MGMT 341: Ethics in Business

§104: Tu/Th, 11.30a-12.45p, Corboy Law Center 901
§103: Tu/Th, 2.30-3.45p, Corboy Law Center 306

Catalog Description

This course focuses on ethical issues in the world of business and commerce. This course will address a number of interrelated questions: What are the rights and obligations of business in society? Can businesses “do good” and “do well”? Is business ethics a viable goal or an unachievable ideal?

Course Overview

This is a discussion-oriented course taught via the Socratic method, supplemented by lecture. This means that I will be asking you questions about the assigned cases, readings, and other course materials as a means of exploring your thoughts on them.

Course Objectives and Learning Outcomes

As a result of taking this course, you should be able to speak intelligently about moral issues in business and possess the elementary means of engaging in moral reasoning when you encounter a moral issue or dilemma in business. In addition, you should be able to see how rival philosophical concepts (e.g., accounts of human nature, ethical theories) may inform divergent accounts of what is and is not ethical.

Required Course Materials


Internet- or Sakai-based readings as indicated in the Course Schedule, below.
Course Requirements and Grading Criteria

Examinations: This course will have two in-class midterm examinations and a final examination. These three examinations will be weighted as follows:

- First midterm: 22.5% of unmodified grade
- Second midterm: 22.5% of unmodified grade
- Final examination: 55% of unmodified grade

Class participation: May modify the grade in accordance with Attendance Policy and Class Participation Expectations, below.

Extra-credit assignments: Extra-credit assignments are counterproductive, unfair, and contrary to the spirit of academic achievement. Consequently, I don’t give them.

They are counterproductive for you because they divide your energies between the assigned material you already have to tackle and the extra-credit assignment.

They are counterproductive for me because I have divide my energies to conceive and grade them.

They are unfair to other students who don’t need or ask for extra-credit by diminishing the value of their accomplishments on the examinations.

They are contrary to the spirit of academic achievement by attempting to substitute quantity of work for quality of work.

If you care enough to ask for an extra-credit assignment later, please care enough now to put in the necessary work on the assigned material to get the grade you hope for.

Grade calculation: Students are sometimes confused by my grading practice because I do not assign points to an examination and then convert it into a letter grade. Instead, I assign a letter grade to an examination and then convert it into a numerical value. A typical examination will have one longer answer question for which you will have to write an essay and a series of shorter answer, multiple choice, matching, or otherwise stylized questions. Depending upon its quality, the answer on the longer question will earn you a whole-letter grade for the examination of C, D, or F. Depending on their quality, the answers to each of the shorter questions will raise or lower that whole-letter grade by one-increment (e.g., from C to C+, from B to B-) or leave it undisturbed.

Here is an example: Ludmila writes a C-worthy longer answer and her three shorter answers are raise-worthy, raise-worthy, and lower-worthy, respectively. Ludmila’s examination grade would be raised from C to B- by the two raise-worthy shorter answers and then lowered from B- to C+ by the one lower-worthy shorter answer. Ludmila’s grade for the examination is thus C+. Because Ludmila’s unmodified grade for the course will be a weighted average of her examination scores, I convert her C+ to a numerical grade on this scale:
A  94
A- 90
B+ 86
B  82
B- 78
C+ 74
C  70
C- 66
D+ 62
D  58
F  54

Thus, Ludmila’s C+ on the midterm examination would be converted to 74.

Imagine Ludmila earns grades on the two midterms and the final of C+ (74), A (94), and B (82), respectively. Her grade would be calculated as follows:

\[(74 \times 0.225 = 16.65) + (94 \times 0.225 = 21.15) + (82 \times 0.55 = 45.1) = 82.9\]

82.9 is between a B (82) and a B+ (86), but closer to a B. Ludmila’s unmodified grade for the course would be B.

Note: If a final average is exactly equidistant between two grades, the student will receive the higher grade. Exactly equidistant means exactly equidistant. For example, an average of 84.0, which is exactly equidistant between B (82) and B+ (86), would earn a B+. An average of 83.999999999999999997, by contrast, is closer to a B and would earn a B.

Assigning grades to answers: An answer will receive the highest available grade if it is correct and accurate in its conclusion, the evidence for the conclusion is relevant, and the reasoning leading to the conclusion is logical. The next-highest available grade will be assigned to answers falling short on one of those criteria, the next-next highest to those falling short on two, and so forth.

One implication of this grading standard is that you can write your way into a lower grade. Writing more does not necessarily make an answer better. Frequently, it makes an answer worse. This another application of the idea that substituting quantity for quality is contrary to the spirit of academic achievement.

Attendance Policy and Class Participation Expectations: This is a discussion-oriented course conducted mainly in a Socratic manner. Portions of each class meeting will be devoted to lecture, to small-group consideration of discussion questions raised in class, and to full-group discussion.

In preparation for each class meeting, you are expected to have read and thought about carefully the assigned readings and their significance to the topic under discussion. I will call upon
members of the class randomly to respond to my questions about them. At various points, I will open the discussion up for comments offered on a voluntary basis.

Our aim each class meeting is to have a conversation—an exchange of ideas among the members of the class. If I call on you in class, I’m looking only for an honest effort to grapple with the material. You won’t be dinged for failing to come up with the “right” answer. All I seek is a good-faith effort to address the question I pose to you; one that evidences your basic familiarity with the materials. Make a good-faith effort to read the materials and address the question posed to you, and no harm will come to you.

Class participation can affect your grade in two ways—the good way and the bad way:

**The good way:** If, in my judgment, you have consistently made extraordinarily valuable contributions to class discussion, you will receive a one-increment increase in your overall course grade. This will be awarded only for truly exceptional performance and will be an exceedingly rare event.

**The bad way:** If my records indicate you are absent or unprepared to comment for one quarter or more of the instances I draw your name from the index cards, you will receive a one-increment decrease in your overall course grade. I’ve never had to do that before, so – please – don’t be the first.

**Quinlan School of Business Policies**

**Attendance:** Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. Faculty may set participation policies unique to their courses and use class participation as a component of the final grade. The student is responsible for any assignments or requirements missed during an absence.

**Make-up examinations:** Loyola University Chicago academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. Make-up examinations are discouraged. Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean. If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

**Academic integrity:** All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood. 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. For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website: http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf
Course Schedule

Note: Unless it is indicated specifically that a course material will be introduced in class (e.g., “in-class movie”), students are responsible to read, listen to, or view that material before the class meeting in which it will be discussed.

Week I: January 14 and 16

Tuesday
What will we do? The purpose and plan of the course
Activity: Getting acquainted
Animating question: What is business?
Reading: Al Gini and Alexei Marcoux, “Ethics, Business, and Business Ethics” (G&M, pp. 1-16; read closely pp. 10-15)

Ethics: Kantian Deontology

Thursday
Bargaining, Buying, and Selling I
Animating question: What are the requirements—and the limits—of truth-telling in business?
Reading: Tom Carson, “Shoe Sales” (G&M, pp. 64-65)

Ethics: Utilitarianism

Week II: January 21 and 23

Tuesday
Bargaining, Buying, and Selling I (cont.)
Reading: Michael Santoro, “The Job Negotiation” (G&M, p. 65)

Thursday
Bargaining, Buying, and Selling II
Animating question: Is Carr correct about the ethics of bluffing?
Reading: Albert Carr, “Is Business Bluffing Ethical?” (G&M, pp. 18-23)

Ethics: Contractarianism
Week III: January 28 and 30

Tuesday
Bargaining, Buying, and Selling II (cont.)

Thursday
Bargaining, Buying, and Selling III

Animating question: What habits and virtues does a commercial culture require?
Reading: Alexei M. Marcoux, “Is a Market for Values a Value in Markets?” Reason Papers 31 (Fall 2009): 97-107, available at URL: http://www.reasonpapers.com/pdf/31/rp_31_6.pdf (In light of our earlier discussion in class, you can skip part 5 (bottom of p. 101 to top of p. 106), but you should pay close attention to everything else—including the quotations appearing at the outset of the article.)

Ethics: Virtue Ethics

Week IV: February 4 and 6

Tuesday
Bargaining, Buying, and Selling III (cont.)

Thursday
Midterm review

Week V: February 11 and 13

Tuesday
Midterm examination

Thursday
Advertising I

Animating question: Is advertising a valuable or a parasitic activity?
Reading: John Kenneth Galbraith, “The Dependence Effect” (G&M, pp. 76-80)

Week VI: February 18 and 20

Tuesday
Midterm handback and postmortem

Thursday
Advertising I (cont.)

Week VII: February 25 and 27

Tuesday
Advertising II


Thursday
Advertising II (cont.)

* SPRING BREAK INTERVENES *

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Week VIII: March 11 and 13

Tuesday
Advertising III
Reading: Paul Krugman, “What Price Fairness?” (G&M, pp. 358-359)

Thursday
Advertising III (cont.)
Reading: Alexei Marcoux, “Much Ado About Price Discrimination” (G&M, pp. 360-367)

Week IX: March 18 and 20

Tuesday
Advertising III (cont.)

Thursday
Midterm review

Week X: March 25 and 27

Tuesday
Midterm examination

Thursday
Big Business and Globalization I

Week XI: April 1 and 3

Tuesday
Midterm handback and postmortem

Thursday
Big Business and Globalization II
Reading: John Boatright, “H. B. Fuller in Honduras” (G&M, pp. 239-240)

Week XII: April 8 and 10

Tuesday
Big Business and Globalization III
Reading: Maitland, “The Great Non-Debate Over International Sweatshops” (G&M, pp. 199-211)

Thursday
Maitland (cont.)

Week XIII: April 15 and 17

Tuesday
Reading: Arnold and Bowie, “Sweatshops and Respect for Persons” (G&M, pp. 182-199)

Thursday
Maitland versus Arnold and Bowie summary
Week XIV: April 22 and 24

Tuesday
Flexibility day: There is a high probability that by this point we may be behind or a class meeting may need to be canceled. If so, we’re ready.

Thursday
Final review

Final Examination: §104 Tuesday, April 29, 9.00–11.00a
§103 Thursday, May 1, 9.00–11.00a