

MBA 6315

The Ethical Environment of Business

Spring 2018

Instructor

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Meeting Times and Locations

Section 090

T 5:45 p.m.–09:05 p.m. CSOM 2-213

Course Description

Ethical dilemmas emerge in nearly every aspect of business, from working with colleagues and negotiating with suppliers to engaging with investors and formulating strategies. Responding effectively to these dilemmas is important not only for moral reasons, but also because our decisions may have significant implications for our careers, organizations, and society. Nevertheless, even recognizing when a situation presents an ethical challenge can be difficult because there are no universally accepted codes of conduct. Devising a course of action is further complicated because in many situations there is no clear right or wrong approach.

The goal of this class is to help you develop tools that enable you to recognize and respond effectively to ethical dilemmas in organizations. Our focus will be on learning general principles that apply to many situations and on gaining an understanding of the most prominent ethical challenges facing contemporary businesses. The first few weeks of the course will introduce you to ethical frameworks from philosophy that are useful for analyzing ethical challenges and thinking about ways you may approach them. Next, we will consider common ethical issues inside organizations along with social science research on decision making that helps us understand why behaving ethically can be hard even when our intentions are good. Finally, as we approach the end of the term, we will use the tools of the earlier part of the course to explore the complex relationship between business and society in a variety of domains and concerning a range of issues that span marketing, development,

and the natural environment, among others.

Learning Objectives

This course aims to help you...

- recognize ethical challenges in organizations
- use established frameworks to respond to ethical dilemmas
- learn about major ethical issues facing business today
- understand the role of business in society

The course materials and assignments are designed to assist you in meeting these objectives.

Course Materials

This class does not use a textbook. Readings can be obtained from the digital course pack (accessible via a link on the course Moodle site) or from links included in the syllabus. For more information on accessing the digital course pack, see this helpful tutorial on YouTube: <https://www.youtube.com/watch?v=aHKnghNTqwc>.

Moodle

Our course will make extensive use of the University of Minnesota's Moodle course management system and therefore it is essential for you to log in and access the class's Moodle page on a regular basis. It is impossible to succeed in this course without using Moodle. You may access Moodle by navigating to <http://moodle.umn.edu>, signing in with your University of Minnesota Internet ID and password, and clicking on the link for our class.

Assignments and Evaluation

Our approach to learning will be organized around several different kinds of activities. Each week we will be reading materials that help sensitize us to ethical dilemmas in contemporary organizations and that offer tools we may use for responding to those challenges. To get the most out of our meetings, *it is absolutely essential for you to complete the readings* for each session before coming to class.

Exam. We will have one take home exam. Questions on the exams are cumulative, and will cover material from class discussions and lectures and assigned readings. There will be no final exam. More information will be given in class.

Individual writing assignment. To help sharpen your analytical skills, you will be asked to write an essay concerning an ethical issue facing contemporary organizations. More details will be

provided in-class.

Group case presentation. Over the course of the semester, you will work in randomly assigned groups to research and compose a case presentation on an organization of your choosing. More details will be provided in-class. All group members will receive the same grade. However, if it becomes clear to the instructor that there is a group member (or members) who has not contributed, he or she (or they) may be given a separate, lower grade.

Yellowdig contributions. The only way to develop a deep understanding of the ideas and frameworks we discuss in class is to apply them. Over the course of the semester, you will encounter many valuable examples of ethical issues facing real companies in the news, on social media, and in other places. As a class, we will build a collective case repository over the course of the semester by posting these examples on Yellowdig <http://www.yellowdig.com>. To help ensure you get full points, you should contribute at least two articles (with a short description of why the articles are interesting and relevant) and three comments (on articles posted by others) to Yellowdig over the course of the semester (not all in one sitting—and especially do not wait until the end of the term). Additionally, you should take some time each week to read interesting cases posted by other students and post your reactions. Although this is an informal forum and your posts and comments can be completed quickly, you should make sure to check in and post contributions and/or comments on a regular basis throughout the term.

Overview

Assignment	Points
Exam	50
Individual writing assignment	50
Group case presentation	25
Yellowdig contributions	15
Total	140

Course Grading Policy. The Carlson School of Management has adopted a grading policy that mandates core MBA courses have a target median grade of 3.33 +/- 0.1 (approximately a B+). During the semester, raw scores will be given for assignments, but because of the curved grading, these should not be construed as corresponding to a letter grade.

Due Dates and Late Work. Late assignments will not be accepted except in the case of a university approved absence.

Civic Life and Ethics

This class meets the objective and criteria of the “Civic Life and Ethics” theme of University of Minnesota’s Liberal Education curriculum. For more information, please see: https://onestop.umn.edu/faculty/lib_eds/guidelines/civic_life_and_ethics.html.

Course Policies¹

Name Tents. To help facilitate class discussion, tent cards must be displayed at all times.

Student Conduct Code. The University seeks an environment that promotes academic achievement and integrity, that is protective of free inquiry, and that serves the educational mission of the University. Similarly, the University seeks a community that is free from violence, threats, and intimidation; that is respectful of the rights, opportunities, and welfare of students, faculty, staff, and guests of the University; and that does not threaten the physical or mental health or safety of members of the University community.

As a student at the University you are expected adhere to Board of Regents Policy: *Student Conduct Code*. To review the Student Conduct Code, please see: http://regents.umn.edu/sites/default/files/policies/Student_Conduct_Code.pdf.

Note that the conduct code specifically addresses disruptive classroom conduct, which means “engaging in behavior that substantially or repeatedly interrupts either the instructor’s ability to teach or student learning. The classroom extends to any setting where a student is engaged in work toward academic credit or satisfaction of program-based requirements or related activities.”

Use of Personal Electronic Devices in the Classroom. Using personal electronic devices in the classroom setting can hinder instruction and learning, not only for the student using the device but also for other students in the class. To this end, students may use laptop computers and/or tablets in class, but cell phones and pagers are not permitted, except in circumstances specifically noted by the instructor. For complete information, please see: <http://policy.umn.edu/Policies/Education/Education/STUDENTRESP.html>.

Scholastic Dishonesty. You are expected to do your own academic work and cite sources as necessary. Failing to do so is scholastic dishonesty. Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering, forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis. (Student Conduct Code: http://regents.umn.edu/sites/default/files/policies/Student_Conduct_Code.pdf) If it is determined that a student has cheated, he or she may be given an “F” or an “N” for the course, and may face additional sanctions from the University. For additional information, please see: <http://policy.umn.edu/Policies/Education/Education/INSTRUCTORRESP.html>.

The Office for Student Conduct and Academic Integrity has compiled a useful list of Frequently Asked Questions pertaining to scholastic dishonesty: <http://www1.umn.edu/oscai/integrity/student/index.html>. If you have additional questions, please clarify with me. The instructor can respond to your specific questions regarding what would constitute scholastic dishonesty in the

¹Some policy language taken and adapted from: http://www.policy.umn.edu/Policies/Education/Education/SYLLABUSREQUIREMENTS_APPA.html.

context of this class.

Makeup Work for Legitimate Absences. Students will not be penalized for absence during the semester due to unavoidable or legitimate circumstances. Such circumstances include verified illness, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, and religious observances. Such circumstances do not include voting in local, state, or national elections. For complete information, see: <http://policy.umn.edu/Policies/Education/Education/MAKEUPWORK.html>.

Appropriate Student Use of Class Notes and Course Materials. Taking notes is a means of recording information but more importantly of personally absorbing and integrating the educational experience. However, broadly disseminating class notes beyond the classroom community or accepting compensation for taking and distributing classroom notes undermines instructor interests in their intellectual work product while not substantially furthering instructor and student interests in effective learning. Such actions violate shared norms and standards of the academic community. For additional information, please see: <http://policy.umn.edu/Policies/Education/Education/STUDENTRESP.html>.

Sexual Harassment. “Sexual harassment” means unwelcome sexual advances, requests for sexual favors, and/or other verbal or physical conduct of a sexual nature. Such conduct has the purpose or effect of unreasonably interfering with an individual’s work or academic performance or creating an intimidating, hostile, or offensive working or academic environment in any University activity or program. Such behavior is not acceptable in the University setting. For additional information, please consult the Board of Regents Policy: <http://regents.umn.edu/sites/default/files/policies/SexHarassment.pdf>.

Equity, Diversity, Equal Opportunity, and Affirmative Action. The University of Minnesota provides equal access to and opportunity in its programs and facilities, without regard to race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity, or gender expression. For more information, please consult Board of Regents Policy: http://regents.umn.edu/sites/default/files/policies/Equity_Diversity_EO_AA.pdf.

Disability Accommodations. The University of Minnesota is committed to providing equitable access to learning opportunities for all students. Disability Services (DS) is the campus office that collaborates with students who have disabilities to provide and/or arrange reasonable accommodations. If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please contact DS at 612-626-1333 to arrange a confidential discussion regarding equitable access and reasonable accommodations. If you are registered with DS and have a current letter requesting reasonable accommodations, please contact me as early in the semester as possible to discuss how the accommodations will be applied in the course. For more information, please see the DS website, <https://diversity.umn.edu/disability/>.

Mental Health and Stress Management. As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health

concerns or stressful events may lead to diminished academic performance and may reduce your ability to participate in daily activities. University of Minnesota services are available to assist you. You can learn more about the broad range of confidential mental health services available on campus via the Student Mental Health Website: <http://www.mentalhealth.umn.edu>.

Academic Freedom and Responsibility. Academic freedom is a cornerstone of the University. Within the scope and content of the course as defined by the instructor, it includes the freedom to discuss relevant matters in the classroom. Along with this freedom comes responsibility. Students are encouraged to develop the capacity for critical judgment and to engage in a sustained and independent search for truth. Students are free to take reasoned exception to the views offered in any course of study and to reserve judgment about matters of opinion, but they are responsible for learning the content of any course of study for which they are enrolled.² Reports of concerns about academic freedom are taken seriously, and there are individuals and offices available for help. Contact me, the Department Chair, your adviser, the associate dean of the college, or the Vice Provost for Faculty and Academic Affairs in the Office of the Provost if you have questions.

²Language adapted from the American Association of University Professors “Joint Statement on Rights and Freedoms of Students.”

Course Schedule and Readings

Important Notes on Readings

Pay close attention to the page numbers listed in the syllabus for reading assignments. Often, you will only be reading part of a chapter or an article.

Some items may appear in the course pack but not the syllabus. Only items listed on the syllabus are required.

WEEK 1

Tuesday, January 16—Introduction

Readings:

- Velasquez, Manuel et al. 2009. *A framework for thinking ethically*. Santa Clara University, Markkula Center for Applied Ethics.

WEEK 2

Tuesday, January 23—Stakeholders

Guest Instructor:

- Keith Pennington

Readings:

- Friedman, Milton. 1970. "The social responsibility of business is to increase its profits." *New York Times*, September 13.
- Freeman, R. Edward. 2008. "Managing for stakeholders." In *Ethical theory and business*, edited by Tom L. Beauchamp, Norman E. Bowie, and Dennis G. Arnold. Eighth edition: pp. 56–68. Upper Saddle River, NJ: Pearson Prentice Hall.

Skim:

- Porter, Michael E. and Mark R. Kramer. 2011. "Creating shared value: How to reinvent capitalism—and unleash a wave of innovation and growth." *Harvard Business Review* 89 (1/2): pp. 62–77.

Cases:

- Hall, Brian J. and Rakesh Khurana. 2003. "Al Dunlap at Sunbeam." *Harvard Business School Case No. 9-899-218*. Boston: Harvard Business School Publishing.

Individual writing assignment signup DUE by Friday, January 26 at 11:59 p.m.

WEEK 3

Tuesday, January 30—Ethical Frameworks

Readings:

- Bentham, Jeremy. 1988 [1789]. “Of the principle of utility.” In *The principles of morals and legislation*: pp. 1–7. Amherst, NY: Prometheus Books.
- Bowie, Norman E. 2008. “A Kantian approach to business ethics.” In *A companion to business ethics*, edited by Robert E. Frederick: pp. 3–16. Malden, MA: Blackwell.

Cases:

- Emerging Technology from the arXiv. 2015. “Why self-driving cars must be programmed to kill.” *MIT Technology Review*, October, 22.

Optional:

- Kant, Immanuel. 2002 [1785]. “Transition from Popular Moral Philosophy to the Metaphysics of Morals.” In *Groundwork of the Metaphysics of Morals*, edited by Allen W. Wood: 22–62. New Haven, CT: Yale University Press.
- Mill, John Stuart. 2001 [1863]. “What utilitarianism is.” In *Utilitarianism*: pp. 6–26. 2nd Edition. Indianapolis, IN: Hackett Publishing Company.

WEEK 4

Tuesday, February 6—Ethical Decision Making

Guest speaker:

- Thompson Aderinkomi, CEO and co-founder of Relate, founder of RetraceHealth

Exam 1 distributed.

Readings:

- Milgram, Stanley. 1974. “The dilemma of obedience.” In *Obedience to authority: An experimental view*: pp. 1–12. New York: Harper & Row.
- Ariely, Dan. 2012. “Cheating as an infection: How we catch the dishonesty germ.” In *The (honest) truth about dishonesty: How we lie to everyone—especially ourselves*: pp. 191–216. New York: HarperCollins.

Exam 1 DUE by Sunday, February 11 at 11:59 p.m.

WEEK 5

Tuesday, February 13—Diversity and Inclusion

Readings:

- Slaughter, Anne-Marie. 2012. “Why women still can’t have it all.” *Atlantic*, June 13.

Skim:

- Moss-Racusin, Corinne A., John F. Dovidio, Victoria L. Brescoll, Mark J. Graham, and Jo Handelsman. 2012. “Science faculty’s subtle gender biases favor male students.” *Proceedings of the National Academy of Sciences* 109 (41): **pp. 16474-16479**.

Cases:

- Badaracco, Joseph L. and Jerry Useem. 1994. “Kathryn McNeil (A).” *Harvard Business School Case No. 9-394-111*. Boston: Harvard Business School Publishing.

WEEK 6

Tuesday, February 20—Social Innovation and Entrepreneurship

Guest speaker:

- Luis Patino, Founder, Cafe Racer

Individual writing assignment DUE Tuesday, February 20 at 11:59 p.m.

Readings:

- Marquis, Christopher and Andrew Park. 2014. “Inside the buy-one give-one model.” *Stanford Social Innovation Review* 12 (1): **pp. 28–33**.
- Marquis, Christopher and Laura Velez Villa. “Warby Parker: Vision of a ‘good’ fashion brand.” *Harvard Business School Case No. 9-413-051*. Boston: Harvard Business School Publishing.

WEEK 7

Tuesday, February 27—Sustainability and Environmental Issues

Last day for Yellowdig contributions.

Group presentations in class.

Cases:

- Lee, Deishin, and Lionel Bony. 2009. “Cradle-to-Cradle design at Herman Miller: Moving toward environmental sustainability.” *Harvard Business School Case* No. 9-607-003. Boston: Harvard Business School Publishing.