Huntingdon College School of Business and Professional Studies
W. James Samford, Jr. School of Business and Professional Studies

COURSE NUMBER: MGMT408
COURSE NAME: Ethics in Management
Fall 2015, Session I – Lawson
Wednesday, 9/ 2, 9, 16, 23, 30 from 5:30 p.m. - 9:30 p.m.

INSTRUCTOR’S NAME: Dr. Jane Goodson

CONTACT INFORMATION: jane.goodson@hawks.huntingdon.edu

COURSE DESCRIPTION: Ethical questions such as managerial dilemmas, what is good and bad, right and wrong; moral duty and obligation in areas such as foreign bribery, truth in advertising, environmental impact of business enterprises, working conditions, and pricing levels.

To expose students to ethical problems arising in the context of business decision making. The course will take a case oriented approach and focus on practical aspects of ethical decision making.

PREREQUISITE: MGMT211

TEXT REQUIRED: Boatright, John; Ethics and the Conduct of Business, 7th ed. (see Huntingdon College booklist for current edition and ISBN)

COURSE LEARNING OUTCOMES:
Upon completion of the course, the student should understand the following:

· The theoretical basis of ethical decision making in a business context.
· The interconnection of ethical and legal issues.
· The framework for analyzing ethical issues.
· Apply theory to actual fact patterns.

COURSE ASSIGNMENTS & GRADING CRITERIA:

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GRADE POINT EQUIVALENTS – The grading will be based on a 10 point scale as shown below.

- A = 90-100
- B = 80-89
- C = 70-79
- D = 60-69
- F = 59-below

ATTENDANCE POLICY:
Absences and Tardiness – All students are required to attend the first session. Those who do not attend the first session will be automatically dropped from the course. Students with more than one absence will receive an "F" for the course. Since this class meets only five times, missing a single class meeting is equivalent to missing three weeks of a regular term. If you cannot attend a class you must let the instructor know via email as soon as possible. In case of absences you are responsible for obtaining all handouts and assignments. Tardiness may result in a deduction in your class participation grade. Excessive tardiness may count as an absence.

Participation – Participation is not the same as attendance. Participation requires students to come to class prepared to actively participate, which makes the classroom experience more meaningful. However, participation is not just speaking out in class. The contributions made by the student should be related to the course content and meaningful to the class discussion.

Late Assignments – No shows fail the assignment. It is expected that the students fulfill their assignments on the date they are scheduled to do so. Students with illness or other problems that prevent them from attending class on the day a presentation or written assignment (including a test and/or exam) is due must contact their instructors PRIOR to the deadline via Huntingdon College email with supporting documentation to request an extension or a make-up. In most cases, missed assignments are logistically difficult to make-up while maintaining the integrity of the module. In rare cases, approval to make-up an assignment may be granted at the discretion of the faculty member based on the seriousness of the circumstance and on the supporting evidence provided by the student. Contacting a fellow class member does not substitute for contacting the instructor.

Accommodation of Special Needs- Huntingdon College makes every reasonable accommodation for disabilities that have been processed and approved through our Disability Services Committee in accord with the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. In order to request disability-related services at Huntingdon College, students must self-identify to the Disabilities Intake Coordinator, Camilla Irvin, and provide appropriate and up-to-date documentation to verify their disability or special needs. After the accommodations have been approved by the Disability Services Committee, the 504 Coordinator, Dr. Lisa Olenik Dorman, will notify your professor(s) of the committee’s decision. If you have any questions regarding reasonable accommodation or need to request disability-related services, please contact Disability Services at (334) 833-4577 or e-mail at disabilityservices@huntingdon.edu.
**Academic Honesty** – Plagiarism is literary theft. Failure to cite the author of any language or of any ideas *which are not your own creation* is plagiarism. This includes any text you might paraphrase, as well. Anyone is capable of searching the Internet or any printed media; your research paper is intended to broaden your knowledge, stimulate your creativity, and make you think, analyze, and learn. It is not consistent with the College Honor Code, nor with scholarly expectations to submit work which is not the product of your own thinking and research. Severe penalties will result upon the submission of any work found to be plagiarized, including potential failure of the entire course. It is easy and simple to properly cite all sources used in your paper. Take no risks – cite your sources.

**Huntingdon College Library:** As an EB student you have access to the full-range of electronic resources provided by the Library of Huntingdon College. Your first step upon enrollment at Huntingdon should be to register for a library account. You can do this by going to the Library’s web site at [http://library.huntingdon.edu/](http://library.huntingdon.edu/) and under “EB Services” complete the “Library Card Application” form and submit it. You will receive shortly your personal library account information, which will then allow you to access a variety of resources including databases. Should you ever have a problem accessing the Library’s electronic resources, please contact the Library (specifically, Systems Librarian Brenda Kerwin at bkerwin@huntingdon.edu <mailto:bkerwin@huntingdon.edu>).

* Among the Library’s electronic resources, you will find a number of databases specific to the area of business administration and its allied fields of study (e.g. databases within /EbscoHost/, /Gale/, and /ProQuest/, as well as /Oxford Journals/). You will also find databases that support your core courses in such fields as English, history, communications, the arts, and the sciences. You may be familiar with the AVL (the /Alabama Virtual Library/) and have your own AVL card. As a student at Huntingdon College, you no longer need to maintain your own AVL card, if you access the AVL through our web site. Simply click on “Campus &Library” rather than “Home Access” within the AVL. A few other mentions: /Countess/ is the name of the Library’s online catalogue and among its holdings you will find electronic books. If you want to know what full-text electronic journals are available to you through the Library’s databases, you can use the /Serials Solutions/ link on our web site. You can limit your search by discipline (such as “Business & Economic”). If you use Google for any of your research, we greatly encourage you to use /Google Scholar/ and /Google Books/. These features of Google will direct you to resources appropriate for academic research.*

**CLASS SCHEDULE:**

**Week 1:**

**Introduction to the course**

**Reading Assignments**

Chapter 1: Ethics in the World of Business  
Chapter 2: Ethical Decision Making
Writing Assignments
Case 1.3 Beech-Nut’s Bogus Apple Juice
Case 2.1 HP and the Smart Chip

Presentation Assignment
The instructor will lead the first night’s class presentation. Students will assigned which case they will be responsible for presenting Weeks 2-5.

Quiz Chapters 1-2

Week 2:

Reading Assignment
Chapter 3: Ethical Theories
Chapter 4: Whistle-Blowing
Chapter 5: Trade Secrets and Conflict of Interest

Writing Assignments
Case 3.1 Big Brother at Proctor and Gamble
Case 4.1 Time’s Persons of the Year
Case 5.2 The Conflict of an Insurance Broker

Quiz Chapters 3-5

Week 3:

Reading Assignment
Chapter 6: Privacy
Chapter 7: Discrimination and Affirmative Action
Chapter 8: Employment Rights

Writing Assignments
Case 6.1 Psychological Testing at Dayton Hudson
Case 7.1 Race Discrimination at Texaco
Case 8.3 Health Benefits at Wal-Mart

Quiz Chapters 6-8

Week 4:

Reading Assignment
Chapter 9: Occupational Health and Safety
Chapter 10: Marketing, Advertising, and Product Safety
Chapter 11: Ethics in Finance
**Writing Assignments**

Case 9.1 When is an accident a crime?
Case 10.2 Volvo's “Bear Foot” Misstep
Case 11.1 Merrill Lynch and the Nigerian Barge Deal

**Quiz** Chapters 9-11

**Week 5:**

**Reading Assignment**

Chapter 12: Corporate Social Responsibility
Chapter 13: Corporate Governance and Accountability
Chapter 14: International Business Ethics

**Writing Assignments**

Case 12.2 Starbucks and Fair Trade Coffee
Case 13.2 Bath Iron Works
Case 14.2 H.B. Fuller in Honduras

**Term Paper and Presentation**

**Weekly Assignments & Weekly Presentations**

1. You will be responsible to answer the questions listed below for each case study.
2. You are responsible for answering all the questions.
3. There is no minimum page or word requirement, but you must thoroughly answer the question. Yes or No answers are insufficient.
4. PLEASE WRITE THE QUESTIONS!!!
5. The papers must be typed, double-spaced, 12 font.
6. You have to be present to turn in the assignments, e-mailed assignments are not accepted.
7. During the first week we will split up the case studies so that each student will be responsible for an even number of cases to present.
8. For the case that you are assigned, that individual is responsible for leading the class in discussion of the case and for facilitating discussion regarding the case.
9. Even if you are not presenting, you are still responsible for answering the questions and turning in your answers to the questions.
10. The presenter is responsible for providing any additional information that you might have found via other sources such as the Internet, Business Journal, Academic Journals, etc.
11. The format that you present the information is at the discretion of the student and you may use whatever style you feel is appropriate for the content.
Questions to be answered for the chapter case studies

Case 1.3 Beech-Nut’s Bogus Apple Juice
1. If a recall would have been tantamount to closing down the company, as Hoyvald claimed, would avoiding a recall been a risk worth taking? (That is, consider this decision in terms of the consequences for good and harm or as a cost-benefit study).
2. Should Nestle have kept the two executives on the payroll and paid their legal expenses? (Consider this decision from a purely utilitarian or cost-benefit view.)

Case 2.1 HP and the Smart Chip
1. Do you feel that HP did anything wrong in putting the smart chip in its ink cartridges?
2. Should HP have agreed to settle the suits and provide e-credits to its customers?

Case 3.1 Big Brother at Proctor and Gamble
1. Was P&G justified in investigating its own employees in order to find the source of a suspected leak? Do you agree with Artz that a company has a right to protect its secrets? Does this right depend on the kind of information that a company seeks to protect?
2. Do you agree with Artz’s claim that his actions involved mistakes of judgment but were not “an issue of ethics?”

Case 4.1 Time’s Persons of the Year
1. Why might the three People of the Year fail to meet the strictest definition of a whistle-blower?
2. Can it be reasonably expected of employees that they will adhere to standards of this sort?

Case 5.2 The Conflict of an Insurance Broker
1. As an agent of the museum, A&A is obligated to act in the museum’s best interest. What specifically does this obligation entail? Hint: compare the role of an insurance broker with the roles of physicians and lawyers, who are also obligated to act in the best interest of a patient or a client.
2. Does the compensation system for insurance brokers create the right incentives? Should the system be changed?

Chapter 6.1 Psychological Testing at Dayton Hudson
1. Did the test invade the applicants’ privacy? Note: the tests were scored anonymously, and no one knew the responses of any applicant. Does that make any difference?
2. A store like Target has a responsibility to protect customers from psychologically impaired security officers. If the court case results in a ruling that a test that psychscreen is legally impermissible, how can a company fulfill its responsibility to its customers?
Chapter 7.1 Race Discrimination at Texaco
1. Who has the burden of proof in this case? That is, should the employees be required to show that they were discriminated against, or should the company be required to justify the statistical disparities?
2. How could discrimination occur at a company with an explicit policy and an active diversity program? What steps could Texaco take to avoid a repetition of the problem? Specifically, how should Texaco spend the $35 million set aside for the diversity program?

Chapter 8.3 Health Benefits at Wal-Mart
1. If you were in-charge of lobbying for Wal-Mart for the new health care reform, which side (for or against) should Wal-Mart be lobbying for and why? What ethical considerations does Wal-Mart have to consider?
2. Why is offering health benefits an ethical matter?

Case 9.1 When is an accident a crime?
1. Linda Moeves took over the company from her late husband in 1987. In each of the three years immediately prior to her assuming leadership of the company, there were reprimands and fines. After her assumption of the company, there were two more deaths. Can the argument be made, from the information provided within the case that the company engaged in “intentional disregard” of safety regulations?
2. Was the behavior of the Moeves Plumbing Company a “willing” violation of OSHA Safety standards?

Case 10.2 Volvo’s “Bear Foot” Misstep
1. Food ads often use mock-ups-replacing ice cream with mashed potatoes, for example – in order to produce more realistic images and to facilitate filming (ice cream melts). Could the reinforced Volvo be considered a mock-up?
2. Do you accept the company’s contention that the ads with cars and trucks atop a Volvo were intended to make a claim about the strength of the frame and not the strength of the tires and the suspensions system? Because the strength of the frame and not that of the tires and suspension system is critical of the safety of a car in a crash, are consumers harmed if they infer the unintended claim about the strength of the tires and the suspension system?

Case 11.1 Merrill Lynch and the Nigerian Barge Deal
1. In what ways did Merrill Lynch fail to follow the dictates of due diligence in its evaluation of the offer from Enron?
2. If Enron was engaging in accounting fraud, was this Merrill Lynch’s responsibility?

Case 12.2 Starbucks and Fair Trade Coffee
1. Freeman suggested that organizations should not be involved in corporate social responsibility and should only be concerned with turning a profit in the
organization. Looking at the case study do you agree or disagree with that statement?

2. Should an office manager who is responsible for purchasing coffee for the office be concerned with purchasing coffee that is produced under Fair Trade Coffee requirements?

Case 13.2 Bath Iron Works
1. Is possession of confidential information about a competitor more serious in the case of a defense contractor? What specific features of defense industry contracting would account for the greater seriousness of such possession of confidential information?

2. Lynn Paine asserts that wrongdoings is seldom the work of a rogue employee but results from the corporate culture. Is this case an illustration or an exception to her claim?

Case 14.2 H.B. Fuller in Honduras
1. Is the continued marketing of Resistol compatible with the company’s statement of its social responsibility? How could the company respond to the angry letters from customers and shareholders?

2. Even though the addition of oil of mustard is not wholly satisfactory, should the company adopt this alternative? Is the company justified in not complying with the Honduran law requiring the addition of oil of mustard?

Term Paper
The Gulf Coast has experienced a catastrophic oil spill from a gas drilling well that exploded. From the beginning BP did not handle the situation very well. You have been retained by BP as a consultant. Prepare a 10-12 page typed, double-spaced proposal of how to limit the ethical damage to the organization utilizing the concepts you learned in this class.

- Identify the areas of concern that should have been addressed by BP
- You should discuss 5 concepts you learned in this class and how they apply to this situation
- Cite a minimum of three appropriate additional research citations relating to this situation
- Clearly display data using tables, charts and/or graphs as appropriate
- Include a cover page and bibliography
- Paper should be done using the APA format

Presentation Assignment
Give a 10 to 15 minute presentation of the 5 ethical concepts that you identified and why they are important.

- Support the presentation with visual aids such as power point, overheads, or handouts
- Allow time for a short question and answer period