



SAINT LOUIS UNIVERSITY
MADRID

PHIL 3380 M01: Business Ethics
Fall 2017

Class days and time: TR 16:00-17:15

Classroom: PRH 5

Prerequisites: PHIL 1050, PHIL 2050

Credits: 3

Instructor: Welch

Instructor's email: jwelch7@slu.edu

Instructor's campus phone: 91 554 5858, ext. 209

Office: SIH 307

Office hours: MWF 12:00-14:00 and by appointment

Course Goals and Student Learning Outcomes

Standard economics texts often begin with the law of scarcity: for every person and society, some goods are scarce. Scarcity comes in degrees—great at times, slight at others, moderate most of the time—but whatever the degree, scarcity is pervasive. Unfortunately, scarcity imposes choice. Your fifty euros can be spent on clothing or on travel, for example, but not on both. You have to choose. Some of your choices are ethical in nature; others are not. Everyone faces both types of decisions, and businesspeople are no exception. Ethical choices that businesspeople face are the focus of this course. The goal: to prepare ourselves to make these choices in a way that is both moral and rational.

Students who successfully complete this course will be able to:

- find the flaw in the view that good business requires no morality
- discover an overall framework for making rational decisions of any sort
- identify two basic ethical principles and their place in this overall framework
- apply this overall framework in business decisions about price and profit, whistleblowing, advertising, sustainability, and bribery
- gauge the usefulness of applied mathematical aids such as cost-benefit analysis and decision theory
- determine when host-country norms can take precedence over home-country norms in international business
- weigh the relative priorities of economic and ethical objectives.

Course Description

The focus of this course will be on the individual case as it appears to decision makers in business. Since our group is international, we will frequently discuss cases that arise in international contexts. But whether the problem is international or domestic, we will see repeatedly that resolving ethical problems successfully usually requires careful attention to nonethical matters—economic, legal, environmental, etc., depending on the case. Although we will be keeping things as concrete as possible, some ethical theory is necessary; without

it, we would be overwhelmed by the details of the case. So think of an ethical theory as a much-needed guide to making ethical decisions.

An outline of the course follows:

1. Business and ethics: what's the connection?
 - a. The pirate's view
 - b. The legal view
 - c. The stockholder view
 - d. Stakeholder views
2. Ethical theories as cognitive filters
 - a. Consequentialism
 - b. Deontologism
 - c. Mixed deontologism
3. Justice, price, and profit
 - a. Surplus value
 - b. Marginal utility
 - c. Justice as fairness
4. Cost-benefit analysis
 - a. The Ford Pinto
 - b. Pros and cons
 - c. An alternative
5. Whistleblowing
 - a. Enron
 - b. Conditions for moral permissibility
 - c. Can whistleblowing be morally obligatory?
6. Advertising
 - a. Sony Online Entertainment
 - b. The dependence effect
 - c. Public and private goods
7. Sustainable enterprise
 - a. Designing for sustainability
 - b. Rethinking the concept of sustainability
 - c. The triple bottom line
8. Culture clash
 - a. Ethical relativism?
 - b. Conflicts of relative development
 - c. Conflicts of cultural tradition
9. Bribery
 - a. The Foreign Corrupt Practices Act
 - b. What's wrong with bribery?
 - c. The UN Global Compact
10. Multiple goals
 - a. The luxury of goodness
 - b. Can a company be too ethical?
 - c. Minimal morality and strenuous morality

Required Texts and Materials

The text for the course is Hoffman, Frederick, and Schwartz, *Business Ethics: Readings and Cases in Corporate Morality*, 5th ed. (Wiley Blackwell, 2014). This text contains all but a few

of the required readings, and it will be used for both class discussion and your paper. It is required and available in the bookstore. Additional course materials can be found on SLU's intranet, which can be accessed via the Blackboard Learn server.

Required Reading

The readings for each section of the course are listed below. Unless otherwise noted, page numbers refer to Hoffman, Frederick, and Schwartz. Each set of readings should be done while we cover that section in class. Unannounced quizzes will be given on the readings. To give you credit for doing the readings, quiz scores will be averaged into the participation grade for the course.

1. Business and ethics: what's the connection?
 - Milton Friedman, "The social responsibility of business is to increase its profits" (pp. 180–183)
 - R. Edward Freeman, "Stakeholder theory of the modern corporation" (pp. 184–191)
 - Kenneth E. Goodpaster, "Business ethics and stakeholder analysis" (*Ethical Issues in Business*, 7th ed., pp. 49–60, on reserve)
2. Ethical theories as cognitive filters
 - W. Michael Hoffman, Robert E. Frederick, and Mark S. Schwartz, "General introduction" (pp. 15–28)
 - William Frankena, "My proposed theory of obligation" (Blackboard)
3. Justice, price, and profit
 - Thomas W. Zimmerer and Paul L. Preston, "Plasma International" (handout)
 - John Rawls, "Justice as fairness" (pp. 43–49)
4. Cost-benefit analysis
 - W. Michael Hoffman, "The Ford Pinto" (pp. 139–145)
 - Steven Kelman, "Cost-benefit analysis: an ethical critique" (pp. 120–126)
 - Harman B. Leonard and Richard J. Zeckhauser, "Cost-benefit analysis defended" (pp. 127–130)
5. Whistleblowing
 - Richard T. De George, "Whistle-blowing" (pp. 320–338)
 - W. Michael Hoffman and Mark S. Schwartz, "The morality of whistleblowing: a commentary on Richard T. De George" (pp. 338–350)
6. Advertising
 - Judith W. Spain and Gina Vega, "Sony Online Entertainment: EverQuest or EverCrack?" (pp. 632–635)
 - John Kenneth Galbraith, "The dependence effect" (pp. 481–485)
 - F. A. von Hayek, "The *non sequitur* of the 'dependence effect'" (pp. 485–488)
7. Sustainable enterprise
 - William McDonough, "A boat for Thoreau" (*Ethical Issues in Business*, 8th ed., pp. 548–564, on reserve)
 - Alexis J. Bañon Gomis, Manuel Guillén Parra, W. Michael Hoffman, and Robert E. McNulty, "Rethinking the concept of sustainability" (pp. 542–552)
 - Amartya Sen, "Stop obsessing about global warming" (Blackboard)
8. Culture clash
 - James Rachels, "The challenge of cultural relativism" (*Ethical Issues in Business*, 8th ed., pp. 438–447, on reserve)
 - Thomas Donaldson, "Values in tension: ethics away from home" (pp. 567–576)
9. Bribery
 - Scott Turow, "What's wrong with bribery" (pp. 602–604)

The UN Global Compact (pp. 607–608)

10. Multiple goals

“Being cruel to be kind” (handout)

Andrew Singer, “Can a company be too ethical?” (pp. 699–705)

Grading and Attendance

A university course is a collaborative effort among students and professor. A final grade should reflect the student’s contributions to this effort throughout the entire course—not just exam and paper days. In this course, then, final grades are calculated as a weighted average of four scores: two exams, a paper, and participation. The scores are weighted as follows:

First exam:	21%
Paper:	27%
Final exam:	33%
Participation:	19%

Exams and paper: The exams must be taken and the paper turned in on the dates assigned (see course calendar below). Violations of this policy will result in the loss of a grade point (from B to C, for example) in all but the most exceptional cases.

Participation: This component of your final grade is based on attendance, quizzes on the readings, oral and written exercises, effort, and punctuality. Meaningful participation requires regular class attendance. Students with six or more absences can expect that their final grade will be no higher than C+ and will probably be lower. Cell phones are to be switched OFF in class. Computers are to be used SOLELY for taking class notes. Students are expected not to interrupt class by leaving the room and returning during the class period.

Fall 2017 Course Calendar

September 17	Drop/Add ends; last day to choose Audit or Pass/No Pass options
October 10	First exam
October 30	Last day to drop a course with a grade of W
November 2	Registration for spring begins
November 16	Paper due
December 19	Final exam (15:30-17:30)

Academic Integrity

Please note that, as a student in this course, you are required to adhere to the university's Academic Integrity Policy. Cheating, falsification, and plagiarism are strictly forbidden. Plagiarism is the intentional representation of someone else’s thoughts or words as if they were one’s own. Any violation of this policy will result in an F for the pertinent academic exercise. In addition, the violation will be reported to the chair. In consultation with the professor, the chair will write a report, which will then be sent to the Madrid Campus Committee on Academic Honesty.

Academic integrity is honest, truthful and responsible conduct in all academic endeavors. The mission of Saint Louis University is "the pursuit of truth for the greater glory of God and for

the service of humanity." Accordingly, all acts of falsehood demean and compromise the corporate endeavors of teaching, research, health care and community service via which SLU embodies its mission. The University strives to prepare students for lives of personal and professional integrity, and therefore regards all breaches of academic integrity as matters of serious concern.

The governing University-level Academic Integrity Policy can be accessed on the Provost's Office website at <https://www.slu.edu/the-office-of-the-provost/academic-affairs-policies>. Additionally, SLU-Madrid has posted its academic integrity policy online: <https://www.slu.edu/madrid/academics/student-resources/academic-advising/policies-and-procedures#43>. As a member of the University community, you are expected to know and abide by these policies, which detail definitions of violations, processes for reporting violations, sanctions and appeals.

Please direct questions about any facet of academic integrity to your professor, the chair of the department of your academic program, or the Academic Dean of the Madrid Campus.

University Title IX Statement

Saint Louis University and its faculty are committed to supporting our students and seeking an environment that is free of bias, discrimination, and harassment. If you have encountered any form of sexual misconduct (e.g. sexual assault, sexual harassment, stalking, domestic or dating violence), we encourage you to report this to the University. If you speak with a faculty member about an incident of misconduct, that faculty member must notify SLU's Title IX deputy coordinator, Marta Maruri, whose office is located on the ground floor of Padre Rubio Hall, Avenida del Valle, 28 (mmaruri@slu.edu; 915-54-5858, ext. 213) and share the basic fact of your experience with her. The Title IX deputy coordinator will then be available to assist you in understanding all of your options and in connecting you with all possible resources on and off campus.

If you wish to speak with a confidential source, you may contact the counselors at the SLU-Madrid's Counseling Services on the third floor of San Ignacio Hall (counselingcenter-madrid@slu.edu; 915-54-5858, ext. 230) or Sinews Multipletherapy Institute, the off-campus provider of counseling services for SLU-Madrid (www.sinews.es; 917-00-1979). To view SLU-Madrid's sexual misconduct policy and for resources, please visit the following web address: <http://www.slu.edu/Documents/Madrid/campus-life/SLUMadridSexualMisconductPolicy.pdf>.

Students with Special Needs

In recognition that people learn in a variety of ways and that learning is influenced by multiple factors (e.g., prior experience, study skills, learning disability), resources to support student success are available on campus. Students who think they might benefit from these resources can find out more about:

- Course-level support (e.g., faculty member, departmental resources, etc.) by asking your course instructor.
- University-level support (e.g., tutoring/writing services, Disability Services) by visiting the Academic Dean's Office (San Ignacio Hall) or by going to <https://www.slu.edu/madrid/campus-life/student-services/disability-services>.

Students with a documented disability who wish to request academic accommodations must contact Disability Services to discuss accommodation requests and eligibility requirements. Once successfully registered, the student also must notify the course instructor that they wish to access accommodations in the course. Please contact Disability Services at disabilityservices-madrid@slu.edu or +915 54 58 58, ext. 230 for an appointment. Confidentiality will be observed in all inquiries. Once approved, information about the student's eligibility for academic accommodations will be shared with course instructors via email from Disability Services. For more information about academic accommodations, see "Student Resources" on the SLU-Madrid webpage.

Note: Students who do not have a documented disability but who think they may have one are encouraged to contact Disability Services.

Assessment

Saint Louis University - Madrid Campus is committed to excellent and innovative educational practices. In order to maintain quality academic offerings and to conform to relevant accreditation requirements, the Campus regularly assesses its teaching, services, and programs for evidence of student learning outcomes achievement. For this purpose anonymized representative examples of student work from all courses and programs is kept on file, such as assignments, papers, exams, portfolios, and results from student surveys, focus groups, and reflective exercises. *Thus, copies of student work for this course, including written assignments, in-class exercises, and exams may be kept on file for institutional research, assessment and accreditation purposes.* If students prefer that Saint Louis University - Madrid Campus does not keep their work on file, they need to communicate their decision in writing to the professor.

E-mail

Campus and course announcements will often be handled by e-mail. Students should check their "@slu.edu" e-mail regularly.