

**LGST 611-921 – Responsibility in Global Management**  
The Wharton School, University of Pennsylvania

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***COURSE MATERIALS:***

Donaldson, T. & Werhane, P.H. (Eds.) Ethical Issues in Business: A Philosophical Approach 2008 (8<sup>th</sup> Edition).  
Upper Saddle River, N. J.: Prentice Hall.

***COURSE OVERVIEW***

This module considers the ethical responsibilities of managers and corporations. It is designed to raise ethical dilemmas and to provide plausible frameworks for dealing with them. It is also designed to reveal common patterns of success and failure in managing ethical conflicts. A successful module engages students in a critical evaluation of managerial and corporate ethics and encourages each student to develop a justifiable perspective on the role of ethics in business.

***COURSE OBJECTIVES***

To foster an understanding of the ethical responsibilities assumed in becoming business managers;

To enhance one's ability to engage in moral decision-making and to practice its use in concrete case analysis.

To improve individual and group skills in identifying, analyzing and resolving several ethical issues faced by managers in the content in which they arise;

To examine the values that individuals bring to their decision-making and to understand the role values play in managerial decision-making.

To develop action plans that might help to resolve ethical conflicts and dilemmas that arise in both the domestic and global environments.

***COURSE METHODS***

Class sessions will consist of lecture/discussion of theoretical frameworks, collaborative case discussions, exercises and brief film clips.

## ASSIGNMENT GUIDE

<u>Week</u>		
<u>Date</u>	<u>Topic</u>	<u>Readings/Materials</u>
<b>I</b> <b>Tues. 6/30</b> <b>9AM- Noon</b>	An Ethical Dilemma	The Parable of Sadhu (ch. 7) Film : Everest  “The Responsibility of Corporations....”
<b>II</b> <b>Wed. 7/1</b> <b>1-4 PM</b>	Introduction to Ethical Reasoning	Intro to Ethical Reasoning (preface) Ethical Variables in Decision Making (PPT)) A Kantian Approach to Business Ethics (ch. 2) An Aristotelian Approach to Business Ethics (ch.2) Utilitarianism and Business Ethics (ch.2)
<b>III</b> <b>Wed. 7/8</b> <b>9 AM-Noon</b>	Social Responsibility Of Business	The Social Responsibility of Business (ch. 1) Managing for Stakeholders (ch.1) Case: Merck & Co. (ch.7) Film: The Gift of Light Case: H.B. Fuller in Honduras (ch. 1)
<b>IV</b> <b>Thurs. 7/9</b> <b>1 PM-4 PM</b>	Private Property And Social Justice	Justification of Private Property (ch.4) Benefits of Profit Motive (ch.4) Alienated Labor (ch.4) Intellectual Property Rights (ch.5) Distributive Justice (ch.6) The Entitlement Theory (ch. 6) Case: New Protocol      Case: The Oil Rig Case: Plasma Int'l
<b>V</b> <b>Thurs. 7/16</b> <b>1PM-4 PM</b>	The Employment Relationship  International Business & Globalization	Employment at Will (ch. 9) In Defense of the Contract at Will (ch. 9) Case: Costco vs. Wal-Mart (PPT) Case: United              Case: Unkept Promises Case: Working at Walmart  Cultural Relativism (ch.11) U.N. Declaration (ch.11) Values in Tension (ch.12) Case: What Price Safety? Case: Facing Face
<b>VI</b> <b>Fri. 7/17</b> <b>9 AM-Noon</b>	Team Debates  Course Conclusion	Participants' Debates  An Attempt at Coherence

## **Final Debate Topics:**

***Debate A:*** Because consequences matter more than actions or character, the best normative ethical theory is some variety of Utilitarianism.

***Debate B:*** Because when all is said and done, stockholders are more important than other stakeholders, Stakeholder theory is fundamentally flawed.

***Debate C:*** Because the profit motive leads to the accumulation of private property, the capitalistic economic system insures a fairer distribution of social benefits/burdens than any other kind of economic arrangement.

***Debate D:*** Because benefits of various kinds accrue to individuals, corporations and society from the employment-at-will rule, it should be maintained.

***Debate E:*** Because preferential treatment policies take race/gender into account, they are unjust and should be abandoned.

***Debate F:*** Because human welfare is enhanced by economic growth, the production/consumption of resources is more important than their sustainability.

***Debate G:*** Because countries vary in many fundamental ways, it is impossible to require adherence to any transnational ethical principles.

***Debate H:*** Because globalization encompasses the movement of goods, services, capital, technologies and people, it has beneficial effects for both developed and developing societies.

## Corollary Discussion Topics

- A. Distinguish consequentialist from deontological approaches to ethical standards. Illustrate the difference by discussing J.S. Mill's "principle of utility" and I. Kant's "categorical imperative." Be sure to consider the strengths/weaknesses of each approach. Use an illustration to show why one kind of standard is better than the other and why it can overcome the main objections raised against it.
- B. Distinguish between "Stockholder" and "Stakeholder" theories of the corporation. Be sure to include the philosophical bases and central differences between the two theories. Which one most accurately describes the fundamental nature and primary purpose(s) of the contemporary business firm? Use an illustration to show why one kind of theory is better than the other and why it can overcome the main objections raised against it.
- C. Those who have demonstrated under the catch-phrase "Occupy Wall Street" apparently are concerned about corporate greed and income inequality. But what sense can you make of the notion "corporate greed"? Was Celgene Corp. or Plasma International greedy in the pricing of their products? May one who owns private property sell it for whatever the market will bear? How does one come to own private property in the first place and is that ownership good or bad for society or the owner? Consider the positions of Locke, Smith and Marx in your analysis.
- D. Contrast the view of those who believe in the "employment-at-will" doctrine with those who propose recognition of "employee rights." How would you resolve the public policy dilemma involved in balancing the rights of the employer with the rights of the employee? Include a consideration of the arguments of Werhane and Epstein in your analysis. Identify the philosophical basis of your solution and use it to evaluate the pension problems at United Airlines or the working conditions at Walmart.
- E. Discuss some of the difficulties involved in achieving a color-blind, non-sexist society. Include in your analysis consideration of the distinction between equality of opportunity and equality of results and decide whether affirmative action is required to achieve either, neither or both of these fundamental "entitlements?" Is preferential treatment required to redress past discrimination and to achieve a color-blind, non-sexist society? Is diversity valuable in schools and in the work environment? Are Rosner and Macintosh correct in arguing that women's leadership styles are different (better) than men's and that white heterosexual men still have distinct advantages over any other classification of people? Has Penn president Amy Gutman succeeded in her attempt to diversify Penn?
- F. A heated controversy has occurred during the past three decades between those who see environmental issues as potentially catastrophic and demanding of radical changes in corporate and government policies and those who believe that, however important, environmental issues have been exaggerated and are best addressed by market forces. How is it possible to balance our concern for environmental sustainability without sacrificing economic growth in an increasingly free market economy? Has ExxonMobil finally gotten it right with the Chad/Cameroon pipeline?

- G. Are there any universal norms or fundamental human rights (as suggested by Donaldson/Dunfee), which all multinational firms should respect? Establish the existence and content of such norms/rights. How can they be enforced? Would regulation by government(s) (such as the Foreign Corrupt Practices Act), be necessary or sufficient? Would international codes (such as the U.N. Declaration of Human Rights), work effectively? Can Donaldson overcome Rachels' "Challenge of Cultural Relativism?" Is it possible for MNCs to succeed in a world guided by transnational principles/codes?
- H. One aspect of globalization involves the interplay of Western consumer demands and life in the developing world. Indeed, in the developed world, we enjoy a plethora of low-cost goods produced in developing countries. This exchange system requires, it seems the use of "sweatshops". Are these sweatshops a necessary stage in a country's economic development, as Maitland suggests, or are they intolerable, unjustified exploitation of desperate people, as Baker et al. argue? Will economic focus on the market at "the bottom of the pyramid" ultimately resolve this dilemma?