbook.

I pledge to uphold the standards of Academic Integrity and Professional Behavior of the Quinlan School of Business Honor Code and to abide by the complete set of regulations detailed in the Statement of Academic Integrity and the Student Handbook.

Adopted May 12, 2009. Revised July 31, 2012 to reflect the Quinlan School name.