

COURSE SYLLABUS



ETHICAL DECISION-MAKING

IFSA Rome

US semester credit hours: 3 credits
Contact Hours: 45
Course Code: EC386-05 / MG386-05
Course Length: Semester
Delivery Method: Face to face
Language of Instruction: English
Suggested Cross-listings: Business, Economics

COURSE DESCRIPTION

This course explores the role and responsibility of business agents and provides students with the opportunity to examine a number of ethical issues revolving around the economic order and business. In order to understand the ethical duties and obligations of business agents, it is important to understand the context in which they operate. Thus, the course begins with examining the structure of the economic order and its role in society. This allows students to, then, analyze the role and responsibilities of business enterprises, such as corporations. Students will then be in a position to explore the implications this has on the moral obligations of business agents. The aim of this course is to identify, clarify, and analyze some of the ethical issues in the area of commerce that business managers face, to understand choices available, and actions taken. Students study these issues from both an empirical and normative perspective. They engage with theory from moral philosophy, organizational behavior, economics, and management, and with cases that illustrate the ethical issues in the business environment. Specific case studies from Italy are included, such as Brunello Cucinelli and the nature of luxury in the midst of a humanistic enterprise and the impact of the 2008 Zidane red card on the World Soccer industry.

This Ethical Decision-Making course is designated as Writing Intensive.

COURSE DELIVERY

The course will use lectures, discussions, hands-on projects, and guest business practitioners to explore the ethical dilemmas that business agents face. Students are expected to read or view assigned resources in advance and be prepared to actively discuss them in class. In most meetings, the instructor will overview the topic and then facilitate a group discussion, drawing out relevant themes, following up on specific lines of inquiry, and prompting students' thoughtful engagement with the topic. Additionally, the course provides students with the opportunity to hear from, and discuss with, current business practitioners and the current moral dilemmas they face in the business world.

Because this course is designated as Writing Intensive, a significant amount of written work is required. The course assignments are designed in building blocks, however, allowing for each step of the writing process to make sense sequentially and to be supported through course structure. Substantial course time is dedicated to ensuring that students are able to produce high quality written work at a comfortable pace.

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Students are encouraged to bring their prior learning experiences into class discussions (based on experiential learning theory) and to make cognitive connections between this course and others in the IFSA Rome, Italy Program whenever possible (based on the philosophy of integrative learning).

STUDENT LEARNING OBJECTIVES

Students who successfully complete this course will be able to:

- recognize important moral issues that arise in business contexts
- understand the ethical concepts and theories that are relevant for resolving these issues
- critically evaluate alternative proposals for addressing these ethical issues
- understand the economic order and its role in society
- critically reflect upon the moral responsibilities of managers and business in the economic order
- be familiar with resources available for further research on the topic of the course
- make cognitive connections between learning in this course and other learning experiences in IFSA Rome

COURSE OUTLINE

Topics	Class Activities	Readings
Week 1-2 Introductions		
Introduction to: course, instructor, students, ethics, and moral theory	Explain course structure & its purpose Review topics & expectations Teacher introduction Student introductions using ice breaker What is ethics? How is it different from the law? Introduction to the basic moral theories. How to apply moral theory? <u>Case: Zidane's Last Red Card (A)</u> Is ethics relative? <u>Case: Motorola – What Price Safety</u>	Callahan, <i>Ethical Issues in Professional Life</i> , excerpts Darwall, "Theories of Ethics" HBP Case: Zidane's Last Red Card (A) Rachels, "The Challenge of Cultural Relativism" Moorthy et. al., "What Price Safety?"
Week 3-4 Morality of Capitalism		
Adam Smith: moral & economic theories	<u>Introduce Adam Smith</u> (brief bio) <u>Class Discussion of Smith's TMS & his understanding of the following:</u> What does he mean by sympathy and what is its purpose? Is his understanding of sympathy different from how it is commonly understood today? What is the origin of ambition, according to Smith? What prompts us to sacrifice our own interests for the interest of others (i.e. to be moral)? What is the point of Smith's story of the poor man's son? What does Smith mean by the invisible hand?	Smith, <i>The Theory of Moral Sentiments</i> , excerpts Smith, <i>The Wealth of Nations</i> , excerpts

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	<p><u>Class Discussion of Smith’s WN & his understanding of the following:</u> What is the fundamental source of the wealth of nations? What is labor productivity a function of? How does the division of labor make humans so much more productive? How are prices set in the market and how does the market price naturally gravitate to the natural price? How is the wage of labor determined? How do the interests of the economic players (capitalist, landowner, laborer) compare to the interest of the public/society? What is the role of the government?</p> <p>How does today’s economic system compare to Smith’s understanding of it? What assumptions is Smith making in his economic theory? Are those assumptions valid in today’s economic environment?</p>	
Week 5 Capitalism’s Effect on Labor & Economic Inequality		
<p>Wages & inequality Social inequality & living wage</p>	<p><u>Marx:</u> What is the minimum wage according to Marx (and Smith)? Why do wages remain relatively constant regardless of the amount of supply of the goods produced relative to the demand? What is the condition of labor in the various conditions of society (i.e. wealth of society is advancing, declining, fully developed)? How does the political economic theory as it relates to labor espoused by Smith compare to reality, according to Marx? What are the three ways labor is alienated in a capitalist system, according to Marx? How valid are Marx’s claims in today’s capitalist environment?</p> <p><u>Wilkenson:</u> What are the effects of inequality, according to Wilkenson?</p> <p><u>General Discussion:</u> What role does capitalism play in economic inequality? Did Smith recognize the inevitability of economic inequality in capitalism? Who is responsible for alleviating inequality – public or private actors (i.e. government or private industry)? Does private industry have a moral obligation to provide a living wage?</p> <p><u>Case:</u> Does <u>Biblio Credit Union</u> have a moral obligation to pay all of its employees a living wage, given the structure of the capitalist system? How can moral theory enlighten us on how to understand the obligations of Biblio Credit Union?</p>	<p>Marx, “Wages of Labor”</p> <p>Marx, “Estranged Labor”</p> <p>Wilkenson, “How Economic Inequality Harms Societies.”(TED talk)</p> <p>Hickel & Kirk, “Are You Ready to Consider that Capitalism is the Real Problem”</p> <p>HBP Case: Biblio Credit Union</p>
Paper Assignment #1		
Week 6-7 Distributive Justice		
<p>Rawls’s Justice as Fairness</p>	<p><u>Rawls:</u> What is Rawls’s overall project? What is the role of the principles of justice? Why do we need principles of justice? What assumptions does Rawls</p>	<p>Rawls, <i>Theory of Justice</i>, Excerpts.</p> <p>Nozick, “Distributive Justice”</p>

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<p>Nozick's Entitlement Theory</p>	<p>make about society? What is the methodology Rawls employs to determine the principles of justice? What is the veil of ignorance, and what is his reason for using it? Why does Rawls think the principle of utility would not be chosen? What principles would be chosen according to Rawls? What is the criticism from those who think his principles are too egalitarian and how does Rawls respond? What is the criticism from those who think his principles are not egalitarian enough and how does Rawls respond?</p> <p><u>Nozick</u>: What are some assumptions that Nozick begins with in thinking about distributive justice? How does it differ from Rawls's basic assumptions about society and the relationship between a people and its government? What are Nozick's principles of justice? What are some examples of impermissible modes of transfers of property? How does the principle of rectification work? In what way are Nozick's principles of justice historical? What are patterned principles of justice and why does Nozick think such types of principles are problematic? Are Rawls's principles of justice patterned?</p> <p><u>Class Debate</u>: If Rawls and Nozick were debating about distributive justice, what might the debate sound like (i.e. how would they respond to each other's theory of distributive justice)? Which theory is more appealing and why? Do either of them have the potential to alleviate economic inequality in a just way? What implications does each theory have for business regarding its moral obligations?</p>	
<p>Week 8-9 Purpose of the Firm</p>		
<p>Historical look at the role of the firm</p> <p>Corporate social responsibility</p> <p>Managing for stakeholders</p> <p>Limits of corporate social responsibility?</p>	<p><u>Evolution of the Corporation</u>: What are some characteristics of the firm in its legal definition? How has the corporation evolved over time? Should we think of corporations as simply associations of persons with the rights of persons or are they a creation of the state? Historically, how did moral issues arise with respect to corporations? What are some current-day moral issues that revolve around the corporation? How does a global economy exacerbate the moral complexity of corporations? Compare and contrast the moral evaluation of a corporation to that of a person – how is this evaluation similar? How is it different?</p> <p><u>Friedman's view of corporate social responsibility</u>: What types of social responsibility is Friedman referring to? He argues that there are problems</p>	<p>Donaldson, "Taking Stock of Modern Corporations"</p> <p>Friedman, "The Social Responsibility of Business is to Increase Its Profits"</p> <p>Freeman, "Managing for Stakeholders"</p> <p>Jensen, "Value Maximization, Stakeholder Theory, and the Corporate Objective Function"</p> <p>HBP Case: Apple: Privacy vs. Safety</p> <p>HBP Case: Vodafone in Egypt</p> <p>HBP Case: Brunello Cucinelli</p>

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	<p>with managers being socially responsible in two ways: as a matter of principle and a matter of consequences. What are the concerns from a standpoint of principle? Why will it lead to less than optimal outcomes? What is the issue with instrumental CSR (i.e., as a path to profitability), according to Friedman?</p> <p><u>Freeman’s Stakeholder Interest:</u> In what way is Friedman’s understanding of the corporation not an accurate descriptive model in today’s world, according to Freeman? Why is Friedman’s model not the right normative model? Why should business be managed in the interest of its stakeholders?</p> <p><u>Jensen:</u> What is Jensen’s concern with Stakeholder Theory? What is the purpose of the firm, according to Jensen? What is the fundamental disagreement between Freeman and Jensen? Is Jensen’s view consistent with Friedman’s?</p> <p><u>Class Debate:</u> divide the class into thirds with each group defending the position of one of the three views to debate the question of what is the purpose of the firm?</p> <p>Implications of each theory in cases discussed.</p>	
Paper Assignment #2		
Week 10 Truthtelling/ Marketing & Advertising		
<p>Duty to truthtelling</p> <p>Does business have a distinct ethical code?</p> <p>Place for deception in business?</p>	<p><u>Kant:</u> What is the value of truthfulness? Does this require that we always must be completely forthcoming? What are the various ways we might interact with others without being completely forthcoming? How does Kant distinguish between a false statement, deception, and a lie? Why is a lie always wrong/evil, according to Kant? What is a white lie according to Kant? How does his definition compare with your understanding of a white lie?</p> <p><u>Carr:</u> What is bluffing, according to Carr? What are some examples in business that might be considered deceptive? What is Carr’s argument in his defense of deception in business? In what ways are Kant and Carr views about lying and deception incongruent? In what ways is poker analogous to business? In what ways is it not?</p> <p><u>Discussion:</u> Is deception in business ever acceptable? What are some examples where it may be acceptable in business? What are some examples of where it is not acceptable in business? What are the distinguishing features of the line between</p>	<p>Kant, “Ethical Duties Towards Others”</p> <p>Carr, “Is Business Bluffing Ethical?”</p> <p>HBP Case: The Fall of the Fabulous Fab</p>

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	<p>acceptable and non-acceptable forms of deception and why? <u>Case:</u> Did Fabrice Toure do anything wrong? Did he act alone? What was Toure’s responsibility? What alternatives did Toure have? Was Toure the only one to blame? Does the culture of the investment banking industry bear some responsibility?</p>	
Week 11 Role-related Responsibilities		
<p>Organizational moral mazes Cases</p>	<p><u>Organizational Moral Mazes:</u> What is the question Jackall is trying to answer in his study? What are his findings? How do his findings affect how we think about the complexity surrounding a person’s ability to do the morally right thing? Do you think Jackall’s findings still hold true in today’s workplace environment? Are there certain industries or type of corporations where his findings are less likely to hold true?</p> <p><u>Ford Motor Company and the Pinto:</u> How would you describe Gioia, the person? What were Gioia’s responsibilities as Field Recall Coordinator? How did he come to know about the Pinto problems? How did he respond initially? What eventually happened to Ford in this case? Should Gioia have done more? Why did he not? What organization structures were present that might have affected Gioia’s ability to act differently? Did Ford change Gioia’s values? Do Jackall’s finding shed any light on explaining why things went badly? Are there lessons to be learned from this case regarding organizational structure? What are the lessons regarding one’s personal approach to one’s role-related responsibilities?</p> <p><u>Space shuttle Challenger:</u> What was the political context of the space shuttle and NASA at the time? How would you describe the organizational structure of NASA and Morton Thiokol? What exactly went wrong and why during the design and testing of the shuttle? Should the MTI engineers been more forceful in their recommendation not to launch on the scheduled day? Could they have done more? Why did the MTI executives not listen to MTI engineers? Who or what ultimately was responsible for the explosion? Do Jackall’s finding shed any light on explaining why things went badly? What are the lessons learned?</p>	<p>Jackall, “Moral Mazes” Gioia, “Pinto Fires and Personal Ethics” Kramer, “The Space Shuttle Challenger Explosion” Werhane, “The Challenge of the Challenger Incident”</p>
Week 12 Whistleblowing		

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<p>When and how to blow the whistle Cases</p>	<p><u>Bok</u>: What is meant by whistleblowing? What are the moral conflicts that confront a potential whistleblower? What are the elements of whistleblowing that give it special urgency and bitterness? What aspects must be present in a situation for it to be an appropriated one to blow the whistle? <u>Case of WorldCom</u>: Should someone have blown the whistle sooner? What impediments prevented them from doing so? Discuss each of the elements and aspects that should be present, according to Bok. <u>Case of Edward Snowden</u>: Should Snowden have blown the whistle? Discuss each of the elements and aspects that should be present, according to Bok.</p>	<p>Bok, “Whistleblowing and Professional Responsibility” HBP Case: Accounting Fraud at WorldCom Poitras (Director), “Citizenfour” (Documentary video)</p>
<p>Paper Assignment #3</p>		
<p>Week 13 – Business Practitioner Cases</p>		
	<p>Invite 4 practitioners to class to present a business ethical dilemma that each faced without revealing how each resolved the dilemma. The students analyze the case.</p>	<p>Short case write-up provided ahead of class by each practitioner</p>
<p>Week 14 Discrimination – Hiring, Women and Minorities</p>		
<p>Molding hiring criteria Women in the tech industry Women and work</p>	<p><u>Uhlman & Cohen</u>: What does past research show about hiring practices and stereotypes? What is Uhlman and Cohen’s testing for with their experiments? How are the experiments set up? What are the results? Are there any problems or limitations in their experiments that might bias/influence the results? What are the implications of their experiments? What are the lessons learned? <u>Alfrey & Twine</u>: What does their study examine? How is their study designed? What are their findings? What are the limitations/biases of their methods? What are the implications of their results? <u>Slaughter</u>: What is Slaughter’s thesis? What evidence does she provide to support her thesis? What does she argue is the solution? Do you agree? Why or why not? <u>General discussion</u>: Is discrimination in the workplace acceptable under <i>any</i> circumstances? How does meritocracy fit into this discussion? Is it not by its very nature discriminatory? What responsibility do business enterprises have in eliminating discrimination? Is there a role for government?</p>	<p>Uhlmann & Cohen, “Constructed Criteria: Redefining Merit to Justify Discrimination” (O) Alfry & Twine, “Gender-fluid Geek Girls” (O) Slaughter, “Why Women Still Can’t Have It All”</p>
<p>Week 15 Meaning of Work and its Balance with Life</p>		

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	<p><u>Discussion</u>: What are the duties of an English butler? What makes a great butler? How does the profession shape Mr. Steven's life? Compare and contrast how Mr. Stevens and Miss Kenton each viewed their professional ethical responsibilities. Is there a place for loyalty to one's employer and, if so, how far should it extend? Was Mr. Steven's too loyal? What is the proper balance between one's professional life and one's personal life?</p> <p><u>Course wrap-up discussion</u>:</p>	Ishiguro, <i>Remains of the Day</i> , entire book
Paper Assignment #4		

RESOURCES

- Alfrey, Lauren & Twine, France Winddance. 2017. "Gender-Fluid Geek Girls: Negotiating Gender Inequality Regimes in the Tech Industry." *Gender & Society*, Vol 31, No. 1: 28-50.
- Bok, Sissela. 2002. "Whistleblowing and Professional Responsibility." In T. Donaldson, & P. Werhane, (Eds.), *Ethical Issues in Business: A Philosophical Approach* (7th ed., pp. 335-342). Upper Saddle River, NJ: Pearson Prentice Hall. (Originally published in *New York Education Quarterly*, Summer 1980, vol. 11, 2-7).
- Callahan, Joan C. *Ethical Issues in Professional Life*, Chapter 1 excerpts (pp. 10-18). Oxford University Press.
- Carr, Albert Z. 1968. "Is Business Bluffing Ethical?" *Harvard Business Review* 46(1): 143-153.
- Darwall, Stephen L. 2003. "Theories of Ethics." In R. G. Frey & C. H. Wellman (Eds.), *A Companion to Applied Ethics* (pp. 17-37). Malden, MA: Blackwell Publishing.
- Donaldson, Thomas. 1982. *Corporations and Morality*, Chapter 1: Taking Stock of Modern Corporations (pp. 1-17). Englewood Cliffs, NJ: Prentice-Hall.
- Freeman, R. E. 2008. "Managing for Stakeholders." In T. Donaldson, & P. Werhane, (Eds.), *Ethical Issues in Business: A Philosophical Approach* (8th ed., pp. 39-53). Upper Saddle River, NJ: Pearson Prentice Hall. (Originally published in T. L. Beauchamp, N. R. Bowie, and D. G. Arnold (eds). *Ethical Theory in Business* 8th ed., 2007. Saddle River, NJ: Pearson Prentice Hall).
- Friedman, Milton. 1970. "The Social Responsibility of Business is to Increase Its Profits." *New York Times* September 13, p. SM17.
- Gioia, Dennis A. 1992. "Pinto Fires and Personal Ethics: A Script Analysis of Missed Opportunities." *Journal of Business Ethics* 11(5/6): 379-389.
- Hickel, Jason, and Kirk, Martin. 2017. "Are You Ready to Consider that Capitalism is the Real Problem." *Fast Company*, July 11, 2017. Retrieved Aug 12, 2017 from <https://www.fastcompany.com/40439316/are-you-ready-to-consider-that-capitalism-is-the-real-problem>.
- Ishiguro, Kazuo. 1998. *Remains of the Day*. New York: Vintage Books.
- Jackall, Robert. 1983. "Moral Mazes: Bureaucracy and Managerial Work." *Harvard Business Review*, 61(5): 118-130.

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- Jensen, Michael C. 2002. "Value Maximization, Stakeholder Theory, and the Corporate Objective Function." *Business Ethics Quarterly*, 12(2): 235-256.
- Kant, Immanuel. 2002. "Ethical Duties Toward Others: Truthfulness." In T. Donaldson, & P. Werhane, (Eds.), *Ethical Issues in Business: A Philosophical Approach* (7th ed., pp. 100-105). Upper Saddle River, NJ: Pearson Prentice Hall. (Originally published in Kant, *Lectures on Ethics*, trans. Louis Infield, London: Methuen, 1930, 224-235).
- Kramer, Ronald C. 2006. "The Space Shuttle Challenger Explosion." In R. J. Michalowski & R. C. Kramer (Eds.), *State-Corporate Crime: Wrongdoing at the Intersection of Business and Government* (pp. 27-44). New Brunswick, NJ: Rutgers University Press.
- Marx, Karl. 2000. *Economic and Philosophic Manuscripts of 1844, First Manuscript*. (A. Blunden, Trans.). Retrieved on December 23, 2012 from <http://www.marxists.org/archive/marx/works/1844/manuscripts/preface.htm>. (Original work published in 1932).
- Moorthy, R.S., Richard T. De George, Thomas Donaldson, William J. Ellos, S.J., Robert C. Solomon, Robert B. Textor. 2007. "What Price Safety." In T. Donaldson, & P. Werhane, (Eds.), *Ethical Issues in Business: A Philosophical Approach* (8th ed.). Upper Saddle River, NJ: Pearson Prentice Hall. (Originally published by Motorola University Press, 1998).
- Nozick, Robert. 1974. *Anarchy, State and Utopia*. (pp. 149-174). Malden, MA: Blackwell.
- Poitras, Laura, & Bonnefoy, Mathilde, & Wilutzky, Dirk (Producers), Poitras, Laura (Director). 2014. "Citizenfour" United States: HBO Films.
- Rachels, James. 2007. *The Elements of Moral Philosophy*. (5th Ed. pp. 16-34). New York: McGraw-Hill.
- Rawls, John. 1971. *Theory of Justice*. (pp. 3-19; 52-56; 66-69; 86-93; 109-112; 118-123). Cambridge: Harvard University Press.
- Slaughter, Anne-Marie. 2012. "Why Women Still Can't Have it All." *The Atlantic Monthly*, July/August, 85-102.
- Smith, Adam. 1759. *The Theory of Moral Sentiments*. Retrieved December 15, 2009 from http://en.wikisource.org/wiki/The_Theory_of_Moral_Sentiments/Part_I
- Smith, Adam. 1776. *The Wealth of Nations*. Retrieved December 15, 2009 from http://en.wikisource.org/wiki/The_Wealth_of_Nations.
- Uhlmann, Eric Luis, & Cohen, Geoffrey L. 2005. "Constructed Criteria: Redefining Merit to Justify Discrimination." *Psychological Science* 16(6): 474-480.
- Wilkinson, Richard. 2011. "How economic inequality harms societies." TED Talk. Retrieved Aug 5, 2017 from https://www.ted.com/talks/richard_wilkinson_-_t-399925.
- Werhane, Patricia H. 1991. "Engineers and Management: The Challenge of the Challenger Incident." *Journal of Business Ethics* 10(8): 605-616.

Resources From Harvard Business Publishing (<https://hbsp.harvard.edu/home/>):

- Kaplan, Robert S., & Kiron, David. 2007/2004. "Accounting Fraud at WorldCom." Harvard Business School Publishing, Product No. 104-071.

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McGee, Henry & Hsieh, Nien-hê & McAra, Sara. 2016. "Apple: Privacy vs. Safety." Harvard Business School, Harvard Business Publishing Product No. 9-316-069.

Mueller, Urs, & Pandit, Shirish. 2014. "Vodafone in Egypt: National crises and their implications for multinational corporations (A)." European School of Management and Technology, Berlin, Germany, ESMT-714-0144-1.

Vaccaro, Antonino and Potito Gianmichele. 2016. "Brunello Cucinelli: Ethical Luxury, the luxury of ethics or what?" IESE Publishing. Harvard Business Publishing, Product No. IES560, BE-196-E.

Soltes, Eugene & Byrnes, Nanette. 2014. "The Fall of the 'Fabulous Fab.'" Harvard Business School. Harvard Business Publishing, Product No. 9-114-063.

Walker, Kent & Labutte, Curtis. 2017. "Biblio Credit Union: Social Inequality and the Living Wage." Ivey Publishing, Product No. W17058.

Kirschner, Cheryl. 2007. "Zidane's Last Red Card (A)." Babson College. Harvard Business Publishing, Product No. BAB132.

EVALUATION METHODS

The course instructor will provide specific requirements and grading rubrics for individual assignments for the course. Your final grade in the course will be comprised of the following course requirements:

Participation	20%
Papers (4)	80%

Timely Submissions

Assignments submitted after the deadline will be accepted at the discretion of the course instructor and generally only in the event of a documented illness or emergency.

ACADEMIC INTEGRITY

Any academic endeavor must be based upon a foundation of honesty and integrity. Students are expected to abide by principles of academic integrity and must be willing to bear individual responsibility for their work while studying abroad. Any academic work (written or otherwise) submitted to fulfill an academic requirement must represent a student's original work. Any act of academic misconduct, such as cheating, fabrication, forgery, plagiarism, or facilitating academic dishonesty, will subject a student to disciplinary action.

IFSA takes academic integrity very seriously. Students must not accept outside assistance without permission from the instructor. Additionally, students must document all sources according to the instructions of the professor. Should your instructor suspect you of plagiarism, cheating, or other forms of academic dishonesty, you may receive a failing grade for the course and disciplinary action may result. The incident will be reported to the IFSA resident director as well as your home institution.

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