

BUS 261-01: BUSINESS ETHICS

COURSE SYLLABUS SPRING 2012

A business that makes nothing but money is a poor kind of business. – Henry Ford

Everything that can be counted does not necessarily count; everything that counts cannot necessarily be counted. – Albert Einstein

DESCRIPTION AND COURSE OBJECTIVES

This is a survey course analyzing the relationship between business and society and the various factors which impact the evaluation of business decisions from an ethical perspective. The objectives of this course include (i) understanding the concept of stakeholders and the related impact on business decisions; (ii) exploring the interaction of business conduct and social responsibility; (iii) raising awareness of ethical and social issues and developing an ability to examine situations and to make decisions in response to such issues; (iv) examining and discussing current events and social issues; and (v) applying ethical principles and decision-making framework to actual business situations.

INSTRUCTOR

Milton L. Lovell
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CLASS MEETING INFORMATION

Wednesdays: 4:00 PM – 6:30 PM
Buckman Hall 108

CLASS CREDITS

Students enrolled in BUS 261 shall receive four (4) academic credits upon the successful completion of this course.

OFFICE HOURS AND LOCATION

Wednesdays: 630 PM – 730 PM
Thursdays: 5 PM – 6 PM
Buckman Hall 310 (Conference Room)

I will generally be available each week in Buckman Hall at the times listed above but please confirm my availability before planning to come to my office. I can be available on campus at other times which are convenient to you.

I am available in my office at nexAir most weekdays between 8 AM and 6 PM, when not teaching a class at Rhodes. Please feel free to contact me at my office during these hours or on my mobile telephone or at home during other times. If I am not available when you try to reach me, I will be glad to return your call or set a time for us to meet. You may also leave a message on my mobile telephone or office voicemail or send me an e-mail. While I generally check my Rhodes campus e-mail on a daily basis, I maintain much more frequent access to my office e-mail and have access to it on my iPhone. If there are any questions or issues of which all students need to be notified, I will e-mail everyone.

TEXTS AND READINGS

Business Ethics: Ethical Decision Making and Cases; Ninth Edition; South-Western CENGAGE Learning; Ferrell, Fraedrich and Ferrell (2012).

Business Ethics and Ethical Business; Oxford University Press; Robert Audi (2009).

Honest Work: A Business Ethics Reader; Second Edition; Oxford University Press; Ciulla, Martin and Solomon (2011).

Student Guide to the Sarbanes-Oxley Act, Second Edition; South-Western CENGAGE Learning; Prentice and Bredeson (2010). (Selected Sections)

Newspapers, periodicals, blogs and podcasts such as *The New York Times*, *Wall Street Journal*, *The Washington Post*, *Harvard Business Review*, *The Economist*, *Bloomberg Business Week*, *Bloomberg Markets*, *Fortune* and *National Public Radio*. (A good source for links to relevant information is www.ceoexpress.com.)

Important website resources include, *Business Ethics*, an online magazine of corporate responsibility (<http://business-ethics.com/>), the Boston College Center for Corporate Citizenship (<http://www.bcccc.net/>) and the Harvard Law School Forum on Corporate Governance and Financial Regulation (<http://blogs.law.harvard.edu/corpgov/>).

Supplemental readings and case studies distributed throughout the term.

GRADING

Written Commentaries	25%
Personal Responses and Cases	20%
Class Presentation	20%
Final Exam	20%
Class Participation, Current Events and Group Activities	15%

The final grading scale is as follows:

94 – 100	A	90 – 93	A-
87 – 89	B+	84 – 86	B
80 – 83	B-	77 – 79	C+
74 – 76	C	70 – 73	C-
67 – 69	D+	64 – 66	D
60 – 63	D-	Below 60	F

WRITTEN COMMENTARIES

There will be five (5) written commentary assignments throughout the semester: personal statement, op-ed, book review, chief executive officer profile, and environmental / social responsibility / marketing critique. The specific requirements and allocated points for each assignment will be distributed in class during the semester. The due dates for each assignment are as listed on the class schedule. **Written commentaries must be turned in at the beginning of the class session at which the commentaries are due. If a student e-mails the commentaries to me, I must receive the e-mail prior to the beginning of the respective class.**

Any late assignments will be reduced by one-third (1/3) of a letter grade for each day that the assignment is delayed (e.g., A- to B+, B+ to B-, etc.) from the grade the assignment would have otherwise received. Any assignment turned in a week after the due date will automatically receive an F.

PERSONAL RESPONSES

During the course of the semester, you will be asked to submit various personal responses or reflections on an assigned reading or case. This assignment may be the case questions assigned for the day and/or other questions or reflections. Certain personal responses will only be required to be completed by graduate students in the course.

Each personal response should address the following issues (unless otherwise directed):

- **Main Points:** Briefly introduce and summaries the main points that the author is making in the particular assigned reading.
- **Issues of Interest:** What parts of the assigned reading did you find interesting? Why? (Discuss and relate to class material.)
- **Personal Ethics:** How can you relate the ideas presented in the assigned reading to your own values and ethics?
- **Workplace Ethics:** How could you as a business leader / manager integrate the ideas presented in the assigned reading to the workplace?

These responses should be critical analysis (beyond the main points summary) which presents an in-depth discussion of the ideas presented in the reading with a focus on the following (where applicable): comparing and applying to the workplace; applying to your own values and ethics and comparing to ethical issues from class.

Each personal response is due at the beginning of the class session at which the response is due. If a student e-mails the personal response to me, I must receive the e-mail prior to the beginning of the respective class.

Any late assignments will be reduced by one-third (1/3) of a letter grade for each day that the assignment is delayed (e.g., A- to B+, B+ to B-, etc.) from the grade the assignment would have otherwise received. Any assignment turned in a week after the due date will automatically receive an F.

CLASS PRESENTATIONS

The class presentation will analyze the ethical practices of a specific corporation, as approved by the instructor, and incorporate the various topics discussed in class. The class presentations will be made in groups of two (2) to four (4) students, as assigned by the instructor. In addition to making an oral presentation to the entire class, each presentation group is required to submit a written version of your presentation; although, such written version may be in the form of an annotated outline. The presentations will be required to address specific issues and questions regarding the chosen corporation. Additional details regarding the class presentation will be distributed and discussed in sufficient time to provide adequate time for preparation.

FINAL EXAM

The final exam will consist of one or more directed questions and/or case analysis which will compromise one or more personal essays on your perspective on business ethics and will summarize and relate the student's best thoughts on the themes of professionalism and business ethics. Your essay should reflect your personal viewpoint but be based on arguments discussed in class and in the assigned materials. The essay should evidence (a) that the student has read and reflected on all of the assignments in the course; (b) that the student has considered the application of the various theories and stakeholders presented and discussed in class; and (c) that the student has examined the possibility of personal growth and enhanced understanding of his or her own ethical standpoint. Further details regarding the final essay will be discussed in class.

PARTICIPATION AND ATTENDANCE

Regular attendance and active participation is vital to understanding the subject matter. This class is intended to be a combination of lecture, case analysis, presentations and discussions. Every student is expected to come to each class having read the assigned readings and case studies and to be able to participate in the discussions in class. You also should not come to class without your books and any other assigned readings for the respective class.

Each class will begin with a brief discussion of current business ethics events that have taken place since the previous class. A standing assignment is to read the news daily and bring any relevant topics to the attention of the class. Students should be prepared to discuss news reports or articles that relate to the topic assigned for that particular day or to a relevant contemporary business ethics issue, whether provided by the instructor or by the students.

This class is not intended to be solely a lecture class. Students are encouraged to participate and discuss the topics for each class session. In the event that students do not adequately participate, students may be called upon to discuss the readings and materials. If you are unprepared when called upon or do not have the class materials necessary to respond, your grade will reflect this performance. In addition, quizzes on the assigned reading for a class may be given from time to time. The participation grade will be based on the student's participation in the classroom discussion, current events knowledge and group activities and the student's performance on classroom quizzes.

All viewpoints and perspectives will be welcomed, appreciated and respected as will counterpoints to such views. There are few, if any, entirely right or wrong answers with this subject matter.

In order to facilitate a positive environment for class discussion, each student should turn off or silence his or her cell phone, Blackberry, iPhone, iPad or other similar Smartphone / Tablet device prior to the beginning of class. I will not tolerate any calls, e-mails, texting or other

communication during our class. If you intend to bring your laptop to class, you may only use it for taking notes and other class-related activities. In addition, talking and “side-discussions” will not be tolerated.

Class participation will be considered a component of the student’s grade as indicated above. Participation will be evaluated on quality of discussion, not just on quantity of discussion. More than one (1) unexcused absence will negatively affect a student’s grade.

CLASS SCHEDULE
(SUBJECT TO REVISION WITH ADVANCE NOTICE)

<u>DATE</u>	<u>TOPIC AND READINGS</u>
JANUARY 11	<p>INTRODUCTION AND CLASS FRAMEWORK</p> <p>PERSONAL RESPONSIBILITY STATEMENT</p>
JANUARY 18	<p>IMPORTANCE OF BUSINESS ETHICS</p> <p>FERRELL, CHAPTER 1 AUDI, CHAPTER 1 <i>HONEST WORK</i>, CHAPTER 1</p> <p>CASE 2: WAL-MART: THE FUTURE IS SUSTAINABILITY</p> <p>FRONTLINE: IS WAL-MART GOOD FOR AMERICA?</p>
JANUARY 25	<p>STAKEHOLDER RELATIONSHIPS AND SOCIAL RESPONSIBILITY</p> <p>FERRELL, CHAPTER 2 AUDI, CHAPTERS 2 & 3 “LETTER FROM BIRMINGHAM JAIL” (MARTIN LUTHER KING, JR.) <i>HONEST WORK</i>, CHAPTER 6</p> <p>CASE 1: MONSANTO ATTEMPTS TO BALANCE STAKEHOLDER INTERESTS CASE 10: HOME DEPOTS IMPLEMENTS STAKEHOLDER ORIENTATION</p> <p>OP-ED COMMENTARY DUE</p>
FEBRUARY 1	<p>PONZI SCHEMES AND FRAUD: BERNIE MADOFF</p> <p>READING TO BE DISTRIBUTED <i>HONEST WORK</i>, CHAPTER 3</p> <p>CASE 11: THE FRAUD OF THE CENTURY: THE CASE OF BERNIE MADOFF</p> <p>FRONTLINE: THE MADOFF AFFAIR 60 MINUTES INTERVIEWS</p>

<u>DATE</u>	<u>TOPIC AND READINGS</u>
FEBRUARY 8	<p>WHAT MAKES A GOOD CEO? WHAT MAKES A BAD CEO? READINGS AND CASES TO BE DISTRIBUTED</p> <p>CEO PROFILE DUE</p>
FEBRUARY 15	<p>EMERGING BUSINESS ETHICS ISSUES; ETHICS AND SPORTS FERRELL, CHAPTER 3 AUDI, CHAPTERS 8, 9 & 10 <i>HONEST WORK</i>, CHAPTER 2 ADDITIONAL READINGS TO BE DISTRIBUTED</p> <p>CASE 2: STARBUCKS' MISSION: SOCIAL RESPONSIBILITY AND BRAND STRENGTH</p> <p>CLASS PRESENTATIONS: GROUPS 1 & 2</p>
FEBRUARY 22	<p>ACCOUNTING ETHICS; CORPORATE GOVERNANCE AUDI, CHAPTER 7 <i>HONEST WORK</i>, CHAPTERS 4 & 15 ADDITIONAL READINGS TO BE DISTRIBUTED</p> <p>CASE 9: ENRON: QUESTIONABLE ACCOUNTING LEADS TO COLLAPSE</p> <p>FRONTLINE: BIGGER THAN ENRON</p>
FEBRUARY 29	<p>INSTITUTIONALIZATION OF BUSINESS ETHICS; CORPORATE REFORM IN THE UNITED STATES FERRELL, CHAPTER 4 AUDI, CHAPTER 4 <i>HONEST WORK</i>, CHAPTER 10 THE SARBANES-OXLEY ACT; CEO / CFO CERTIFICATIONS <i>UNITED STATES DEPARTMENT OF JUSTICE: THE THOMPSON MEMO</i> <i>THE PUBLIC'S PROFESSION: A SPEECH BY SEC CHAIRMAN (ARTHUR LEVITT)</i></p> <p>CASE 7: MICROSOFT MANAGES LEGAL AND ETHICAL ISSUES CASE 13: GLAXOSMITHKLINE EXPERIENCES HIGH COSTS OF PRODUCT QUALITY ISSUES</p>

<u>DATE</u>	<u>TOPIC AND READINGS</u>
MARCH 7	<p>ORGANIZATIONAL FACTORS: THE ROLE OF ETHICAL CULTURE AND RELATIONSHIPS; AFFIRMATIVE ACTION; PRODUCT LIABILITY AND CONSUMERS</p> <p>FERRELL, CHAPTER 7 <i>HONEST WORK</i>, CHAPTER 9</p> <p>CASE 15: THE COCA-COLA COMPANY STRUGGLES WITH ETHICAL CRISES CASE 17: BETTER BUSINESS BUREAU: PROTECTING CONSUMERS AND DEALING WITH ORGANIZATIONAL ETHICS CHALLENGES</p> <p>CLASS PRESENTATIONS: GROUPS 3 & 4</p> <p>BOOK REVIEW DUE</p>
MARCH 14	<p>SPRING RECESS</p>
MARCH 21	<p>INDIVIDUAL FACTORS: MORAL PHILOSOPHIES AND VALUES; PERSONAL VALUES AND PROFESSIONAL RESPONSIBILITY</p> <p>FERRELL, CHAPTER 6 AUDI, CHAPTER 2 <i>HONEST WORK</i>, CHAPTER 5 MORAL PHILOSOPHICAL CASE SCENARIOS</p> <p>CASE 18: THE AMERICAN RED CROSS FACES ORGANIZATIONAL CHALLENGES CASE 14: HOSPITAL CORPORATION OF AMERICA: LEARNING FROM PAST MISTAKES</p>
MARCH 28	<p>ETHICAL LEADERSHIP; INSIDER TRADING</p> <p>FERRELL, CHAPTER 5 AUDI, CHAPTER 11 <i>HONEST WORK</i>, CHAPTER 4, 14 BERKSHIRE HATHAWAY INC. LETTER TO SHAREHOLDERS (WARREN E. BUFFETT) <i>THE PARABLE OF THE SADHU</i> (BOWEN H. MCCOY)</p> <p>CASE 12: INSIDER TRADING AT THE GALLEON GROUP SUPPLEMENTAL CASES: MARTHA STEWART; TYCO INTERNATIONAL</p> <p>CLASS PRESENTATION: GROUP 5</p>

<u>DATE</u>	<u>TOPIC AND READINGS</u>
APRIL 4	<p>FINANCIAL CRISIS: THE BANKING INDUSTRY <i>HONEST WORK</i>, CHAPTER 4 ADDITIONAL READINGS TO BE DISTRIBUTED</p> <p>CASE 6: COPING WITH FINANCIAL AND ETHICAL RISKS AT AMERICAN INTERNATIONAL GROUP (AIG) CASE 8: COUNTRYWIDE FINANCIAL: THE SUBPRIME MELTDOWN</p> <p>SUPPLEMENTAL CASE: BANKING INDUSTRY MELTDOWN: THE ETHICAL AND FINANCIAL RISKS OF DERIVATIVES</p> <p>FRONTLINE: INSIDE THE MELTDOWN</p>
APRIL 11	<p>BUSINESS ETHICS IN A GLOBAL ECONOMY; IMPACT OF MARKETING FERRELL, CHAPTER 10 AUDI, CHAPTERS 6, 12 AND 13 <i>HONEST WORK</i>, CHAPTERS 8, 11 & 16</p> <p>CASE 16: RECREATIONAL EQUIPMENT INCORPORATED (REI): A RESPONSIBLE RETAIL COOPERATIVE CASE 19: NIKE: MANAGING ETHICAL MISSTEPS – SWEATSHOPS TO LEADERSHIP IN EMPLOYMENT PRACTICES</p> <p>CLASS PRESENTATION: GROUP 6</p>
APRIL 18	<p>DEVELOPING, IMPLEMENTING AND AUDITING AN EFFECTIVE ETHICS PROGRAM; CONFLICTS OF INTERESTS FERRELL, CHAPTERS 8 AND 9 <i>HONEST WORK</i>, CHAPTER 13</p> <p>CORPORATE WHISTLEBLOWER POLICIES AND BUSINESS CODES OF CONDUCT</p> <p>CLASS PRESENTATIONS: GROUPS 7 & 8</p>

<u>DATE</u>	<u>TOPIC AND READINGS</u>
APRIL 25	<p>ETHICS AND THE ENVIRONMENT; ETHICS AND TECHNOLOGY AUDI, CHAPTER 5 <i>HONEST WORK</i>, CHAPTERS 7 & 12</p> <p>CASE 4: BP STRUGGLES TO RESOLVE SUSTAINABILITY DISASTER CASE 5: NEW BELGIUM BREWING: ETHICAL AND ENVIRONMENTAL RESPONSIBILITY CASE 20: BEST BUY FIGHTS AGAINST ELECTRONIC WASTE</p> <p>FRONTLINE: THE SPILL</p> <p>ENVIRONMENTAL / SOCIAL RESPONSIBILITY / MARKETING COMMENTARY DUE</p>
SATURDAY, MAY 5 530 PM	FINAL EXAM