Seminar in Business Ethics and Social Institutions

Fall 2014

Course: MGT 722
Room: SSW 2522
Meetings: Tuesdays 4:00-6:40
Prerequisite: BA 651/BA 624

Professor: Dr. Lori J. Ryan
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Office Hours: T 2:45-3:45
Th 2:00-3:00
Or by appointment

Readings: No book is required for this class. All readings are available electronically. Readings marked (B) on the syllabus are posted on the course Blackboard page under “Course Documents.” Readings marked (A) are available from the library at library.sdsu.edu (insert search terms, use “find articles,” and click “go”). Others are listed here as links. If you prefer to buy a reader, a “BA 702B” reader is available from Montezuma Publishing for well over $100; it includes most of the readings for this course. To order a copy, please talk with Dr. Ryan, then e-mail orders@montezumapublishing.com. If you choose not to buy a reader, you need to create your own by printing out and bringing paper copies of the day’s articles to each class. You will be asked to refer to the readings in class, alone and in groups—not bringing your readings could jeopardize your group’s performance and your own ability to maximize your grade. Additional readings may be assigned during the semester.

Student Learning Outcomes:
1. Explain the philosophical arguments for and criticisms of 4-6 ethical theories.
2. Discern, analyze, and discuss ethical content in current business news.
3. Briefly apply 4-6 ethical theories to current business situations.
4. Analyze a business ethics issue in detail according to at least one ethical theory.
5. Describe the distinction between moral philosophy and moral psychology, as it applies to business ethics.

Course Objectives:
(1) To encourage you to think systematically and rigorously about ethical issues that occur in a business context, and (2) to introduce you to ethical frameworks that will help you to clarify and examine the ethical system you now hold. To accomplish these objectives, we will investigate several formal ethical theories closely tied to business ethics and apply those theories to current business-ethics issues. In addition, you will be asked to read assignments thoroughly and critically, to develop personal observations and insights about the material, and to write about and talk about those insights.

Course Format: A “business ethics” course lies at the intersection of business and the liberal arts, so it isn’t a typical business class. Two to four times during the semester, at the beginning of class, I’ll ask you to write a thoughtful response to a question about that day’s assigned readings. Six of our classes will begin with discussions of formal ethical frameworks based on (particularly important) readings. During the rest of our sessions, we will explore theories of the firm and discuss topical readings and cases, as well as current events brought to the class’ attention by students.

Grading:
5% Article contribution
10% Brief essays
50% Midterm exams (25% each)
35% Final paper

Brief essays: 5-10-minute in-class, thoughtful, written responses to the question(s) of the day based on assigned readings, at the beginning of class on any given day (no credit given if you leave class early)
6 pts. = clearly read and understood the assignment and added personal insight
5 pts. = answered the question, but made an error or didn’t add personal insight
4 pts. = didn’t answer the question, but demonstrated that read the assignment
2 pts. = turned in a piece of paper; didn’t read or unclear if read the assignment
0 pt. = didn’t attend class
Grading: Article contribution: To encourage you to maintain a heightened awareness of the ethical implications of the business news stories you read this semester, each student will be responsible for distributing a news story (published by a reputable journalistic source) about a unique, ethically questionable, current business activity (occurring since 4/1/14) for possible class discussion. The article should have business-ethics content that is not already covered in the syllabus. It should discuss moral issues facing for-profit businesses; do not submit legal or government issues (e.g., lawsuits or university activities), those facing specific professions that have their own specialized ethics fields (e.g., journalism and medicine), or those whose issues are idiosyncratic (e.g., professional sports or utilities). The Wall Street Journal and Fortune magazine are good places to find candidates. The article should be at least 10 paragraphs and no more than 4 magazine pages long, and must have appeared within four weeks of the distribution date.

The article can be distributed to the class via Blackboard anytime on or before 11/4/14 (but originality will be increasingly difficult as time goes on). If you want feedback before distributing your article, you should submit it electronically to Dr. Ryan no fewer than 72 hours before you hope to distribute it. Whoever distributes the topic to the class first "owns" the topic, and only the first article that each student distributes will be considered to be in response to this assignment. Classmates should print out and read the articles as they arrive and bring them to class each week in case we have time to discuss them. The quality of the submitter’s contribution will be evaluated as

- 10 pts. = unusually on-target and interesting and meets all requirements
- 9 pts. = standard fulfillment of the requirements outlined above
- 8 pts. = close, but doesn’t fully meet the requirements outlined above
- 6 pts. = turned in an article before deadline, but does not meet multiple requirements
- 0 pt. = no article turned in by the deadline

Exams: Exams will be a combination of definition, short-answer, and essay questions. All potential essay questions will be distributed to the class one week before the exam date. Out of fairness to other students, students will not be allowed "in and out" privileges during exams (i.e., no leaving the room and returning to continue working on the exam). Makeup exams for exceptional, preexcused absences will be variations of those given in class; makeup exams may be possible for unexcused absences but only in extraordinary circumstances, at the discretion of the professor.

Final Paper: A term paper is required, in which you should explain and analyze an interesting, original, current business activity (occurring since 4/1/14) through the lens of your favorite of the six ethical theories discussed in class. The topic may not be one that was assigned in the syllabus or that was distributed as an article contribution to the class. (Use the same criteria as above to determine an appropriate topic, but the publication date of the core source can be 7/1/14 or later.)

The paper should be 2300-2400 words (not counting title page and references, absolutely no more), which is about 8 pages. In Section 1 of the paper, briefly describe the current event integrating multiple sources (about 20%); in Section 2, thoroughly explain the ethical theory that you’re applying, answering the questions distributed before exams—rely only on course readings and discussion (about 30%); and, in Section 3, analyze the ethics of the issue from the perspective of that theory (about 40%). No outside sources should be consulted, with the exception of the description of your current event, which should come from multiple reputable, journalistic sources. Papers should be double-spaced with 1-inch margins, in a type face similar to Times New Roman (12 point). On the upper right hand corner of the paper’s title page, please type the paper’s word count (excluding title page and references) and the theory being applied. You should follow the AMR Style Guide for your quotations, citations, and references: http://www.aom.pace.edu/amr/AMRstyleguide.pdf
Grading (cont.): Essay format, writing style, and typography will all be taken into account in grading, although the primary factors will be the appropriateness of the current event, the clarity and thoroughness of the theory presentation, and the sophistication of the ensuing analysis. Identical versions of your paper must be received electronically in Microsoft Word and in bound, paper form to the Management Department office (SSE 3rd floor) no later than 12:30 pm on 12/11/14. Your current-event source material must be cited and referenced thoroughly, as discussed above, and must also be submitted with live links as an appendix (a hard copy of the source material may be submitted in place of electronic).

Honesty Policy: Plagiarism is the use of another person’s words or ideas without attribution (i.e., citation or quotation). It is both unethical and a violation of University policy. In your written work, cite any sources that you paraphrase, and use quotation marks and give a page number for any string of 5 words or more that you borrow verbatim. (Needless to say, it is a violation of the spirit of this idea to borrow verbatim passages and change every fifth word.) If you have any questions regarding what constitutes plagiarism, be sure to ask me at least two weeks before you submit your final project. Any student found to have cheated in this class or to have plagiarized any portion of his or her work will fail the course and will be reported to the Office of Student Rights and Responsibilities for investigation.

Electronics Policy: This is a discussion-based class, and electronics in the classroom can distract from the purpose of the course. SDSU students have “the right to learn in an academic environment that is free of inappropriate interruption, due to the use of electronic communication devices during class, or other activities that might be considered distracting to others.” We have thus moved into the “post-electronics” era. All electronic devices should be closed, shut off, and put away during sessions to facilitate lively discussion.

Ingress/ Egress: To further reduce distractions, please take advantage of breaks and minimize the number of times that you leave the room during class.

Course Outline

*Starred readings are particularly important

Week 1  Introduction to the Course  August 26

Available on line at http://goo.gl/tXM9xV
Business Ethics Quarterly. Vol. 12, pp. 451-480 (you can safely skip the
“Background” section, pp. 454-457). (A)

Week 2  September 2

Justice Theory
(you can safely skip pp. 8-10 and 16-17). (B)

Issue 1: Pharmaceuticals and Justice
Business Ethics Quarterly, Vol. 12, pp. 451-480 (you can safely skip the
“Background” section, pp. 454-457). (A)

In-class Cases (no preparation required)
Week 3

Rights Theory

*Robert Nozick. 1974. “Distributive Justice.” From Anarchy, State and Utopia, pp. 149-174 (you can safely skip “Sen’s Argument” (pp. 164-166); p. 166 onward examines applications and complexities). (B)

Issue 2: Employee Rights vs. Employee Benefits


Week 4

Utilitarian Theory


Issue 3: The Pinto Case and Johnson & Johnson

Lisa Newton and David Schmidt. 2004. “How Shall We Know if Our Products are Safe?” Wake-up Calls, pp. 111-127 (you can safely skip the introduction). (B)
“Johnson & Johnson’s Tylenol Scare,” available online at: http://iml.jou.ufl.edu/projects/Spring01/Hogue/tylenol.html

Week 5

Issue 4: Corporate Social Responsibility

Hawthorne, F. 2012. Ethical Chic. Boston: Beacon Press. (pp. ix-xxvi) (B)

Issue 5: Corporate Philanthropy


(Midterm study suggestions distributed)
Week 6

MIDTERM EXAM September 30

Week 7

Objectivist Theory October 7


Issue 6: Price Gouging


In-class Cases (no preparation required)

Week 8

The Ethic of Care October 14


Issue 7: Gender and Work-life Balance Issues


Week 9

Social Contracts Theory October 21


Issue 8: Sweatshops

Matt Zwolinski. 2007. “Sweatshops, Choice, and Exploitation.” Business Ethics Quarterly, pp. 689-727 (just read 689-696, the Conclusion, and Footnote 1). (A)
Week 10

Stakeholder Theory

Theory Application Exercise (no advance preparation needed—bring theory notes)

Week 11

MIDTERM EXAM

Week 12

Moral Psychology
Student survey (no advance preparation required)

Issue 9: Values

Week 13

Neuroscience
Lori Verstegen Ryan. 2013. “Sex Differences through a Neuroscience Lens: Implications for Business Ethics.” Working paper. (B)

Issue 10: Counterfeit Products

Student Discussion Topics

Week 14

Corporate Governance
(more below)
MGT 722, page 7

**Issue 11: Investor Activism**

Maria Goranova and Lori Verstegen Ryan. 2014. Shareholder activism: A multi-disciplinary review. *Journal of Management.* (Of the pdf, print and read pp. 1-12, 24 (figure), and 31-32.)

**Student Discussion Topics**

**Week 15**

**Issue 12: Groupon**


Tomio Geron. 2013. “Groupon Names Eric Lefkofsky CEO, Shares Rise on Q2 Earnings.” *Forbes.* Available online at [http://goo.gl/19hXxQ](http://goo.gl/19hXxQ)

**Issue 13: Facebook**


**Student Discussion Topics**

**Week 16**

**Whistleblowing**


**Closing Case**


**FINAL PAPERS DUE**

Electronic and identical bound, paper copy 12:30 pm (cutoff) Thursday, December 11

The course syllabus provides a general plan for the course; deviations may be necessary, but exam and paper due dates are firm. Additional material may be assigned during the course of the semester.