

Business Ethics
Prof. Christopher Balding
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Office #744

Class: Monday and Thursday
April 27, May 3, 4, 8, 11, 15, 18, 22, 25
8:30-10:20
Office Hours:
SUBJECT TO REVISION
Teaching Assistants:
TBD

Course Objectives:

1. No one here end up in the newspaper for scandalous behavior.
2. Provide you the tools, skills, and back ground to become the ethical and moral leaders of China and the world.
3. Improve critical thinking and creative problem solving skills to be able to analyze ethical and cultural dilemmas in the work place and arrive at well reasoned solutions to problems faced in the work place.

Expectations of the Student:

1. Come to class COMPLETELY prepared. This means having completed and studied all readings, being prepared to discuss the readings, ask questions, of presenters, and answer questions when called upon.
2. All work must be turned in on time. Any assignments turned in late will receive an automatic zero. There will be no extensions granted. If you know you will be absent then arrange to turn the assignment in early.
3. Students must be able to critically analyze and present independent thought about the material covered in class. Simply regurgitating the material will not earn the student a good grade.
4. The student MUST perform their own work. Any student caught cheating, plagiarizing, or using others work will receive a failing grade for the course automatically. No exceptions.

Class Readings:

You are expected to have completed the reading, prepared questions, and be ready to engage in discussion about the material before attending class.

Each class will consist of foundational readings and two case studies. The foundational studies will consist of readings about the ethical or cultural issues we will be focusing on in a given class session. These may consist of readings such as philosophy or studies in

psychology that will help us better understand the ethical and cultural dilemmas you will face as managers and leaders.

Finally, in each class session, we will study two case studies that will place the student in a real life situation that illustrates some of the ethical or cultural dilemmas they will face and the theme of the week. The student is expected to have read **AND** reviewed the case study prior to class in order to be able to critically analyze the problems.

The student must be able to analyze the text and decide based upon the given information such questions as: which facts are more important, what additional information might be helpful in making a decision, how might I act differently, why would my actions be differently, does culture play a role in the decision made?

Merely being able to restate the facts will not give the student a good grade!!

Class Presentations:

Every class will have a group presentations. **Each group should have approximately 4 students which will be required to give a presentation. The presentation will count for 20% of your final grade.**

The presentation must present a critical analysis of the text and not simply restate what was written. Everyone is coming to class having read the text, the student giving the presentation must be able to provide additional information or analysis in their presentation. Poor presentations will simply restate what the text states without providing critical analysis.

Case studies should be presented as if the presenter were making a presentation to a board of directors or management team faced with a decision. The presented may state the key facts and cover the generalities of the case, as they would with a business decision, but the presenter should not spend excessive time on the details. The presenter should assume that everyone has already completed the readings and knows the facts of the case.

The presenter should doing things such as recommending a course of action, how a situation could have been handled better and why, what would be recommendations to avoid future problems, or discussing the ethical or cultural dilemmas at hand.

Students are encouraged to use computer resources such as PowerPoint, hand outs, or other materials in making their presentations.

Writing Assignments:

Students will have 2 writing assignments of 2 pages each over the course of the class which will require them to critically analyze a case study or ethical dilemma.

The student must analyze the case study or situation provided by the professor and critically analyze the fundamental problem, strengths and weaknesses, and recommend a course of action and defend the recommendation made. In preparing the writing assignment, the student should assume that the reader has already read the case study and not waste time covering the facts.

Students are encouraged to think like managers and act as if they have been given an assignment and must make a recommendation about how to handle a specific situation and defend their choice to the board of directors.

Students must present a hard copy of the written assignment at the **beginning** of class. Students must also upload an electronic copy to the class website before the **beginning** of class.

Written assignments will not given to the students no more than 1 class session prior to the due date and as little as one day before being due.

Written assignments will comprise a total of 60% of the final grade.

Class Participation:

Class participation will count for 20% of your final grade. Class participation is very important and you are expected to arrive at class prepared to work through the foundational readings and case studies presented.

You are required to prepare three questions for each class session. You should be prepared to ask these questions in class so we can work through the ethical questions and so you gain a better understanding of the material being presented. You should prepare the questions though you may decide not to ask questions, though participation is strongly encouraged. I will not make a habit of collecting questions and grading them. However, if I do not feel that students are coming to class prepared, ready to ask questions, and discuss the material I will collect and grade questions.

When discussing the foundational literature, students should attempt to make sure the readings and the strengths and weaknesses of each. Students are encouraged to ask the presenters about contradictions, strengths or weaknesses of the readings, how it relates to other readings, or why one was better than another for instance.

When discussing the case studies, students are encouraged to think as if they are in a business meeting and a colleague is making presentation about a problem he/she has in their division or unit. Students must be prepared to ask question about facts that would help them make an informed decision about how to act or make recommendations about a course of action. Just as in a business meeting, students should question the presenter to make sure they have considered all the facts and are making the best decision possible.

Midterm and Final:

The midterm and the final will each cover one half of the class and focus on ethical questions taken from the reading. To succeed on the exams, the student will need to have completed all readings.

Written assignments will account for 60% of the final grade.

Grading:

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| Writing Assignment #1: | 20% |
| Presentation: | 20% |
| Midterm Paper: | 20% |
| Final Paper: | 20% |
| Class Participation: | 20% |

Class Structure:

The first 20-30 minutes will consist of a general lecture about the theme of the class session and covering any basic information. During the first part of class, I will answer any basic questions about the reading assignment, broad themes, and language questions. In depth questions about the case studies and foundational readings should be saved for the presenters.

Next we will have a student presentation of approximately 10-20 minutes about the a case study for the week with approximately 10-15 minutes of questions and discussion on the readings. The presenter should work to analyze the case study and not simply restate what the reading covers. The presenter should not simply restate the readings and assume that everyone is familiar with the reading.

There will be a second presentation with additional discussion about the specifics of that case. We will then conclude the class with approximately 20-30 minutes of case study discussion to be led by the professor analyzing the common elements of the case studies and answering any final questions.

Teaching Assistant Sessions:

Voluntary sessions led by the teaching assistants will take place each week. This is an optional sessions for the students and may be a good time to come ask questions or clarify anything that is unclear. Times will be announced in class.

Class Schedule:

IMPORTANT: Additional class readings will be posted on the website. This class schedule should not be considered final and the student will be responsible for additional readings, projects, and assignments not listed below.

**April 27: Class introduction and What is Ethics in Business?
ASSIGNMENT #1 GIVEN OUT IN CLASS**

**May 3: Making Ethics Real
WRITING ASSIGNMENT #1 DUE AT THE BEGINNING OF CLASS**

Cases: “Bhopal (A): Choosing a Safe Plant Location and Design”, Darden Business School Case Study, Sarah Diersen

“‘AIDS is Not a Business’: A Study in Global Corporate Responsibility – Securing Access to Low-cost HIV Medications”, *Journal of Business Ethics*, William Flanagan and Gail Whiteman

Foundations: “What Makes Ethics Practical”, Kenneth Winston, Harvard Kennedy School Faculty Research Working Paper Series

“An Economic Approach to Business Ethics: Moral Agency of the Firm and the Enabling and Constraining Effects of Economic Institutions and Interaction in a Market Economy”, *The Journal of Business Ethics*, Sigmund Wagner-Tsukamoto

“Corporate Culture and Organization Effectiveness: Is Asia Different from the Rest of the World?”, *Organizational Dynamics*, Daniel Denison, Stephanie Haaland, and Paulo Goelzer

May 4: The Philosophy of Ethics

Cases: “Bhopal (B): Recipe for a Toxic Mist”, Darden Business School Case Study, Sarah Diersen

“Merck and Vioxx: An Examination of an Ethical Decision Making Model”, *Journal of Business Ethics*, Erin Cavusgil

Foundations: “What Can Eastern Philosophy Teach Us About Business Ethics?”, *Journal of Business Ethics*, Daryl Koehn

“A Comparison of Five Business Philosophies”, *Journal of Business Ethics*, Paul Miesing and John Preble

May 8: The Theology of Ethics

Cases: “The Equate Project: An Introduction to Islamic Project Finance”, *Journal of Project Finance*, Benjamin Esty

“Fullness Christian Social Enterprise Limited – Offering a Right Path to Deviant Youth in Hong Kong”, *Asia Case Research Center The University of Hong Kong*, Sammy Fung and Ted Kwan

Foundations: “Biblical Foundation of Business Ethics”, *Journal of Markets and Morality*, Hershey Friedman

“Islamic Ethics and the Implications for Business”, *Journal of Business Ethics*, Gillian Rice

“Religion in the Workplace: A Managerial Outline for Navigating the Law at the Intersection of Business and Religion”, *Darden Business Publishing University of Virginia*, Eric Haitz, Andrew Wicks, and Jenny Mead

May 11: Cultural Ethics Part I

Cases: “Cross Cultural Project Management for International Construction in China”, *International Journal of Project Management*, Low Sui Pheng and Christopher Leong

“Cultural Variance as a Challenge to Global Public Relations: A Case Study of the Coca-Cola Scare”, *Public Relations Review*, Maureen Taylor

Foundations: “Toward a Model of Cross Cultural Business Ethics: The Impact of Individualism and Collectivism on the Ethical Decision Making Process”, *Journal of Business Ethics*, Bryan Husted and David Allen

“Gift Giving, Bribery, and Corruption: Ethical Management of Business Relationships in China”, *Journal of Business Ethics*, P. Steidlmeier

May 15: Cultural Ethics III

TEAM MIDTERM IS DUE AT THE BEGINNING OF CLASS

Cases: “Chapter 7: An Ethnic Theory of Plane Crashes” from *Blink* by Malcolm Gladwell

“Taking a Bite Out of Apple: Labor Rights and the Role of Companies and Consumers in a Global Supply Chain”, *Frederick and Barbara M. Erb Institute University of Michigan*, Kelsea Ballantyne, Zicheng Bi, Nate Underwood, and Xiling Weng

Foundations: “Ethical Climate and Managerial Success in China”, *The Journal of Business Ethics*, by Satish Deshpande, Jacob Joseph, and Xiaonan Shu

“The Challenge of Developing a Business Ethics in China”, *Journal of Business Ethics*, Po Keung Ip

May 18: What is the Responsibility of a Corporation

Cases: “The Promise and Perils of Globalization: The Case of Nike”, *MIT Working Paper*, Richard Locke

“PepsiCo, Profits, and Food: The Belt Tightens”, *Harvard Business School*, Joseph Badaracco and Matthew Preble

Foundations: “The Social Responsibility of Business is to Increase Profits”, Milton Friedman

“A Critique of Milton Friedman’s Essay ‘The Social Responsibility of Business is to Increase its Profits’”, *Journal of Business Ethics*, Thomas Mulligan

“The Case For and Against Business Assumption of Social Responsibilities”, *The Academy of Management Journal*, Keith Davis

May 22: Finance, Investment and Ethics

Cases: “Through the Eyes of a Whistle-Blower: How Sherry Hunt Spoke Up About Citibank’s Mortgage Fraud”, *Northwestern University Kellogg School of Management*, Adam Waytz and Vasilia Kilibarda

“Societe General: The Rogue Trader” *INSEAD Business School*,
Mark Hunter and N. Craig Smith

Foundations:

“Being Virtuous and Prosperous: SRI’s Conflicting Goals”,
Journal of Business Ethics, Benjamin Richardson and Wes Cragg

“Financial Markets: A Tool for Social Responsibility?”, *Journal of
Business Ethics*, Matthew Haigh and James Hazelton

“The Ethics of Insider Trading Revisited”, *Journal of Business
Ethics*, Peter Jan Engelen and Luc Van Liedekerke

May 25:

Management and Ethics in the Workplace

Cases:

“Corporate Communication, Ethics, and Operational Identity: A
Case Study of Benetton”, *Business Ethics: A European Review*
forthcoming, Janet Borgerson, Jonathan Schroder, Martin
Escudero Magnusson, and Frank Magnusson

“China Yintai: Developing Shared Value in China”, *Harvard
Business School*, Chris Marquis, Ying Zhang, Shiyu Yang

Foundation:

“The Discipline of Building Character”, *Harvard Business Review*,
Joseph Badaracco

“Leadership, Ethics, and Responsibility to the Other”, *Journal of
Business Ethics*, David Knights and Majella O’Leary