

BA 261, Business Ethics, and BA 680, Ethics: Business and Society

OR

“Being true to yourself while doing business in a hostile social environment”

Professor M. E. McMahan

Course description: Ethics is a field of philosophical thought concerned with the study of the nature of right and wrong, good and bad. Contrary to popular misconception, not all ethical thinking is “relative” or “just opinion”; in part, ethical thinking is a matter of reason, of logic. In this course you should try to purge your language of such expressions as “I feel” and “that’s just your opinion.” Instead, you need to try to give rational explanations of why you judge a certain action to be the morally superior or inferior in a particular set of circumstances and to form well-reasoned counter arguments in response to moral judgments with which you disagree.

“Business ethics” is one of many courses in applied ethics in which normative thinking and the justification of normative principles are considered with special reference to their application to problems in particular professions. Here, of course, we are primarily concerned with the moral dilemmas faced by people engaged in commercial intercourse: the decisions they must make as employers, employees, buyers, sellers and citizens. In this course the standards by which society judges the morality and legality of business decisions and actions are also considered. In some cases these standards are reasonable, and as a business professional, you must be supportive of such standards. But there are also cases in which the standards are not reasonable, and you must challenge those norms. Whatever may be the case, however, the fact is that governments and the media are more and more adopting the role of full-time critics of free enterprise and the people who make it work. This is the world in which business professionals have to operate, but this is also a world in which you can make a difference.

As a business professional, you need to be aware of the contributions you can make not only to the material welfare of society, but also to improving the deteriorating climate in which business functions. Frankly, one of my goals is to help you become a more articulate spokesperson for business, for markets, for individuals’ acceptance of responsibility for their actions, and for liberty. It is my hope that, in time, as a professional business person, you will promote an attitude of respect for your profession by your deeds, your words, and your support for causes essential to the continuation of private enterprise and its many benefits, including the providing the foundation for personal liberty. Simply put, this is serious stuff!

After some preliminary discussions (see assignments for January 10th and 17th), we will turn to a brief examination of standard theories designed to explain what makes actions right or wrong and how these ethical claims are justified (see assignment for January 24th). As the course progresses, we will see how these theories can be used to analyze specific business decisions in an effort to find ways of thinking about moral problems that might lead to making “better” ethical decisions. In particular, by the end of the course, you should be able to:

- identify alternative ethical theories implicit in arguments about right and wrong,
- make lucid arguments about right and wrong using alternative ethical theories,
- articulate and justify your own criteria for right and wrong, and

- “defend” free enterprise from unreasonable critics.

I have not yet worked out the reading assignments beyond January 24th, but readings will be assigned (or have already been assigned) in

John R. Boatright, Ethics and the Conduct of Business (0131947214)
 Kurt Eichenwald, Conspiracy of Fools (0767911792)
 Charles Fishman, TheWal-Mart Effect (1594200769)
 Ayn Rand, Atlas Shrugged (0452011876)
 Thomas Sowell, A Conflict of Visions (0465081428)
 Thomas Sowell, Affirmative Action Around the World (0300107757)
 Thomas Sowell, The Quest for Cosmic Justice (0684864630)
 Thomas Sowell, The Vision of the Anointed (046508995X)

In addition, there are several books on reserve that might interest you, in some cases because I will ask you to read parts of these books, in other cases because they are related to topics we will be discussing.

Milton Friedman, Capitalism and Freedom, HB501 .F7
 Bethany McLean, The Smartest Guys in the Room, HD9502.U54 E5763 2003
 Leonard Peikoff, Objectivism, B945.R234 P44 1993
 Ayn Rand, Capitalism, The Unknown Ideal, HB501 .R25
 Ayn Rand, The Virtue of Selfishness, PERSONAL COPY
 Joseph Schumpeter, Capitalism, Socialism and Democracy, HX86 .S33 1950
 Thomas Sowell, Black Rednecks and White Liberals, HM1096 .S683 2005
 Thomas Sowell, Race and Culture, GN495.4 .S69 1994

Assignments for the first three classes:

January 10

Read and be prepared to discuss Charles Fishman’s TheWal-Mart Effect and the readings sent to you previously by email.

January 17

Read and be prepared to discuss Thomas Sowell’s A Conflict of Visions and pages 1170 – 1171 and 3 – 88 of Ayn Rand’s Atlas Shrugged.

January 24

Read and be prepared to discuss pages 1 – 115 and 174 – 206 of John R. Boatright’s Ethics and the Conduct of Business and 89 – 161 of Atlas.