



Business Ethics

MGT 327

Course Syllabus: Spring 2012

Instructor:	Dr. Leslie E. Sekerka
Class:	Sec #1 – Tues/Thurs 11:10-12:30pm Sec #2 – Tues/Thurs 12:40-2:00pm Sec #3 – Wed 6:10-8:50pm
Office:	Brawner Hall, Rm 465
Hours:	Mon 4:00-6pm/Tues 2:00-5pm/Wed 4:00-6pm
Email:	lesekerk@gmail.com
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PREQUISITES

MGT 101: *Business Management Practices*

MGT 317: *Organizational Theory & Development*

TEXT

- Ferrell, O.C., Fraedrich, J., and Ferrell, L. (2011). *Business Ethics, Ethical Decision Making & Cases* (8th edition). Mason, OH: South-Western Cengage Learning (ISBN-13: 9781439042236).¹
- Plante, T. G. (2004). *Do the Right Thing: Living Ethically in an Unethical World*. Oakland, CA: New Harbinger Publications (ISBN-1-57224-364-3).
- Spar, D. L. (2002). *Hitting the Wall: Nike and International Labor Practices*. Harvard Business School: Case 9-700-047.
- Supplemental readings provided.

ATTENDANCE

- You are required to attend every class and additional guest speaker events. You are welcome to attend other sections at any time. Please examine the speaker schedule as there are specialists coming in (e.g., forensic accounting), that may be of particular interest to you.
- There is an important class **exchange** to note! If you have another class during the planned exchange time, you are required to write a paper on the speaker topic.
 - In lieu of classes that would take place on Tues 2/14 and Thurs 2/16, all students attend the Wed night class on 2/15. **There is no class during your regularly scheduled class period that week.**

¹ You may use the 8th or 9th edition, so that books from last term can be reused.

- In lieu of the class that would take place on Wed 2/8, all students attend the Tues/Thurs classes (either time) on 2/7 and 2/9 that week. **There is no class during your regularly scheduled class period that week.**

The above plan is a simple “exchange” for your regular class time. I recognize you may be unable to arrange this due to other classes. Please see me in advance to plan accordingly. **You will need to write a separate term paper on the topic(s) covered if you cannot attend!**

COURSE DESCRIPTION

This course helps you become aware of and reflect on the ethical challenges people encounter in their business and professional lives. It is designed to prompt your exploration and analysis of conflicts between personal values, expected behavior, and procedures in organizations. Attention is directed toward examination of key approaches to ethical issues and how these theories and philosophies can be applied to specific business cases and contemporary management issues.

LEARNING OBJECTIVES

- Become familiar with the major schools/theories of ethical analysis and problem-solving as they relate to business and every day issues.
- Become aware of the ethical challenges and moral choices that people and organizations encounter in their work lives.
- Learn the characteristics of sound moral reasoning as they apply to business, management, and practical issues.
- Develop a coherent strategy of how to examine a situation and apply the various ethical theories.
- Learn and demonstrate skills in critical thinking, both written and oral expression, pertaining to moral reasoning as it relates to management practice.
- Reflect on how ethical theory can be applied, practiced, and implemented in today’s global and economically challenged business environment.

PERFORMANCE GOALS

Responsibilities

1. Attend all classes (note guest speaker or special event dates).
2. Contact professor throughout the term when you have questions or need support.
3. Read all assigned materials before class.
4. Contribute to class discussions.
5. Complete all assignments on time (due at the beginning of class).
6. Comply with school’s academic integrity and general policies (see Appendix).

Requirements

A combination of participation, individual work, and team effort will be used to assess your performance. The final course grade is based on the following criteria:

Attendance/Cases/Conversation Starters (6)	35%
Midterm Exam	25%
Organizational Ethics Audit	20%
Virtuous Self Reflection Paper (Final)	20%

Assignments: Readings, case studies, and supplements are assigned weekly. This material serves as the basis for your conversation starter (CS) fueling all classroom activities. You must attend all class sessions and spend ample time outside of class for study/preparation. Some team preparation and research time will be provided. You are required to attend speaker events scheduled, sometimes during other class sections. Please discuss with the professor any conflicts, in advance of the event.² The course is ‘front loaded’, which means a lot of the work occurs as preparation for the midterm. Group and individual work complete the term assignments from that point forward.

Attendance/Conversation Starters: This class is an interactive informed discussion. Everyone is expected to contribute and attendance needs to be matched with preparation. Therefore, you prepare a CS before each class, covering that day’s assigned material. Everyone is responsible for adding value to our dialogue as a learning forum. This will help refine your written and oral communication skills and to prepare for the major assignments. You must attend all class sessions—with conversation starter in hand.

- ✓ Instructions are set forth weekly (see agenda and CS example). For those who meet twice weekly, the CS is due Tues (for Wed, the day of class). **No late CS work is accepted.** A CS analysis is designed to help you contribute to each session and build a framework for other major assignments. Class contributions (stemming from a well-crafted CS) add to your participation points (35% of your final grade).
- ✓ Each CS is typically 3 pages, single-spaced, typically addresses sections outlined in the example (e.g., a-f, structured format, Times Roman 12 pt. font). You must demonstrate critical thinking and reflection, including and going beyond the textbook info to generate fresh and thoughtful insight. **Always answer the CS questions first, in the agenda for that week. Then refer back to the example (a-f) to be certain you have covered everything! You need BOTH the weekly prompt questions answered AND a-f answered.**
- ✓ There are FIVE required CS assignments and ONE of your choice (6 total).

All CS essays must be typed, hard copy, and turned in on the assigned day.

Extra Credit: All business ethics students are encouraged to participate in the all school competition sponsored by the Ethics in Action Club, called *Spread the Love: Pay it forward.* Details of the contest are explained in class, winners announced Wed (2/15).

Team Case Participation: There are two team case assignments.

² If you are unable to attend a required guest speaker, you must see the professor in advance to receive a substitute writing assignment (5 page paper on related topic).

- 1) For the *mini-cases* the class is divided into six teams. They are in the back of your Ferrell text. You are responsible for reading/analyzing ALL of the CASES, but you will be in charge of presenting only one. After you study all the cases and answer the questions, join your team to discuss **each case** and vet your assigned case collectively. Study the textbook, external sources, media and the press to prepare your analyses, independent answers, and suggestions/recommendations for next steps. Team members work together to: a) review ALL the cases; b) thoroughly prepare your assigned case; c) relate your analyses to the text and popular press; d) lead the class in understanding your case; and e) turn in a CS for your assigned case (individually).
- 2) The class is divided into three sections for the *Nike case*. You buy this from the bookstore. We will study and debate it from three different perspectives. Work with your appointed group to prepare your side of the story and contribute to the class debate.
- 3) Case analyses will be graded individually based on the following criteria in your CS:
 - a. Identifies and summarizes key problem(s)/issue(s);
 - b. Identifies key assumptions and considers stakeholders;
 - c. Analyzes reasonable alternatives and the consequences of those alternatives;
 - d. Analyzes and presents supporting data;
 - e. Clear recommendations with appropriate course(s) of action;
 - f. Conclusions, implications, and consequences (with justification).

Exam: There is a midterm exam covering all material up to that point. It is a mixed format (multiple choice, T/F, and essay). It includes publisher-driven questions and several essays drawn from the class lectures/discussion.

Organizational Ethics Audit: The purpose of this assignment is to understand how to assess the ethics of an organization. Identify a firm of interest and investigate how they ensure ethical performance. This involves:

- a) selection/approval of the firm (for ideas see Appendix);
- b) understand how to assess ethics in an organization;
- c) perform an audit by examining the company;
- d) create a report of your findings;
- e) form recommendations for how to improve/strengthen current operations; and
- f) present/submit your audit report.

You must contract with the professor the choice of firm and your team members. If you do not pull your own weight, you will receive a zero. You MUST contact/interview individuals at the firm. You know that this takes advanced planning and time! So plan ahead and start early!

Journal Writing: You will keep an ethics journal throughout the term. Make 1 entry per week, noting reflections/habits/events, with an eye toward ethics in your daily life. I am interested in where you demonstrate virtue strengths (or where you can improve). Each entry should be 1 pg. typed (single spaced). You must have a minimum of 12 entries. The entries are fodder for the final paper, which is the **final exam**. With 15 weeks in a term, you have flexibility (dealing with heavy workloads, illness, athletics, or travel during certain periods).

In your journal you might discuss what happened to you, friends, or family members that week,

circumstances that brought up an ethical issue. You can consider items in the news that had ethical connotations. How did ethical awareness impact your life? What is happening with your classes, team work, sports events, clubs, etc. that relate to ethics? Do you care (why or why not)? This practice will help you see who you are and if you possess moral strength. I want to help you recognize ethical issues, and what your thoughts, attitudes, feelings, and behaviors are associated with the ethics in your everyday life. Journal entries (typed) for the first half of the term are due on the day of the MT exam. **Confidentiality is respected.**

Virtuous Self Reflection Paper: While business ethics is about issues that emerge in the workplace, if you are to become an ethical employee, manager, or leader you will need to recognize issues and assume responsibility for the development and exercise of your moral character. Additional details regarding peer data will be provided. While gathering/preparing your data for this assignment requires coordination, it is essential information for the reflective component of the activity. Both external/internal input is important to understanding oneself.

Start with CS#1, which described how you saw yourself at the beginning of the term. You then present all of your data: from **external sources** (peers, co-workers, family members, coaches, teammates; **12 stories**)³ and from **journal entries** (**12 entries**). This material, along with our readings and class discussions, is to be used to reflect on your virtuous self (strengths and weaknesses). Compare and contrast your findings.

The paper is 5 pages in APA format, single-spaced (double between paragraphs; like this page), Times Roman 12 pt. font. Clipped to the back of the paper will be all data components (CS#1, 12 peer stories, 12 journal entries; label this Appendix). No title or reference pages. This is NOT a research paper; rather, it is a self-reflection exercise, applying core concepts covered throughout the term to aid in your professional development.

****THIS IS YOUR FINAL EXAM****

General: The syllabus is the course framework, a guideline for assignments and directions for exam preparation. It is subject to change based upon coursework demands and miscellaneous variables. I will be clear about changes, but it is your responsibility to stay informed. If you must miss a class due to illness/emergency, inform me ASAP by email. It is your responsibility to find out what material was covered and what assignments or instructions were given. ***Attendance counts!***

PLEASE use the Academic Success and Writing Centers.⁴ If you would like to discuss the course, your grade, or any other concerns, let me know. I check email daily.

It is my privilege to create an interesting, fun, and productive learning environment.

Let's work together to make our class a rich experience!

³ I provide the form for gathering “stories” from external sources. All data must be typed and is a REQUIRED element. If you do not have at least 12 complete stories and 12 complete journal entries, you will not pass the final.

⁴For more information, go to:<http://www.menlo.edu/academics/academic-success-center/writing-center>.

-COURSE AGENDA-						
Tues	Wed	Thurs	Topic & What's Due	Reading	Class Preparation & Instructions	Potential Activities
1/10	1/11	1/12	<p>Introduction</p> <p>Review Syllabus; Overview of Business Ethics (BE); Current events</p> <p>Form Teams (6, approx. 3 people/each, assign mini-cases)</p>	<p>Ferrell et al. text, Chapter 1;</p> <p>Supplement: John Hooker (2003) <i>Why Business Ethics?</i> found at: http://web.tepper.cmu.edu/ethics/whybizethics.pdf</p>	<p>CS 1#: we begin by launching the final paper! This is the start of your <i>Virtuous Self Reflection Paper</i> (in lieu of a final exam).</p> <ol style="list-style-type: none"> 1. Define the term 'virtue.' What does it mean in the context of business? 2. How might exercising your virtues be useful in an organizational context? 3. Take the VIA strengths exercise: http://www.viacharacter.org/VIAINSTITUTE/Classification.aspx 4. Describe your 'virtuous self.' What are your particular virtue strengths? 5. For each virtue you mention (at least three), outline specific examples to justify your claims. (Ex: <i>I see myself as a person who is compassionate. I take time to engage in community service to help women in prison recover from abuse issues, etc.</i>). 6. What virtues would you like to work on (grow/improve)? For each virtue you want to develop (at least three), what will you do this term to make this happen (i.e., set specific objectives to attain the goal)? <p>NOTE: This column is always work you must prepare BEFORE CLASS.</p>	<p>-Movie: <i>The Corporation</i></p> <p>Handout Supplement: Syllabus, Watkins article</p>

					For sections on Tues/Thurs, ALL assignments are due on TUESDAY. No exceptions! The CS work is fuel for the week's reflection and dialogue.	
1/17	1/18	1/19	<p>Business Ethics Issues</p> <p>Due: CS #1 REQUIRED</p> <p>Due CS #2</p>	<p>Ferrell et al. text, Chapter 3 and 4;</p> <p>Case 12 Enron;</p> <p>Supplement: Watkins (2003), <i>Ethical Conflicts at Enron</i></p>	<p>CS #2: familiarize yourself with the story, the case, and supplemental reading. In your write up address the following questions:</p> <ol style="list-style-type: none"> 1. How did the corporate culture at Enron contribute to its bankruptcy? 2. Did Enron's bankers, auditors, and attorneys contribute to Enron's demise? If so, what was their contribution? 3. What role did the chief financial officer play in creating the problems that led to Enron's financial problems? 4. What are the "lessons learned" from the demise of Enron? Has anything changed since that period? Support your response with specifics. <p><u>Present your CS using the format below:</u></p> <ol style="list-style-type: none"> a. Identifies and summarizes key problem(s)/issue(s); b. Identifies key assumptions and considers stakeholders; c. Analyzes reasonable alternatives and the consequences of those alternatives; 	-Movie: <i>Smartest Guys in the Room</i>

					<ul style="list-style-type: none"> d. Analyzes and presents supporting data; e. Clear recommendations with appropriate course(s) of action; f. Conclusions, implications, and consequences (with justification). 	
1/24-25-26 NO REGULARLY SCHEDULED CLASSES TEAM WORK PREP WEEK			Mini-case Prep in Teams NO REGULARLY SCHEDULED CLASS MEETING Class time provided for team meetings. Prepare CS #3 individually BEFORE your team meeting, reading all 6 cases and then answering the questions for YOUR case. Then, connect w/your team during class time (at a location of your convenience) to formally prepare your assigned case presentation.	Ferrell et al. text, Chapter 2; Team 1: Monsanto; Team 2: AMC; Team 3: CW Financial; Team 4: Starbuck’s; Team 5: Coca-Cola; Team 6: NBB NOTE: Mini cases are in the back of the Ferrell textbook.	CS#3: read all of the cases and answer the associated questions (located in the back of your text). Once you are familiar with the cases, proceed with your write up. <u>Present your CS using the format below:</u> <ul style="list-style-type: none"> a. Identifies and summarizes key problem(s)/issue(s); b. Identifies key assumptions and considers stakeholders; c. Analyzes reasonable alternatives and the consequences of those alternatives; d. Analyzes and presents supporting data; e. Clear recommendations with appropriate course(s) of action; f. Conclusions, implications, and consequences (with justification). • Present your work as a team (everyone must participate). 	
1/31	2/1	2/2	Issues and Institutionalization of Business Ethics	Cases presented.	CS #4: begin with a visit to the CorpWatch & Multinational Monitor websites at: http://www.corpwatch.org/ or http://multinationalmonitor.org/ .	-Current events -Video: <i>BP</i> -Movie: <i>Inside Job</i>

			<p>History and Emerging Issues, Today's News, Case Study Analysis (preparations)</p> <p>Due: CS #3 REQUIRED</p> <p>Due: CS #4</p> <p>Due: Mini-case Team Presentations</p> <p>ASSIGN GROUPS (3) Nike Case</p> <p><i>If Possible: Have your Ethics Audit Company Identified</i></p>		<ul style="list-style-type: none"> • Go to the NYTs and the WSJ and look at the recent headline articles. • Find an 'ethical issue' in the news related to business. How do the people and the organization in the story you choose connect w/the ideas conveyed in Chapter #2? • Present your CS using the format below: <ol style="list-style-type: none"> a. Identifies and summarizes key problem(s)/issue(s); b. Identifies key assumptions and considers stakeholders; c. Analyzes reasonable alternatives and the consequences of those alternatives; d. Analyzes and presents supporting data; e. Clear recommendations with appropriate course(s) of action; f. Conclusions, implications, and consequences (with justification). 	<p>-Video: Frontline: <i>Inside the Meltdown</i> http://www.pbs.org/wgbh/pages/frontline/meltdown/</p> <p>Handout Supplement: Sekerka JOMP</p>
2/7 Guest ⁵	2/8 NO class: Attend 2/7-2/9 at 11:10	2/9 Guest ⁷	<p>Corporate Ethics and Ethical Leadership</p> <p>Due: CS #5 GUEST SPEAKER</p>	<p>Sekerka (2010), <i>Preserving Integrity in the Face of Corruption: Exercising Moral Courage in the Path to Right Action</i></p>	<p>CS #5: read the text and explain the following:</p> <ol style="list-style-type: none"> 1. Describe your moral decision making process using related theory to support your answer. 2. What makes a leader ethical? 3. Can you become more ethical? 	<p>-Activity <i>What would you do?</i></p>

⁵ StoneTurn (forensic accounting); Cathy Connolly and Monique Christensen.

	or 12:40 ⁶				Why or why not? Use theory and examples to substantiate claims.	
2/14 NO regular class: Attend 2/15 ⁸	2/15 Guest ⁹	2/16 NO regular class: Attend 2/15	Ethical Self BRING BOOK By Dr. Plante Due: CS #6 REQUIRED	Plante (2004), <i>Do the Right Thing</i> Finish the Plante book by today and bring it to class!	CS #6: <i>Think back to a time when you were faced with an ethical challenge. This might be a situation where there was a conflict between doing what you thought you should do and what the organization or social norms would suggest. It might have involved a conflict between your values and the organization's goals. It may have been difficult for you to act, to know what to do, or to determine how to resolve the situation. As you think back about your work experiences, this is a time when you may have been unsure how to act or did not know what to do.</i> 1. Describe YOUR ethical challenge. Explain what you were thinking and feeling at the time . 2. What supported or curtailed your ability to proceed with right action? 3. What would Dr. Plante say about your ability (or lack thereof) to do the right thing in this situation?	-Movie Glengarry Glenn Ross
2/21	2/22	2/23	Ethical Decisions and Corporate Social Responsibility	Ferrell et al. text, Chapter 5 HBR case by Spar: <i>Nike: Hitting the Wall</i>	Read the case and write up the answers to the questions (individually); consider both your assigned role and opposing views.	Websites: http://www.dogeatdogfilms.com/mikeni-ke.html


⁷ Flextronics (computing equipment); Paula Kutansky Brown.

⁶ Students in the Wed class must attend the Tues and Thurs sessions, either 1110 or 12:40pm. If you cannot attend, a makeup paper is required.

⁸ Students in the Tues/Thurs classes must attend the Wed session at 610pm. If you cannot attend, a makeup paper is required.

⁹ Stanford University, Santa Clara University, Clinical Practitioner; Thomas Plante.

		<p>Due: CS #7 REQUIRED</p> <p>Due: Case Team Debate</p> <p>Reminders:</p> <p>a) Exam Overview b) Journal Entries Due (6) c) Due: Ethics Audit Memo (Propose Team/Firm)</p>	<p>Group Roles: A: <i>Jeff Ballinger</i> (NGO critics) B: <i>Nike</i> (Phil Knight, corporate vantage point) C: <i>General Public</i> (consumer, shareholder, constituent view)</p> <p>Note: This case is a separate product, not in your textbook (see p. 1).</p>	<ul style="list-style-type: none"> • Meet with your team to analyze each role, with the ability to defend/argue from your assigned position (A, B, or C). <ol style="list-style-type: none"> 1. Does Ballinger have a convincing argument about Nike? 2. Does Nike have a convincing response? 3. How well has Nike handled the publicity surrounding its labor practices? 4. Could or should the company have done anything differently? 5. What is a “fair” wage in Vietnam? How should Nike think about it? 6. What role do consumers play? Do we have power? If so, have we used it to shape unfair practices globally? <p>CS #7: after answering the questions for your <u>role</u>, use the case format required.</p> <ol style="list-style-type: none"> a. Identifies and summarizes key problem(s)/issue(s); b. Identifies key assumptions and considers stakeholders; c. Analyzes reasonable alternatives and the consequences of those alternatives; d. Analyzes and presents supporting data; e. Clear recommendations with 	<p>http://www.oxfam.org.au/explore/workers-rights/nike</p> <p>http://wn.com/Nike-Morning-Run</p> <p>http://www.mallenbaker.net/csr/CSRfiles/nike.html</p>
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					appropriate course(s) of action; f. Conclusions, implications, and consequences (with justification). • Present your work as a team (everyone must participate).	
2/28 PREP DAY	2/29 Exam Attend agreed Prep!	3/1 Exam	MIDTERM EXAM Due: Journal Part I (minimum 6 entries) Due: Ethics Audit Memo (Propose Team/Firm)	Material covered: ✓ Text Chapters 1-5 ✓ Plante book ✓ Cases and handouts ✓ Class PPs and discussion	Due: Identify what company you want to examine for the <i>Ethics Audit Project</i> and if you will work independently or on a team (members must agree on the organization and confirm) Due: Half of your journal entries (6).	Handout Supplement: NBES report
3/6	3/7	3/8	 SPRING BREAK			
3/13	3/14	3/15	Individual Factors and Moral Philosophies Due: CS #8 Review Exams Prepare for Ethics Audit Project	Ferrell et al. text, Chapter 6 and 7; National Business Ethics Survey (NBES) 2009: <i>Millennial, Gen X, and Baby Boomers</i> (ERC) NOTE: Example of professional report!	CS #8: read the textbook and NBES report. Consider your generation and life experiences. 1. Provide evidence for why you agree/disagree with the findings. 2. Given the major moral philosophies (see Table 6-1 in the textbook), do you think certain views might align more strongly with some generations than others? If so, why? 3. What level of moral development describes you best? Do you aspire to be at a higher stage? If you do, how will you develop your moral maturity and strength? 4. Do you think virtues should support business transactions? How do you balance “being good” with making	Handout Supplement: Sekerka IJTD -Movie: <i>Wall Street</i> and Gecko activity -Movies: <i>Crash</i> , <i>Boiler Room</i> , etc. -Video: <i>Green Mountain Coffee</i> , <i>Interface</i> -Video: <i>Trolley Experiment</i>

					money?	
3/20	3/21	3/22	Ethics Audit Prep in Teams NO REGULARLY SCHEDULED CLASS MEETING	Ferrell et al. text, Chapter 8 and 9; Sekerka (2009), <i>A Review of Best Practices and Their Application</i>	CS #9: read the textbook and work on your organization and the ethics audit project. Begin your audit process by answering the following questions: 1. Examine and describe the ethics program in this organization. Is it more compliance or values-based? 2. What is the code of conduct in this organization? How is it enforced? 3. Who is/are the ethics officer(s) in this organization? 4. How are education, training, and communication of ethics disseminated? 5. What are the systems to monitor and enforce ethical standards? 6. How does the org ensure <i>ethical performance</i> ?	

3/27 ¹⁰	3/28 ¹¹	3/29 ¹²	<p>Global Ethics (Tues/Thurs)</p> <p>GUEST SPEAKERS (Rambus/Heroic Imagination Project/NetApp)</p> <p>Heroic Leadership (Wed) Due: CS #9 REQUIRED</p> <p>Due: CS#10</p> <p><i>PLEASE ATTEND ALL SPEAKERS IF POSSIBLE</i></p>	Ferrell et al. text, Chapter 10	<p>CS #10: read the textbook and find an article in the news about an MNC with global ethics issues. Address the following questions:</p> <ol style="list-style-type: none"> 1. What is the nature of the issue? 2. Could the company have prepared, foreseen, or in some way prevented the problem? 3. If you were a member of the management team in this organization, what would you do now to resolve the concern? How would you prevent it from happening again? 4. Use evidence from the chapter to shed light on the situation in this firm. What insights can be drawn from your reflections? 5. Why does management often wait for a problem to emerge before they look at ethics as a way of doing business? <p>• <u>Present your CS using the format below:</u></p> <ol style="list-style-type: none"> a. Identifies and summarizes key problem(s)/issue(s); b. Identifies key assumptions and considers stakeholders; c. Analyzes reasonable alternatives and the consequences of those 	Video: <i>Black Market</i> , etc.
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¹⁰ Rambus, Dani Park.

¹¹ Heroic Imagination Project, Lynne Henderson.

¹² NetApp, Kate Humphreys.

					alternatives; d. Analyzes and presents supporting data; e. Clear recommendations with appropriate course(s) of action; f. Conclusions, implications, and consequences (with justification).	
4/3 Guest ¹³	4/4 Team Audits	4/5 Guest ¹⁴	Audits and Corporate Challenges	Students present their findings to the Audit Committee.		Handout Batman article.
4/10 Team Audits (Extra Credit)	4/11 Guest ¹⁵	4/12 Guest ¹⁶	Audits and Corporate Challenges	Students present their findings to the Audit Committee.		

¹³ Catherine Tonne and Terry Day, VISA.

¹⁴ Blue Cross Blue Shield of CA, K.C. Turan.

¹⁵ Mark Faris, businessman/fraud expert.

¹⁶ Ibid.

<p>4/17</p> <p>Team Audits</p>	<p>4/18</p> <p>Final/ Present</p>	<p>4/19</p> <p>Final/ Present</p>	<p>Wrap Up</p> <p>Due: Virtuous Self Reflection Report Outs</p> <p><i>Present key findings; did you learn about yourself and/or develop additional virtue strength?</i></p> <p>(Serves as Final Exam)</p> <p>Due: CS #11</p>	<p>Nielsen, (2008), <i>Ethics and Superheroes</i></p> <p>PMC Scale</p>	<p>CS#11: read the article and answer the following questions:</p> <ol style="list-style-type: none"> 1. When have you let others decide what you should think and how to act? What were the ethical implications of this choice? 2. How are you like Batman? What norms of morality do you apply to your daily life? 3. How are you like Robin (Dick Grayson)? Who do you emulate and why? 4. What are the pros and cons of being a superhero or a follower, in terms of living an ethical life in business? 	<p>-Movie: <i>Batman: Dark Knight of the Soul</i></p>
<p>4/24</p> <p>Writing Day</p>	<p>4/25</p> <p>Writing Day</p>	<p>4/26</p> <p>All Papers Due 12pm</p>	<p>**ALL FINAL PAPERS DUE 4/26**</p> <p>No Class</p>			

APPENDIX External Resources

Popular Press

Business Ethics Magazine
Wall Street Journal
USA Today
Fast Co.

Fortune
Business Week
Business 2.0
Forbes

Christian Science Monitor
Barron's
New York Times

Academic Journals

Academy of Mgmt Review
Business Horizons
Journal of Business Ethics
Business & Society

Business Ethics Quarterly
Harvard Business Review
Bus Ethic: Eur Review
CA Management Review

J of Corp Citizenship
Intl J of Sustainable
Strategic Mgmt

Websites

<http://www.klminc.com/ethics/strat-for-ethical.html>

<http://www.global100.org/>

www.corporatecompliance.org

<http://ethisphere.com/expert-corner-1/>

<http://www.scu.edu/ethics/>

<http://managementhelp.org/ethics/ethxgde.htm#anchor23124>

<http://www.ethics.org>

http://www.nysscpa.org/prof_library/ethicsindex.htm

<http://www.entrepreneurship.org/Resources/Detail/Default.aspx?id=11200>

<http://blogs.law.harvard.edu/corpgov/>

<http://www.wbcds.org/templates/TemplateWBCSD5/layout.asp?MenuID=1>

<http://theweekinethics.wordpress.com/>

<http://business-ethics.com/>

Movies

The Help
Antz
Apollo 13
Batman: Dark Knight
Boiler Room
Boy in Striped Pajamas

Crash
Good Will Hunting
Hotel Rwanda
Pinocchio
Quiz Show
Outbreak

The Corporation
Schindler's List
Smartest Guys
Wall Street
Do the Right Thing
Glengarry Glen Ross

Other Readings

- Aristotle. 1985. *Nicomachean Ethics*. Translated by T. Irwin. Indianapolis: Hackett Publishing Co.
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GUIDELINES FOR ETHICS AUDIT

An audit is a corporate system of ethical awareness and can become a viable organizational self-assessment and self-regulation tool. When conducted effectively, audits can raise the self-consciousness of unethical behavior for boards, officers, managers, and employees, thereby helping to strengthen ethical actions and prevent corruption. When required, the authority of an audit can shape ethical culture, becoming a powerful force for ethical strength in a company.¹⁷

First, select your team and company. You may work on the same team as your mini-case group, or form a new team. **Teams can be no larger than 4 people**. In selecting your organization, it should be a firm you really want to learn about and study. Ideas are noted below, but feel free to select another firm (**with approval**). You cannot use the firm you examined in the OB course, or those investigated in other classes. Once a company is claimed, it cannot be used by another team. **Firms must have at least 1000 employees.**

Firms must be pre-approved**

¹⁷ Schaefer & Zaller, retrieved on July 1, 2010
from: <http://www.austincc.edu/npo/library/documents/Strategic%20Modelng%20The%20Ethics%20Audit%20for%20Nonprofit%20Organizations.pdf>

Corporation Ideas for Ethics Audit

AT&T	Stoneyfield Farm	Philip Morris
General Mills	PepsiCo	Dell
IKEA	Kellogg Company	Vanguard Group
Quantas Airlines	Symantec	Adobe
USAA	Salesforce.com	Workday
Chevron	Westpac Banking	Amazon
Cisco Systems	Patagonia	Geico
PG&E	Samsung	BBDO
Unilever	Natura	ADM
Accenture	Vodafone Group	Harley Davidson
Xerox	Agilent Technologies	Pillsbury
Procter & Gamble	Johnson Controls	Eli Lilly
Honeywell Intl	Boral Limited	Johnson & Johnson
McDonalds	Sun Life Financial	CBS
Kingfisher Plc	Comcast	Merck
Suncor Energy	TAWUNIYA	Huntington Bank
Bluescope Steel	Danone	Waste Management
SAP AG	Carnival	Adidas
American Express	Geberit	Green Mountain Coffee
Texas Instruments	BMW	

Once you have your team and firm selected you need to submit type a proposal memo **by midterm**. The reading, conversation starters, and class info/discussions will help you prepare. For the audit you will need to research the firm and interview organizational members. In an actual audit you would interview senior managers and members of the board. In this case, you will address your questions by seeking out company representatives via family, friends, and cold calling, combined with media sources. While this poses a limitation on the validity of your data (i.e., information is skewed or rhetoric), is a good starting point for discovery.

After completing the conversation starter questions (independently), continue your audit process by working with you teammates to achieve the all of the project requirements. Please refer to *Tables 9-3 and 9-4* in your text. The audit report should include:

1. Describe the organization. Use material from class and conversation starters to craft an introduction (Note: **do not cut/paste this information**, but collect and summarize).
2. Locate or create a video that describes the firm's purpose, mission, and corporate identity.
3. Identify and describe members of the firm's top management (including the BOD), the class will serve as the audit committee.
4. Define the scope of the audit process, which includes the identification of ethical subject areas/issues you deem relevant to your corporation (**see Tables 9-3 and 9-4**).¹⁸
5. Describe the organization's mission, policies, goals, and objectives, and determined/define ethical priorities. Collect, describe, and analyze all relevant information.
6. Prepare your recommendations based on your assessment findings. You will need to gather information directly from the company and via popular press (i.e., not just their website info). To vet the information thoroughly you will need to **conduct interviews** with people who

¹⁸ These tables form the rubric used by the audit committee to judge your presentation.

work, or previously worked, for the organization.

7. You must obtain insight from an independent agent (a classmate not on your team) for feedback (note this is not “verification”). Agents should examine the report for professionalism, clarity, thoroughness, and usefulness.
8. Report the findings (to the audit committee).
 - a. If prepared by a team, each member must contribute to the presentation.
 - b. No PowerPoints, but you must provide copies of your report for each class member).
 - c. Teams typically begin with a short video of the firm, presenting its organizational identity, purpose, and scope of the operation.
 - d. Presentations should last approximately 30 minutes (time limit to be confirmed once we determine the number of teams).
9. Submit formal audit report.
 - a. Reports should be professional --the style/format is up to you! (Note: this is a professional report not an APA “formal” term paper.)
 - b. Identify your independent agent who reviewed your audit report draft, include their comments/suggestions, and explain how you addressed them.
 - c. Reports should not exceed 10 pages (not including Appendices) due at the time of your presentation.

REMINDER: **Do not simply cut/paste material from your sources**—you must read and summarize the information! If you report anything verbatim you **MUST** cite it. If you do not, it is considered plagiarism.

CONVERSATION STARTER EXAMPLE

Bill Jenkins
Business Ethics: Professor Sekerka
January 1, 2012
Conversation Starter Example

a) Identifies and summarizes key problem(s) or issue(s)¹⁹

The article selected appeared in the *Wall Street Journal* on 1/12/10, entitled *U.S. Holds Fire in Google-China Feud*, by Jay Solomon, Ian Johnson, and Jason Dean. Google is in the midst of an ongoing dispute with its presence in China, given this government's censorship laws and Google's alleged cyber spying. Businesses in the U.S. must pause to consider the governmental regulations for its take on commercial industry operations in this market, but the government remains reticent to comment. The problem here is: Who makes up the rules? When engaging in business with overseas markets, both business and governments bear different perspectives. In short, ethics can vary by firm and location! As such, how does management navigate this sea of competing laws, policies, values, and norms? If they are to engage in business 'ethically,' they need to consider a variety of concerns. Some of which are listed below:

- Addressing product tampering.
- US/Foreign affairs and negotiations; ensuring secure commercial operations.
- Right to free speech and open communication.
- Future trade, defense, and climate agreements under stress, as a result of tensions.
- MNC operations are at stake for other firms as well, given how this dispute evolves (e.g., GE, Boeing, Apple), including defense contractors.
- Intellectual property laws, rights, and agreements under scrutiny and cross-cultural challenges.
- Exclusion of foreign companies for new contracting (e.g., wind energy), which impacts local, national, and international economies.
- "What's good for Google" problem i.e., what goes for Google does not necessarily work or is good/right for everyone (regardless of location).
- Investment and banking decisions are being made, based upon how China, U.S., and multi-nationals address this issue (e.g., the Bandwagon effect).

b) Identify key assumptions and considers stakeholders

This story on Google doing business in China relates to Chapter #2 (Ferrell et al.), clearly showing the interaction between a company and its primary and secondary stakeholders. What's more, it was amazing to me as I started to list out the ethical issues, just how looming they are; yet, by the same token, they all directly relate back to me personally. This goes to show you how one dispute with a firm in an overseas market connects to my own daily activities. This is an important point, in that my personal assumptions differ from those of others. For example, what I consider a value and a norm as an American citizen may in fact be illegal in another country! We tend to assume that what is true, right, or good here, applies everywhere. This is just not so. To better understand assumptions, one must list the various potential stakeholders, given this situation. An initial list is noted below:

¹⁹ Be sure to check the syllabus for CS instructions by week; there are some variations.

- Business organizations (small, med, large) both in the U.S. and abroad.
- Governments, both in the in the U.S. and abroad.
- Consumers, both in the U.S. and abroad.
- Non-profits, both in the U.S. and abroad.
- Competitors, in terms of new markets and access.
- The mass media, in terms of information sharing.
- Special interest groups, especially those representing human rights/freedom of info.
- Employees of Google, in terms of their ability to grow new markets and reputation gains/losses.
- Shareholders of Google, in terms of the growth potential for the firm, as well as its potential vulnerability/strength for taking “a stand” (reputation).

c) Analyzes reasonable alternatives and the consequences of those alternatives

In reflecting upon this article, I became acutely aware of how the ethics of those in the U.S. (e.g., freedom of speech) still fly in the face of other forms of government; namely the Republic of China. We cannot assume that ethics in the western culture, which stem from our purpose/mission as a country, are applicable everywhere. Awareness of a multi-cultural relativism makes doing business overseas a tremendous challenge for leaders of industry and governments, along with the enforcers of policies and procedures derived within among these entities. Reasonable alternatives for how to address the issues in this situation might include having a corporate liaison to China. This would be an individual or likely team, those specifically assigned to be responsible to investigate precisely where laws/rules conflict and to then negotiate with the Chinese officials—in advance of taking actions. The old adage in business to ‘act now and ask questions later’ may be particularly harmful in overseas operations. It would be best to vet where conflicts may exist PRIOR to action to avoid costly litigation, fines, and reputational costs that may emerge as a result of international disputes. In this case, peace-keeping may even be involved!

The consequences of a lack of respect may lead to a complete shutdown of communication and business enterprise for other organizations wanting to engage in business with communistic countries. Yet, because Google is at the very heart of free and open speech, it actually carries with it the voice of democracy. Like any other business that imposes ideas upon others, those with governments that do not represent our beliefs, it is important to work with both U.S. and associated officials. I would suggest that all operations examine motives, so as to be fair, just, and appropriate. The U.S. has a history of imposing our will and beliefs upon others. In this case, it’s very hard to see Google as bad or inappropriate, because they are trying to share information. Alas, personal biases and beliefs can not be separated from this issue, so working with the Chinese directly is essential. The words honor and respect come to mind here; how can Google share information (which is a core business strategy) while being careful to honor and respect the Chinese people, the government that reflects their country’s beliefs?

d) Analyzes and presents supporting data

While we tend to consider the world an open global economy, clearly it is not fully open nor a fair, equal, or even-keeled trading operation today. I examined the link to the CSR material in the book, for additional insight. In this light I found that this story demonstrates how Google is really working hard to uphold its values and ideals as a firm, and is doing so in a way that is represent CSR on a grand scale. I think they are exercising mindful business practices overseas. In examining related stories, we see specific examples via supportive data that reflect the type of

impact Google can have on the world as an ‘agent of social change.’ We see that the flow of information, often times distributed through search engines driven by Google, can change how people view their role on the planet and what they will (or will not) accept as governing forces (e.g., the upheaval in Egypt in 2011). By the same token, sharing information is a part of Google’s core identity as a firm; they appear to model openness, despite the legal challenges (which of course, can be costly). While this poses risk to the employees/shareholders of the firm, it is in sync with their larger purpose as a corporation.

e) Clear recommendation with appropriate course(s) of action

This will be an interesting story to follow, both in the sense of how the U.S. government eventually responds (much is at stake here, all the way up to trade, climate, and arms negotiations). In terms of the ethics of Google taking a stand, my hypothesis is that regardless of what happens with their access and engagement with the Chinese market, this stance will serve their reputation well and build good faith credit among their many global users (both governmental and consumer). Specific recommendations include aligning with other MNCs in the information technology industry (both U.S. and Chinese firms) If they have ongoing open, transparent, and rigorous discourse about what promotes or blocks their business and/or governments’ agendas, new paths for shared agreements can be co-created. Just like any form of transformation, however, it must be developed through shared collaborative efforts. If one side or the other just imposes their will (demands) the forced control will just exert more pressures from the opposition. The idea is not act like competing forces against one another (like in sports). Rather, the idea in negotiations is to work together to see what everyone needs and to try and collectively address these needs by creating mutual objectives that lead to agreed upon goals. Nevertheless, this case is really difficult, because we run into the problem of the U.S. core beliefs operating on the basis of open and free speech, which, of course, flies in the face of governments formed on a basis of dictatorships or omnipotent power over others. The only way to face this is with ongoing talks, and patience through consensus building operations. If there is another benefit for the Chinese government (e.g., sharing in profits), they may be more interested in opening up channels for communication in varying ways.

f) Conclusions, implications, and consequences (Justification)

It concerns me that because of the robust nature of the Internet, and Google per se (an agent of social constructionism), that one company has this much power. When U.S. officials are worried about making a comment on this case, lest they impact a future arms talk negotiation, it shows just how influential Google has become in the mix toward establishing (or decaying) world peace. I would be interested in hearing if other students see this as being such a huge promise (or threat). And, if a firm like Google could be influential in helping to establish a safer world, what other kinds of idealistic notions might we have about the companies we want to work for and create? Google is a part of my daily life. The company’s ability to be consistently informed, open, and having access to information globally, without constraint, is something I depend upon for my everyday work. Google’s ability to increase freedom around the world, extending democracy, is impacted when governments react in a constrictive authoritative fashion, excluding information and power from people. Based upon my personal beliefs I think that Google is an ambassador of freedom. Without open communication, we will continue to see people around the world oppressed, poor, and dominated by others. This can potential threaten the health and welfare of all people and the planet, therefore it relates to me as a global citizen and daughter of humanity.

CLASS POLICIES²⁰

ACADEMIC INTEGRITY POLICY

Menlo students must complete their own work (homework, essays, papers, tests, quizzes, etc.), honestly reflecting their own knowledge of the material. Violations include copying from another student during an examination, having another person write a paper, any form of plagiarism or cheating, etc. Students found in violation are subject to penalties, including a failing grade on the assignment. Those in violation on final exams, projects, or related final evaluation/assignment are given a failing grade for the course. These aforementioned penalties are a minimum. Students are also subject to further disciplinary action up to and including administrative withdrawal, suspension or expulsion subject to Menlo's rules, policies and procedures.

RELIGIOUS OBSERVANCES

Some students, staff, and faculty may wish to observe various religious holidays. If you need to be away for this purpose, you must notify me within the first week of class so that I am aware and can accommodate your needs. I will accommodate your religious practices. In turn, you need to plan in advance so that you are able to attend to all coursework requirements. The workload will not be reduced, but can be adapted to meet your needs.

PLAGIARISM

To plagiarize is to present someone else's work, ideas, or writing style as your own. Another person's "work" includes printed or electronic copies of computer programs, musical compositions, drawings, paintings, oral or written presentations (e.g., papers, essays, articles, chapters), statistical data, tables, or figures (The Learning Centre, UNBC, "Plagiarism"). In short, if you use any information that can be considered the intellectual property of another without acknowledging the original source properly, then you are engaging in theft and deception, which is plagiarism, a form of academic dishonesty.

There are various types and levels of plagiarism, all of which are unacceptable. The first and most blatant form is to submit or present someone else's complete published or unpublished work as your own with no acknowledgement that the ideas originated with someone else. This includes submitting for credit another student's work, with or without that person's knowledge or consent, using information from a campus file of old assignments, downloading a term paper from a web site, or buying a term paper from a mail order company or web site.

Other forms of plagiarism are more subtle but are just as unacceptable and consist of using the ideas, direct statements, or writing style of another without acknowledging the source or giving any credit to the author (Saupe, 1998; Student Judicial Affairs, UCD, 1999). This includes cutting and pasting information from electronic sources, leaving out quotation marks, and not citing the source in the text and on the Works Cited or References page. It also includes paraphrasing (putting the information into your own words) when you don't cite the source in the text and on the Works Cited or References page. Finally, plagiarism also involves copying the writing style or "thought pattern" of the source without acknowledging the source properly in the text and on the Works Cited or References page (Saupe, 1998). This can occur when you

²⁰ Menlo College Academic Procedures Manual 2008-2009, p. 17-18.

substitute synonyms into the original sentence rather than rewriting the sentence, switch the order of phrases in the original sentence, or lift phrases verbatim from the original source.

You are also guilty of academic dishonesty if you help another plagiarize (Saupe, 1998). This includes completing an assignment for that person or allowing him or her to look at, "borrow," or otherwise use your work to complete his or her assignment.

Plagiarism may occur intentionally or unintentionally, but it is generally accepted that intent does not determine whether plagiarism has occurred or what consequences apply. Just as a driver is responsible for knowing and abiding by the rules of the road and ignorance does not excuse the driver if he or she violates a law, a writer is also responsible for his or her writing and knowing the rules of writing. Pleading ignorance is not an acceptable defense or an excuse and does not protect the writer from the consequences of plagiarizing. For more information see:

www.westmont.edu/academics/pages/departments/psychology/pages/current_students/writing/index.html

Plagiarism explained. If the original source includes the following statement: "Although it is rarely tried, commercials can be constructed to send desirable messages to children"--from Perry and Bussey, *Social Development*, 1984, p. 132. Additionally, the following are examples of plagiarism:

1. COPY TEXT, NO QUOTES, NO REFERENCES:

Although it is rarely tried, commercials can be constructed to send desirable messages to children.

2. CHANGE A FEW WORDS, NO QUOTES, NO REFERENCES:

Even though it is not often tried, commercials can be made to send desirable messages to children.

3. CHANGE SENTENCE STRUCTURE, NO QUOTES, NO REFERENCES:

Commercials can be constructed to send desirable messages to children, even though it is rarely tried.

Correct Citations. If the original source includes the following statement:

"Although it is rarely tried, commercials can be constructed to send desirable messages to children"--from Perry and Bussey, *Social Development*, 1984, p. 132. Additionally, the following are examples of correct citations:

1. QUOTE DIRECTLY WITH REFERENCE:

"Although it is rarely tried, commercials can be constructed to send desirable messages to children" (Perry & Bussey, 1984, p. 132).

2. CONVEY IDEA IN DIFFERENT WORDS WITH REFERENCE:

a. According to Perry and Bussey (1984), positive messages can be communicated to children using TV commercials, but this is not done very often. **OR**

b. Positive messages can be communicated to children using TV commercials but does not occur very frequently (Perry & Bussey, 1984).

MENLO COLLEGE POLICY

It is your responsibility to become knowledgeable of Menlo's sexual harassment policies and respond accordingly. If you need accommodations for a disability or have special medical needs, see me privately. Students who require academic accommodations must have them approved by Menlo. *See me at the start of the term if you have a Letter of Accommodation for a disability.*