

LGST 220 - International Business Ethics (Seminar- Revised 9/27/05)

SYLLABUS

Fall 2005, Monday/Wednesday, 3:00 p.m.-4:30 p.m., JMHH

The Wharton School, University of Pennsylvania

Professor Tom Dunfee

Office Hours: M/W, 2-3, or by appointment, check with me
or with ***Lauretta Tomasco****

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***Lauretta Tomasco** handles the course materials, etc. across from Professor Dunfee's office, Room 632, Jon M. Huntsman Hall, tomascol@wharton.upenn.edu or 215.898.1166.

COURSE DESCRIPTION

LGST 220 is a multi-disciplinary, interactive study of business ethics within a global framework. Alternative theories about how to act ethically in global environments are presented. The process of managing global business ethics is emphasized. Critical current issues are introduced and analyzed. Perspectives include professional and applied ethics, law, public policy, organizational design, strategy and organizational behavior.

COURSE MATERIALS

A course pack is available from Wharton Reprographics. Additional materials will be distributed in class. All readings may be tested on the exam.

GRADING

Grades will be based upon the following:

Class participation	10%
Leading a class discussion	10%
Final exam	35%
Paper and Presentation	35%
Review of social reports	10%

CLASS PARTICIPATION

The class will be conducted seminar style so discussion is essential to the learning experience.

LEADING A CLASS DISCUSSION

Teams of two will be responsible for leading a class discussion. You will have one hour for leading the discussion and then Prof. Dunfee will close the class in the last twenty minutes. You may prepare and distribute slides or handouts. The assignment will be graded on the basis of (a) the quality of the questions in eliciting key dimensions of the case, (b) coherence in the sequence of questions asked, (c) additional materials presented to the class and (d) the ultimate take-aways provided to the class.

ATTENDANCE AND CLASS ETIQUETTE

Students are expected to arrive on time for class. Once in class, students should remain until the class is completed. Arrivals and departures during class time interfere with the educational process and are not fair to the other students or me. The same is true for cell phones. Please let me know by email in advance if you are going to miss class.

NAME CARDS/PICTURE CARDS

In order to get to know your names, I would like students to display name cards in class. Please write your name in large, dark letters on the name card.

EXAM

The final exam will be held as scheduled by the University on Tuesday, December 20, 2005 from 12:00 to 2:00 pm, in a room to be announced. The exams will be “open book.” You may bring class notes and the course pack to the exams. A copy of a prior exam is available in the course pack. Please note the scheduling of the exam. You are responsible for ensuring that you are available and on campus to take the exam. I will not permit anyone to take the exam at another time unless you are gravely ill or face a significant emergency. If your travel plans conflict with the date of the exam, you should change your travel plans now, or drop the course.

PAPER AND PRESENTATION

Each student must prepare a paper and presentation analyzing (1) a current specific incident in global business ethics or (2) an important general issue in global business ethics or (3) the social performance of a specific firm engaged in global business. Students may do this individually or in self-formed teams of two members. A single grade is assigned for group projects. **The paper topic must be cleared in advance with me by Monday, Oct. 3rd.**

Those who analyze an incident should select a particular occurrence (Yahoo’s decision to limit sale of Nazi memorabilia in France, Halliburton doing business in Iraq, Coca Cola’s contributions to victims of the tsunami, Nike and sourcing of manufacturing, etc.). The paper and presentation should identify and analyze the ethical issues involved, indicate the actions actually taken by the firm involved, evaluate those actions, and then propose what would have been a better way to respond. Those discussing a generic issue (doing business in the Sudan, software piracy, international control of human cloning, salmon farming, etc.) should clearly define the issue, analyze the ethical issues involved and indicate how businesses in general should respond. Those analyzing the social performance of a specific firm should focus on the overall social and ethical strategies of the firm chosen. If the firm does not issue a social report, then the paper should take the form of a social report issued by the firm. The report would be more self-critical than is typical for such reports. If, instead, the firm chosen has issued a social report, the paper should critique that report and offer some alternative language and sections. Examples of recent social reports by global and non-US firms are available from Lauretta.

The paper is due in class on Wednesday, Nov. 16th. A complete outline of the paper must be given to Prof. Dunfee so later than Wednesday, Nov. 9th. Comments will be provided on the outline. Presenters are encouraged to hand in an outline as early as possible. The final paper should have a full bibliography and proper citation. Papers will be graded on the basis of evidence of research beyond the readings, clarity, accuracy, comprehensiveness and creativity of analysis. One letter grade will be subtracted for late papers. A presentation to the class will be scheduled during class sessions in November. ***The presentation of 15-30 minutes should summarize the basic analysis of the paper while allowing time for comments and questions.*** The presentation grading criteria includes an analysis anchored in a persuasive case (arguments, counterarguments, supporting evidence), which is presented clearly, coherently, and in an engaging way to your audience.

CRITIQUE OF A CORPORATE SOCIAL REPORT OR INITIATIVE

You are assigned to write a paper that either (1) critiques a social report issued by a corporation (2) ordscribes and critiques a social initiative undertaken by a corporation. These papers are due to me 24 hours before the class on Oct. 5th, where we will discuss your findings. **The paper should be sent to me electronically by 3 p.m. on Tuesday, Oct. 4th.** The paper should only be one or two pages. The web site will provide a means of choosing reports and identifying initiatives. You must clear your choice of a report or initiative with me in advance to be sure that we don’t have more than one of the same firm. Send me an email, or hand me a note in class concerning your choice. Copies are available in the Zicklin Center and on line. If you choose to analyze a social report, you should answer the following questions:

1. What impressed you the most?
2. Was the report audited in any part?
3. Was the report sufficiently comprehensive?

4. What impressed you the least?
5. Anything in the report that could cause a Kasky problem?
6. Give the report a letter grade (+ and - are allowed)
7. What is your one minute consulting sound-bite for the firm re its social report?

If you choose a social initiative, you should answer the following questions in your report:

1. What was the social initiative?
2. What was the goal for the social initiative?
3. Did they achieve that goal?
4. Why do you think the firm decided to do the social initiative?
5. Is the initiative consistent with the core competencies of the firm?
6. Is the initiative consistent with the core values of the firm?
7. Give the initiative a letter grade (+ and - are allowed)
8. What is your one minute consulting sound-bite for the firm re its social initiative?

COURSE TOPICS AND ASSIGNMENTS

1. W Sept 7 **Overview of Course**
Handout: Excerpt from Plato's *Republic*, Bk II (359a-360d) (Jowett Translation), 2 pp.
2. M Sept 12 **Normative Foundations**
Readings: Dunfee, et. al., "Business and Ethics," Chapter 8, *Modern Business Law*, 24 pp.
3. W Sept 14 **Psychological Foundations**
Readings: Messick & Bazerman, "Ethical Leadership and the Psychology of Decision Making," *Sloan Management Review*, Winter 1996, Vol. 37, No. 2, 14 pp.
4. M Sept 19 **Personal and Corporate Integrity**
Reading: McCoy, "Parable of the Sadhu," *Harvard Business Review*, September-October 1983, 5 pp.
 Responsible Management and the Responsible Business Enterprise, Chapter 2 of *Business Ethics: A Manual for Managing A Responsible Business Enterprise in Emerging Market Economies*, U.S. Department of Commerce
5. W Sept 21 **Corporate Philanthropy, Corporate Citizenship, Social Screening of Investments**
Readings: Porter and Kramer, "The Competitive Advantage of Corporate Philanthropy" *Harvard Business Review*, Reprint R0212D, December 2002, 14pp.
 Hess, Rogovsky & Dunfee, "The Next Wave of Corporate Community Involvement," Winter 2002, *California Management Review*, 16 pp.
 Wood and Logsdon, "Theorising Business Citizenship," in book entitled *Perspectives on Corporate Citizenship*, eds., Andriof and McIntosh, Greenleaf Publishing, 2001, 11 pp.
 Schueth, Steve, "Socially Responsible Investing in the United

States”, *Journal of Business Ethics*, 2003.

6. M Sept 26 **Corporate Obligations in Developing Countries**
Case: GlaxoSmithKline and Access to Essential Medicines (A),
London Business School Reference CS-04-001, 2004, 23 pp.
7. W Sept 28 **Corporate Responsibility in the Global Context**
Readings: Donaldson and Dunfee, “When Ethics Travel,” *California Management Review*, Vol 41, No. 4, Summer 1999, 19 pp.
DeGeorge, “Multinationals and Less Developed Countries: Seven Guidelines,” Chapter 3, *Competing with Integrity in International Business*, 9 pp.
Velasquez, M. "International Business, Morality, and the Common Good," *Business Ethics Quarterly* 2 (1992): 27-40, 14 pp.
8. M Oct 3rd **PAPER TOPICS MUST BE CONFIRMED TODAY**
Responsible Sourcing and Sweatshop Issues (Andrea)
Case: Hitting the Wall: Nike and International Labor Practices, Harvard Business School, N1-700-047, 23 pp.
Readings: Simon Zadek, “The Path to Corporate Responsibility”, *Harvard Business Review*, Dec. 2004.
Krugman, Paul, “In Praise of Cheap Labor: Bad jobs at bad wages are better than no jobs at all,” *Slate - Dismal Scientist* – March 20, 1997, 6 pp.
Code of Workplace Conduct for Penn Apparel Licensees, *Almanac*, University of Pennsylvania, November 6, 2001, 2 pp.
- Tu Oct 4 **A PAPER CRITIQUING A SOCIAL REPORT ISSUED BY A CORPORATION IS DUE TO PROF. DUNFEE BY EMAIL BY 3PM TODAY.**
9. W Oct 5 **Social Audits and Social Reports**
Reading: “Nike settles First Amendment suit,” *Sacramento Business Journal*, September 12, 2003, 2 pp.
Nike v. Kasky excerpts from California Supreme Court opinion, 12 pp.
Check out: The British American Tobacco Company Social Report (on LGST 220 webCafé or through their website)
10. M Oct 10 **Corruption in International Business**
Case: Beauchamp, “Italian Tax Mores,” 2 pp.
Readings: Greenfeld, “The Unknown VIP Gets Aeroflot Off the Ground,” *The Wall Street Journal*, Thursday, October 21, 1993, 1 p.
“The Worm that Never Dies,” *The Economist*, March 2nd, 2002
Transparency International Corruption Perceptions Index 2004, 8 pp.
Press Release: Plundering Politicians and Bribing Multinationals, 2 pp.
- Explore:* Transparency International Website <http://www.transparency.org>

11. W Oct 12 **Combating Corruption** (Joyce-Olga)
Case Study “The Shakedown,” *Harvard Business Review*, Reprint R0503A, 9 pp.
Readings: Hess and Dunfee, “Fighting Corruption: A Principled Approach: The C2 Principles (Combating Corruption.),” *Cornell International Law Journal*, 33(3), Spring 2001, 6 pp. (**Pages 616 to 626 only**)
 “Foreign Corrupt Practices Act, Antibribery Provisions,” *DOJ-DOC Brochure*, updated, October 24, 2001, 7 pp.

M Oct 17th is Fall Break. No class.

12. W Oct 19 **An Investor’s Experience with International Business Ethics**
Guest Lecturer: Stanley Gold, investor, member of Disney board who challenged Michael Eisner
13. M Oct 24 Meeting with Ann Fischer, Communication Specialist and Teaching Assistants regarding course projects
14. W Oct 26 **Environmental Issues in International Business Ethics**
Guest Lecturer: Dinah Koehler, Economics and Decision Sciences Research, National Center for Environmental Research, Environmental Protection Agency
15. M Oct 31 **Doing Business in Latin America** (Stephanie-Francisco)
Case: “H.B. Fuller in Honduras: Street Children and Substance Abuse,” Norman Bowie and Stefanie Lenway, Columbia University, 1990, 24 pp.
Readings: Paine, “Regulating the International Trade in Hazardous Pesticides: Closing the Accountability Gap,” *Ethical Issues in International Business*, 547-556, 11 pp.
 Arruda, “Business Ethics in Latin America,” 16 *Journal of Business Ethics* 1597, 7 pp.
16. W Nov 2 **Gender in Global Business** (Elizabeth-Anthony)
Case: Foreign Assignment, 1 p.
Reading: Donaldson, “Values in Tension: Ethics Away from Home,” *Harvard Business Review*, (September-October, 1996), 9 pp.
17. M Nov 7 **Exporting American Culture** (Vicky-Merrill)
Case: Exporting American Culture, Harvard Business School, 9-396-055, 4/12/99, 18 pp.
18. W Nov 9 **OUTLINE OF PAPER DUE TO PROF. DUNFEE AT START OF CLASS**
Ethical Issues in Doing Business in Japan
Guest Lecturer: Stefan Whitwell, Managing Partner, Tierra Capital, L.P.
19. M Nov 14 **Doing Business in China** (Barnabas-Anand)

Case: Shanghai Real Estate (A), Harvard Business School, 9-398-088, August 18, 1998, 14 pp.
Reading: Dunfee & Warren, "Is Guanxi Ethical? A Normative Analysis of Doing Business in China," *Journal of Business Ethics*, 32: 191-204, 2004, pp. 14

20. W Nov 16 **PAPERS DUE AT THE START OF CLASS**
Doing Business in China (con't)

Guest Lecturer: Kristen Day, President, Calico Group, formerly Director of U.S. and Asia Operations, International Business Ethics Institute

Reading: Kris Day, "Guanxi-In Chinese Business, the Relationship is Everything," *The Conference Board*, November, 2003.

21. M Nov 21 **Contrasting Approaches to Human Rights: Implications for International Business**

Guest Lecturer: Bryan Horrigan, Professor and Associate Dean, Macquarie University Law School, Sydney, Australia

22. W Nov 23 **Student Presentations**

23. M Nov 28 **Student Presentations**

24. W Nov 30 **Student Presentations**

25. M Dec 5 **Student Presentations**

26. W Dec 7 **Review and Summing Up**

Readings: Paine, Lynn S., "Managing for Organizational Integrity" *Harvard Business Review*, March-April, 1994, Reprint 94207, 13, pp.
 Driscoll and Hoffman, "Gaining the Ethical Edge: Procedures for Delivering Values-driven Management," Chapter 11, *Business Ethics, Readings and Cases in Corporate Morality*, 4th Edition, 6 pp.

POTENTIAL TOPICS

Alien Tort Claims Act

Readings: Dhooge, "Transnational Enterprises, Torts and the Law of Nations: ATCA Jurisprudence and Judicial Restrain"
 Summary of ATCA Opinions Relating to Transnational Enterprises
 Sebok, "Unocal Announces it Will Settle a Human Rights Suit
 Sebok, "The Alien Tort Claims Act: How Powerful a Human Rights Weapon Is It?"

NGO and Corporate Interaction over the Environment

Case: Anatomy of a Corporate Campaign: Rainforest Action Network and Citigroup (A), Stanford Graduate School of Business, Case #P-42A, 06.01/04, 10 pp.

