

The Wharton School  
LGST 652 Sections 1-3, 13-15

Ethics and Responsibility  
Fall Quarter II 2010

Instructor  
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Office Hours: Tuesday 10-11:30 and 2-3:30

Teaching Assistants  
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#### Overview:

This module considers the ethical responsibilities of managers and others who play significant roles within the business enterprise. It examines difficult ethical conflicts and dilemmas that arise in the business contexts and provides some theoretical frameworks for resolving them. The module also helps students anticipate issues they will confront in their business careers and develops skills to think about how such issues can and should be resolved. Class sessions will focus on the discussion of cases, readings, and audio visual material. Note: The module is not intended to convert sinners into saints, deter the morally vulnerable, or preach absolute truths.

The Ethics Module has four objectives:

1. To foster an understanding of the ethical responsibilities assumed in becoming business managers.
2. To improve individual and group skills in identifying and analyzing a select number of ethical issues that managers face in the context or situation in which they arise
3. To encourage the development of action plans that resolve ethical conflicts and dilemmas
4. To critically examine the assumptions and values that everyone brings to complex business decisions that raise ethical issues

### Course Materials

Most course materials will be found on study.net

([www.studynet.com](http://www.studynet.com)) or on **Web Café**

(<http://webcafe.wharton.upenn.edu>)

### Class Participation

The course is intended to allow you to develop the analytic skills and substantive frameworks to address ethical issues as they arise in business. Many of these challenges will involve justifying your position to those who disagree with you. To this end, the course emphasizes articulating reasoned arguments. The best comments move the discussion forward by pointing out new issues, linking the comments made by others or uncovering another layer of complexity. Effective communication depends on your willingness to support and respond to classmates' comments. Naturally you must be present to contribute to the discussion. Absences will count against your grade.

### Grading

25% Class Participation

25% Creative Exercise

50% Final Exam

As you know Wharton requires that grades be curved.

Creative Exercise: The readings for the week of November 15 or 17 point out how difficult it is for a company to be green. In approximately two pages provide some creative ideas for getting around these obstacles in order to have a green company. This

assignment is due at the beginning of class. For Monday the due date is November 15. For Wednesday the due date is November 17

### Final exam

The final exam will involve the analysis of a case study, making use of the tools and materials discussed in class. The exam will be posted on **Web Café** after 3 pm on December 8. The exam will be due not later than 4 pm on Friday December 17.

**Special Needs:** If you have a disability and/or special needs, you should bring this to my attention *before the second week of class*.

**Ethics Matrix: Wharton has an ethics code. In coordination with all core courses at Wharton, the ethics matrix below specifies the conditions and circumstances under which collaboration for assignments in this course is permitted.**

	Materials							People				
LGST 652 Ethics & Responsibility  Instructor: Bowie	Approved calculator	Laptop / other electronics	Summary sheet	Current book / class notes	Past notes / summaries	Past exams / assignments	Internet content / other outside materials	Learning team / approved work team	Other student(s) in same section	Student(s) in other sections (same term)	Wharton student not taking the class this term	Person outside of Wharton
Readings & Cases	A	A		A				D	D	D		
Graded Cases	A	A		A				D	D	D		
Final Exam Prep	A	A		A				D	D	D		
Final Exam	A	A		A								
	A = Allowed material Blank Cell = Not allowed							W = Allowed to work together D = Discussion of general concepts and procedures is allowed but no sharing of specific answers. Blank Cell = Not allowed				

**Other comments:** These requirements are meant for those sections of 652 taught by Professor Norman Bowie. Other sections may have slightly different requirements.

The information above covers many common situations but will not cover every circumstance. Remember: The [Wharton MBA Code of Ethics](#) that you accepted requires, among other things, that you represent yourself and your work honestly, don't try to gain unfair advantage over other students, follow the instructor's guidelines and respect confidentiality of your work and the work of others.

Should you have questions, please contact your ethics liaison or professor.

## About the Instructor

**NORMAN E. BOWIE** is the former Elmer L Andersen Chair in Corporate Responsibility at the University of Minnesota. He is now Professor Emeritus at the University. He has authored or edited 16 books and over 75 articles. Professor Bowie is the leading scholar in the application of Kant's moral philosophy to business. His book on that topic is Business Ethics: A Kantian Perspective and has been translated into Chinese and Japanese. His co-edited text Ethical Theory and Business is in the 8th edition. He has held a position as Dixons Professor of Business Ethics and Social Responsibility at the London Business School and been a fellow at Harvard's Program in Ethics and the Professions. He is past president of the Society for Business Ethics, the American Society for Value Inquiry and is past Executive Director of the American Philosophical Association. He is the former Associate Editor of Business Ethics Quarterly. In August 2009 he received the first life time achievement award in scholarship presented by the Society for Business Ethics. In 2008 he was elected to the Talbot County Maryland Board of Education.

## ASSIGNMENTS

### Session 1 Monday November 1, Wednesday November 3

#### A. Shades of Gray (With a nod to Billy Joel)

**Read 1.** "Normative Ethical Theory" Tom L Beauchamp, Norman E Bowie and Denis Arnold from Ethical Theory and Business 8<sup>th</sup> edition, Pearson, 2008 Web Café

- 2. Dicing with Death: Case study of Guidant Corporation's implantable defibrillator business, Martin E Sandbu and Jeisen Wen**  
Web Café

**B. Business Ethics Soap Opera: Little Things Mean a Lot  
Video Presentation and Class Discussion**

**Session 2 Stockholder Theory vs. Stakeholder Theory**

**Monday November 8, Wednesday November 10**

- Read**
1. The Social Responsibility of Business is to Increase its Profits-New York Times Magazine, September 13, 1970. Webcafe
  2. R Edward Freeman, Managing for Stakeholders from Ethical Theory and Business 8<sup>th</sup> Ed Tom L Beauchamp, Norman E Bowie , and Denis G Arnold eds. pp. 56-68 Web Café
  3. Amartya Sen "The Economist Manifesto" New Statesman 139 (4998): 29 Web Café
  4. Norman E Bowie "The Sustainable Corporation" Web Café
  5. "Norway Sells Wal-Mart" Robert C. Pozen and Aldo Sesia, Jr. (Harvard Business School Case) Study.net

**Session 3 Business Obligations to the Environment**

**Monday November 15, Wednesday November 17**

- Read:**
1. Little Green Lies, Ben Elgin, BusinessWeek October 29, 2007 pp.44-52 Web Café
  2. In BP's Record, A History of Boldness and Blunders, New York Times, July 13, 2010, pp.1,14. Web Café
  3. The Other Oil Spill, The Economist, June 26, 2010, pp. 71-73. Web Café

**Session 4 International Business Ethics, When in Rome ?**

**Monday November 24, Wednesday November 26**

**Video Presentation**

- Read**
1. Thomas Donaldson, Values in Tension: Ethics Away from Home: Harvard Business Review Sept-Oct 1996. Study.net
  2. "How to Grease a Palm", The Economist December 23, 2006, pp. 115-116.
  3. Google in China (A) (Harvard Business School Case) Study.net

**Session 5 Ethical Issues in the Financial Services Industry**

**Monday December 1, Wednesday December 3**

**VCR Video Presentation: Betting on A Fall 60 minutes**

**Read:**

- 1. What Have You Done to My Company, Emily Thornton,**  
**BusinessWeek December 5, 2008, pp.40-45 Web Café**
- 2. Clients Worried about Goldman's Dueling Goals** New York Times  
**May 18, 2010 Web Café**

**Session 6 Ethical Issues in Marketing: Marketing to the Vulnerable**  
**Monday December 8, Wednesday December 10**

**Read: G Heileman Brewing Co (A) Power Failure at PowerMaster**  
**(A) (Harvard Business School Case Study.net**

**Video Presentation and Discussion**  
**Do You Want Fries With That?**