

## MANAGERIAL ETHICS

### Required Text:

Arnold, Beauchamp & Bowie, *Ethical Theory and Business*, 9<sup>th</sup> ed. (Pearson, 2013)

### Catalog Description:

Management 3282: Managerial Ethics. Study of the impact of management decisions on customers, employees, investors, communities, the natural environment, and government. Future managers are taught to analyze the impact of management decisions on larger society and to manage ethical organizations.

### Value and Purpose:

Ethical issues permeate business; society expects businesses of all sizes to operate honestly and fairly. Managing ethical issues -- both within an organization and in relationship to a range of external stakeholders -- is important for the purposes of ensuring organizational integrity, enhancing organizational reputation, managing risk, and securing legitimacy. The societal expectation that corporations have social and environmental obligations has never been greater or more widespread. Most medium and large sized businesses identify ethical values, such as respect for employees or customers, as a feature of their core mission. Increasingly companies employ ethics and sustainability managers to help implement their core values and strategy. Many industries have implemented voluntary ethics codes and companies have pledged to adhere to these codes, partly in an effort to avoid additional governmental regulation. In the last few year's companies from PepsiCo to Gap to Shell have endorsed a "triple bottom-line" approach to management and have begun reporting not just financial performance but social and environmental performance as well. Managers operating in a global economic environment are better able to engage with policy makers, non-governmental organizations, and a range of stakeholders on social, environmental and financial issues, if they understand the ethical dimensions of business and demonstrate best practices in their internal policies and procedures and with regard to their social and environmental impacts.

### Course Goals:

- (1) To understand and appreciate ethical principles and judgments in relation to the conduct of business.
- (2) To learn to evaluate morally problematic business scenarios and to develop morally sound responses to such scenarios.
- (3) To learn to fairly interpret and assess diverse arguments and beliefs.
- (4) To significantly improve critical thinking skills, especially as such skills relate to the exercise of managerial leadership.
- (5) To learn about managing organizational ethics.

## Course Requirements:

***Important:*** *Students are responsible for reading and understanding the course requirements.*

- (1) **Attendance:** Regular, on-time attendance is *required* because past experience shows that students who are in class every session learn more and earn higher grades. Regular tardiness, or regularly leaving class early, will result in a reduced attendance grade. Students who have regular work conflicts are advised to take courses compatible with their work schedules. *It is a student's responsibility to sign the attendance roster each week.* Signing-in for anyone but yourself is a violation of the Code of Academic Integrity and will result in disciplinary action, such as an F for the class, and other university sanctions for *both* students involved. A student whose religion requires that he or she miss class for a religious observance must fill out a "Request for Religious Observances" form and submit it to me prior to the census date for the semester to receive an excused absence for that event. Students participating in official university events such as varsity athletics or ROTC exercises will receive an excused absence *with appropriate documentation*. Students are allowed two absences without penalty (students who miss 0-2 classes will receive 100% attendance). Students who miss three or more classes will receive -5 (out of 100) for *each* missed class (e.g, a student who misses three classes will receive an 85% and a student who misses five classes will receive 75% for the attendance portion of the grade). Please note, the two unpenalized absences are intended to accommodate family emergencies (e.g., the death of a grandparent), illness, or the like. *Students are advised to reserve their two unpenalized absences for these unforeseen purposes.* Students who are hospitalized for an extended period of time because of a serious injury or illness may receive special accommodation. The University's inclement weather number is 704-786-2877.
- (2) **Discussion:** In a class on business ethics, where everyone usually has ideas, judgments, or questions about cases, concepts, and theories, *thoughtful discussion is an essential part of the learning experience.* A classroom environment in which many students are not speaking at all, and a handful of students are speaking all the time, is not a productive learning environment for all students. For this reason I require appropriate class participation of *all* students over the course of the semester. To receive full credit for class discussion, plan on actively participating in at least eight class sessions. Participating more than this is great, but students can receive only one participation credit per class. *Excessive* participation involves trying to answer most questions, during most class sessions and dominating discussion in a way that excludes other students from participation (typically this is unintentional). Excessive participation will be penalized. I track participation with a seating chart. To guarantee that your participation is recorded, simply mention your name to me on the way out of class and I will make sure that I marked it on the tracking sheet.
- (3) **Readings:** It is essential that you read the assigned material prior to each class meeting. *It will be assumed that you have completed the assigned reading prior to class.* A copy of the textbook is on three-hour reserve in Atkins Library.

- (4) **Weekly Quizzes:** There will be a five-point, online Canvas quiz over the readings during most weeks of the semester. *These quizzes are open book, but you must complete them on your own without the help of anyone else.* Quizzes must normally be concluded by 11:00am each Tuesday and will normally be available the prior Thursday. Students who miss this deadline will not be allowed to make up the quiz. There will also be one ten-point quiz on a film that you will watch during the second half of the semester. If you wait to the last minute to take the quiz, and encounter technical difficulties at that time, you cannot retake the quiz. These quizzes are intended to provide you with an incentive for completing your reading assignments in a timely fashion. For that reason, you should find them easy *after* reading the material. Your lowest single quiz score will be dropped and your total quiz grade will be based on your remaining quiz scores (not including the ten-point quiz). Quiz weeks are also indicated in the schedule of readings with an asterisk (\*). Failure to complete a minimum seven quizzes with a score of at least 2/5 will result in course failure.
- (5) **CSR/Sustainability Report Analysis:** Many medium and large sized companies now issue corporate social responsibility/citizenship/sustainability reports. These reports are intended to supplement traditional annual reports and communicate to the broader public a company's social and environmental record. These reports contain varying degrees of rigor and detail. The assignment will be posted to Canvas. It will be counted as equivalent to one regular quiz, however, this assignment will not count as the lowest quiz score to be dropped from Canvas.
- (6) **Exams:** There will be an in-class (closed book) midterm examination and an in-class (closed book) final examination. These must be taken on the scheduled dates barring extraordinary reasons. Among the past reasons that students have invoked that are *not* extraordinary are the following: family vacations and reunions, previously booked flights, Spice Girls reunion concerts (or any concert), optional sports camps, missionary trips, job interviews, non-life threatening family "emergencies," etc. Details about the format and subject matter of the exam will be provided in advance.
- (7) **Syllabus:** Students are responsible for reading this syllabus and understanding the course requirements. If you have any questions please ask me and I will be happy to clarify.
- (8) **Recording:** Audio and video recording and still photography are strictly prohibited in class at all times.
- (9) **Personal Technology:** The use of cell phones, smart phones, or other mobile communication devices is disruptive (including texting), and is therefore prohibited during class. Students are permitted to use computers during class for note-taking and other class-related work only. Except in emergencies, students using such devices for purposes unrelated to class must leave the classroom *for the remainder of the class period*.
- (10) **Leaving During Class:** When students leave class and return it typically disturbs the students around them. While class is in session, students should leave the classroom *only when necessary* (e.g., to use the restroom). Leaving the classroom to make a routine telephone call, for example, is prohibited.

### Grading:

Attendance is worth 10% of your final grade. Participation is worth 10%. The online quizzes and CSR report analysis are combined worth 30%; the midterm examination is worth 25%; the final examination is worth 25%. Failure to take the midterm or the final exam will result in the student failing the class. Failure to complete a minimum seven quizzes with a score of at least 2/5 will result in course failure. The grading scale is as follows:

A = 90 -100  
B = 80 - 89.99  
C = 70 - 79.99  
D = 60 - 69.99  
F = < 60

### Professor:

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Office Telephone: (704) 687-7703 (if you don't reach me in person, try email)  
Office Hours: M&W 10:00-11:30 and by appointment

### Canvas Environment:

This course includes a significant and required use of the Canvas on-line environment. You must be able to access course materials and announcements on-line. You can log-in to Canvas here: <http://Canvas.uncc.edu>

### Email:

You *must* be reachable via your UNC Charlotte email account. All course communication will be directed to you at your UNC Charlotte email address. If you primarily use a different email account, then you should forward your email to your primary account.

### Diversity:

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

### Academic Honesty:

You are required to complete 100% of your own work in this class. Cheating violates the UNC Charlotte Code of Academic Integrity and will result in course failure, notification of the Dean of Students, and other potential disciplinary action. For more information see the following: <http://integrity.uncc.edu/>

### Disability and Impairment Accommodation:

If you require course adaptations or accommodations because of a disability, or if you have emergency medical information about which I should be informed, please speak with me as soon as possible. Students are responsible for notifying me of any conditions that may impair their academic performance for which reasonable accommodation can be made. Without advance warning, such difficulties cannot be used later as a basis for requesting deadline extensions or reconsideration of grades. Students who require such accommodations must work with the Office of Disability Services (704-687-4355).

### Schedule of Class Meetings:

Please read assignments in the order in which they are listed. Line breaks between readings indicate that they are intended for different days of the same week. Weeks in which quizzes will occur are indicated with an asterisk (\*).

#### Week I      1/9 & 1/11      Introductions

- Case Study: "The Training Program," p. 41
- Case Study: "Should Company Policy Apply to All?" p. 42
- Case Study: "Should Everything Be for Sale," p. 43

#### Week II      1/18      Ethics & Banking\*

- Chp. 1, "Ethical Theory and Business Practice," pp. 1-11 ("Concepts and Problems")
- Boatright, "Ethical Issues in Financial Services," pp. 350-353 only (stop reading at "Insider Trading" on p. 353)
- Case Study: "Predatory Lending at Countrywide Financial," pp. 385-389
- Tippet, "How Wells Fargo Encouraged Employees to Commit Fraud," pp. 1-7 (Canvas)

#### Week III      1/23 & 1/25      Managing Organizational Ethics I: Ethics and Organizational Culture\*

- Trevino and Nelson, "Ethics as Organizational Culture," pp. 95-107
- Case Study: "The Bachelor Party," pp. 128-129

Week IV 1/30 & 2/1 Managing Organizational Ethics II: Whistle-blowing\*

Brenkert, "Whistle-blowing, Moral Integrity, and Organizational Ethics," pp. 179-192

2/1 Guest Speakers: Wesley Beckner, President, BB&T Metrolina Region; Cameron Wells, Senior Vice President, BB&T Metrolina Region

Week V 2/6 & 2/8 Managing Organizational Ethics II: Employment & Safety\*

Introduction to Chapter 3, pp. 139-144 (only)

Werhane and Radin, "Employment and Due Process," pp. 145-152

Epstein, "In Defense of Contract at Will," pp. 152-159

Case Study: "Off-Duty Smoking," p. 193

Case Study: "Fired for Drinking the Wrong Brand of Beer," p. 194

Boatright, "Occupational Health and Safety," pp. 166-174

Case Study: "BP Workers Ill-Trained for Dangers," pp. 196-197

Week VI 2/13 & 2/15 Managing Organizational Ethics III: Diversity & Sexual Harassment\*

Lesser and O'Donohue, "Normative Issues in Defining Sexual Harassment," pp. 238-244

United States Supreme Court, *Meritor Savings Bank, FSB, v. Vinson* (Canvas)

United States Supreme Court, *Teresa Harris v. Forklift Systems* (Canvas)

Case Study: "Gay and Lesbian Rights at Friendly Motors?," p. 248

Week VII 2/20 & 2/22 Midterm Examination

2/13 Midterm Examination

2/15 Exam Review

Week VIII 2/27 & 3/1 Corporate Responsibility I: The Stockholder View\*

Chp. 1, "Ethical Theory and Business Practice," pp. 17-21 ("Utilitarian Theories")

Introduction to Chapter 2, pp. 46-49 only

Friedman, "The Social Responsibility of Business is to Increase Its Profits," pp. 53-57

Legal Perspective: *A.P. Smith Manufacturing v. Barlow* (Canvas)

Case Study: "The NYSEG Corporate Responsibility Program," pp. 120-122

Week IX 3/6 & 3/8 Spring Recess

Week X 3/13 & 3/15 Corporate Responsibility II: The Stakeholder View\*

Chp. 1, "Ethical Theory and Business Practice," pp. 22-27 ("Kantian Ethics")  
Freeman, "Managing for Stakeholders," pp. 57-68  
Cascio, "Decency Means More than "Always Low Prices": A Comparison of Costco to Wal-Mart's Sam's Club," pp. 79-86  
Johnson & Johnson, "Our Credo," (Canvas)  
Case Study: "Merck & River Blindness," pp. 124-125

Week XI 3/20 & 3/22 International Management I: Social & Environmental Issues in the Supply Chain\*

Introduction to Chapter 9, pp. 530-535  
Maitland, "The Great Non-Debate Over International Sweatshops," pp. 553-562

No class meetings. Use class time to view the documentary film *The True Cost* and answer 10-point quiz on the film (see Canvas for details).

Week XII 3/27 & 3/29 International Management II: Supply Chain Ethics\*

Arnold and Bowie, "Sweatshops and Respect for Persons," pp. 563-576  
Case Study: "Should Wal-Mart Do More?: A Case Study in Global Supply Chain Ethics," pp. 589-592  
News Article: "Two years after Rana Plaza, have conditions improved in Bangladesh's factories?" (Canvas)  
Legal Perspective: *Kasky v. Nike, Inc.* (Canvas)

Week XIII 4/3 & 4/5 International Management III: Human Rights & Bribery\*

Arnold, "The Human Rights Obligations of Multinational Corporations," pp. 540-546  
News Article: "Child labour on Nestlé farms: chocolate giant's problems continue," pp. 1-3 (Canvas)  
Barstow, "How Walmart Used Payoffs to Get Its Way in Mexico," p. 1-22 (Canvas)  
Hess and Dunfee, "Taking Responsibility for Bribery: The Multinational Corporation's Role in Combating Corruption," pp. 624-632

Week XIV 4/10 & 4/12 Environmental Sustainability I\*

Introduction to Chapter 8, pp. 451-455

Bowie, "Money, Morality, and Motor Cars," pp. 456-461

Case Study: "Texaco in the Ecuadorean Amazon," pp. 504-505

Week XV 4/17 & 4/19 Environmental Sustainability II

Arnold with Bustos, "Business Ethics and Global Climate Change," pp. 462-475

Case Study: "Maintaining a Seat at the Table: The Shell Group," pp. 509-510

**CSR Report Due in Class 4/19**

Week XVI 4/24 & 4/26 Environmental Sustainability III\*

Hawken, Lovins, and Lovins, "Natural Capitalism: The Next Industrial Revolution," pp. 483-493

Case Study: "Interface Corporation and Sustainable Business," p. 511

Case Study: "What Does it Mean to Be Truly Green: Environmental Sustainability at Frito Lay North America," pp. 513-520

Week XVII 5/1 TBA

Final Exam 5/8

**The final (in-class) exam will be given during the officially scheduled examination period: 2:00am – 4:30pm, Monday, May 8. You *must* take the exam at this time barring *extraordinary* circumstances (e.g., a medical emergency) or a conflicting *required* UNC Charlotte or military obligation (in which case you will need a signed letter from a coach or commander or the like).**

ALL PARTS OF THIS SYLLABUS ARE SUBJECT TO REVISION  
ANY REVISIONS WILL BE ANNOUNCED IN CLASS OR VIA EMAIL