



**Course** BPS 6305, Ethical Issues in Business  
**Professor** Dr. Diane S. McNulty  
**Term** Spring 2007  
**Meetings** Wednesdays, 2:30-5:15 p.m., SOM 2.902

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### Professor's Contact Information

**Office Phone** 972-883-2741  
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**Office Location** School of Management Building 4.619  
**Email Address** [dmcnulty@utdallas.edu](mailto:dmcnulty@utdallas.edu)  
**Office Hours** By Appointment  
**Other Information** Additional Contact: Marilyn Bechtol, Administrative Assistant to Dr. McNulty, School of Management Building 4.618, 972-883-2741, [mbechtol@utdallas.edu](mailto:mbechtol@utdallas.edu)

### General Course Information

**Pre-requisites, Co-requisites, & other restrictions** N/A

### Course Description

This course will examine ethical concepts as they relate to the business environment, both domestically and globally. A study of ethics must begin by exploring the historical and philosophical basis for values in American business. Multinational cultural diversity, as it relates to corporate American business ethics, will be the framework of the issues explored. Global ethical business issues and cases will be discussed.

Class will center around lectures, case discussions, guest lecturers, videos, and in-class exercises. A mid-term exam and an individual ethics issue paper will be required, and several case preparations may be required. Some group case discussions will be facilitated in class.

\*A broader understanding of how ethics has become an integral aspect of business decision-making

\*Insights into how issues of the public interest become business ethical concerns

### Learning Outcomes

\*An understanding of corporate governance and stakeholder issues that are basic ethical considerations business has to consider in today's market

\*The course is intended to broaden perspectives and values of students, enabling more informed decision-making

### Required Texts & Materials

Text: Business Policy & Strategy: Ethical Issues in Business, Lawrence-Weber-Post, McGraw Hill/Irwin, 11<sup>th</sup> Ed. (Custom Text, McGraw-Hill/Irwin, soft cover), Primis ISBN 978-0-390-77354-8

Cases: Parable of Sadhu, Levi Strauss and Company in China, and British Petroleum and Economic Redevelopment in South Wales

Readings: “The Discipline of Building Character”, “The Next Wave of Corporate Community Involvement”, “The Best of the Good”, “Why People Follow the Leader: The Power of Transference”, and “The Path of Corporate Responsibility”

**Suggested Texts,  
Readings, &  
Materials** N/A

## **Assignments & Academic Calendar**

### **PART I      HISTORICAL PERSPECTIVE OF CORPORATION & SOCIETY**

#### **1/10-Week 1      Introduction**

Lecture: Introduction to Course

#### **1/17-Week 2      Business and the Social Environment**

Lecture:            Corporate Stakeholder Theory: Public Policy Process  
Social Responsibility/Socially Responsive Management  
Values Cycle  
Historical Perspective  
Corporation and Stakeholders

In Class:            Video – Dateline: MILL OWNER

Readings:          Text:    Chapter 1: The Corporation and Its Stakeholders  
Chapter 3: Corporate Social Responsibility

#### **1/24-Week 3      Business Responsibilities to Stakeholders**

Lecture:            Introduction & Definition of Ethics  
Socially Responsible Strategies  
Relationship of Social Responsibility/Ethics  
Accountability

Readings:          Text:    Chapter 2: Public Affairs Management  
Chapter 5: Ethical Issues in Business

Case:                Parable of Sadhu

### **PART II      BUSINESS AND ETHICS/GLOBAL CHALLENGES**

#### **1/31, Week 4      Exploration of Ethics in Business**

Lecture:            Does Ethics Really Matter?  
Ethical Dilemmas in Business  
Global Issues of Human Rights

Reading:            Text:    Chapter 6: Ethical Reasoning and Corporate Programs

Case:                Levi Strauss and Company in China

#### **2/7, Week 5      Ethical Leadership**

Lecture:            Ethical Decision Making/Ethical Leadership  
Ethics in Multinational Business Transactions  
Understanding Cross-Cultural Values/Ethical Systems

Reading:            Text:    Chapter 7: The Challenges of Globalization

- 2/27, Week 5  
Continued)** Article: "The Discipline of Building Character", *Harvard Business Review*
- 2/14, Week 6** **Politics and Ethics**  
Lecture: Business/Government Interdependence  
  
Reading: Text: Chapter 8: Business-Government Relations  
  
Article: "The Best of the Good"
- 2/21, Week 7** **MID-TERM EXAM**
- 2/28, Week 8** **Corporate Community Responsibility**  
Lecture: The Community & The Corporation  
Issue: Community Responsibility  
Ethics of Plant Closures/Layoffs/Mergers & Acquisitions  
  
Readings: Text: Chapter 17: The Community and the Corporation  
Chapter 4: Corporate Citizenship  
  
Article: "The Next Wave of Corporate Community Involvement", *California Management Review*  
  
Case: British Petroleum & Economic Redevelopment in South Wales
- 3/5-10  
Week 9** **SPRING BREAK WEEK – NO CLASS**
- 3/14, Week 10** **Governance, Accountability and Ethics**  
Lecture: Governance and Ethics  
  
Readings: Text: Chapter 15: Stockholder Rights and Corporate Governance  
Chapter 18: Employees and the Corporation  
  
Article: "The Path of Corporate Responsibility"
- 3/21, Week 11** **Governance, Accountability, and Ethics (Continued)**
- 3/28, Week 12** **Enron**  
Lecture: Global Issue: Bribery/Corruption  
  
Case: The Collapse of Enron  
  
Optional/  
Before Class: Enron DVD
- 4/4, Week 13** **Business & The Media**  
Lecture: Ethical Dilemmas-Business and Media  
  
Readings: Text: Chapter 20: Business & The Media
- 4/11, Week 14** **Future and Legal Environment of Business**  
Lecture/Concluding Remarks:  
Future of U.S. Business Ethics in Global Endeavors

4/11, Week 14 Articles: "Why People Follow the Leader: The Power of Transference"  
(Continued) "The Best of the Good"

4/18, Week 15 Individual Paper Presentations (10 minutes per person)

**\*INDIVIDUAL ETHICS ISSUE PAPER DUE-On or before 4/18/07\***

### **PAPER OUTLINE**

**Paper Due On or Before Wednesday, April 18, 2007**

I. TOPIC

Statement of ethical issue or topic to be developed. If you are developing an issue, then develop the current status of the issue. The paper should consider including a 'business' dimension and an 'international' dimension. It will be evaluated according to the following criteria.

- A. Choice of topic
- B. Ethical problem addressed
- C. Clear concepts: issues of ethical significance
- D. Consistent structure: business, ethical, and international dimension
- E. Personal or corporate view and/or experience, if applicable\* (see note below)
- F. \*Reference to periodicals, literature, etc.\*
- G. Conclusion
- H. \*Bibliography\*

II. ANALYSIS OF ETHICAL ISSUE

III. CORPORATE ANALYSIS (if appropriate)

If the ethical issue is being developed from a company and/or industry basis, then this section should develop the industry position **briefly**.

IV. REGULATORY ENVIRONMENT

How topic applies to existing and/or pending legislation, law, court decision, or public opinion.

V. DEVELOPMENT OF ETHICAL IMPLICATIONS

Discuss the stakeholder position on ethical issues.

VI. RESOLUTION STRATEGIES

What are the political/policy implications?

How can the ethical dilemma be resolved?

VII. CONCLUSION/RECOMMENDATIONS-Your analysis of the ethical issues; opinions as to how resolutions can be achieved.

VIII. BIBLIOGRAPHY \*\* (see note on next page)

\*Most issues have some relevance to business or industry. Students can use one or more companies to demonstrate how that company responded to an issue.

\*\*References to information, whether electronic or not, must be cited either by a text reference or a footnote and cited in the Bibliography. Failure to do so and to include a Bibliography will lower paper grade significantly. Chicago Style book is recommended.

Papers may be turned in to SM 4.618 or electronically to [mbechtol@utdallas.edu](mailto:mbechtol@utdallas.edu)

**Insert Exam Date(s),** Mid-Term, Wednesday, 2/21, 2:30-5:15 p.m.  
**Time(s)**

**Course Policies**

<b>Grading (credit) Criteria</b>	<p>A <b>mid-term exam</b> (short answer essay) will be given. – 35% of grade</p> <p>An <b>ethics issue research paper</b> on a specific topic of international business ethics will be required. The final ethics issue paper should be approximately 10-12 pages long and is due on or before Wednesday, April 18, 2006. – 35% of grade</p> <p><b>Class attendance, active participation in group case presentations in class, and 10 minute presentation of Ethics Issue Paper are required.</b> Participation contributes to a better understanding of the readings. Part of this experience is learning from other class participants and applying understanding and knowledge gained to the research paper and class discussions. – 30% of grade</p> <p><b>Final Grade calculations based on:</b>          Mid-Term Exam-35%          Ethics Issue Paper (Individual)-35%          Class attendance, active participation in group case presentations in class, and 10 minute presentation of Ethics Issue Paper-30%</p>
<b>Make-up Exams</b>	
<b>Extra Credit</b>	
<b>Late Work</b>	
<b>Special Assignments</b>	
<b>Class Attendance</b>	See above under ‘Grading’
<b>Classroom Citizenship</b>	
<b>Field Trip Policies</b>	
<b>Student Conduct and Discipline</b>	<p>The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, <i>A to Z Guide</i>, which is provided to all registered students each academic year.</p> <p>The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the <i>Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3</i>, and in Title V, Rules on Student Services and Activities of the university’s <i>Handbook of Operating Procedures</i>. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and</p>

	<p>regulations (SU 1.602, 972/883-6391).</p> <p>A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.</p>
<b>Academic Integrity</b>	<p>The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.</p> <p>Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.</p> <p>Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.</p>
<b>Email Use</b>	<p>The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.</p>
<b>Withdrawal from Class</b>	<p>The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.</p>
<b>Student Grievance Procedures</b>	<p>Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's <i>Handbook of Operating Procedures</i>.</p> <p>In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and</p>

	<p>evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.</p> <p>Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.</p>
<p><b>Incomplete Grades</b></p>	<p>As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of <b>F</b>.</p>
<p><b>Disability Services</b></p>	<p>The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.</p> <p style="text-align: center;">The contact information for the Office of Disability Services is:  The University of Texas at Dallas, SU 22  PO Box 830688  Richardson, Texas 75083-0688  (972) 883-2098 (voice or TTY)</p> <p>Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.</p> <p>It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.</p>
<p><b>Religious Holy Days</b></p>	<p>The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.</p> <p>The student is encouraged to notify the instructor or activity sponsor as soon as</p>

	<p>possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.</p> <p>If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.</p>
<p><b>Off-Campus Instruction and Course Activities</b></p>	<p>Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at <a href="http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm">http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm</a>. Additional information is available from the office of the school dean.</p>

*These descriptions and timelines are subject to change at the discretion of the Professor.*