

**BMA773
Management Ethics
(Part-Time)**

Semester 2, 2008

This unit will be offered in:

Hobart & Launceston

The lecturing team responsible for this unit will be:

Dr Mark Wickham (Hobart)

Room: 312 (Hobart)

Phone: 6226 2159

Email: Mark.Wickham@utas.edu.au

Launceston Lecturer - TBA

<http://www.utas.edu.au/mgmt/student.htm>

Introduction to the Unit

Sound and effective management and leadership require not only financial and technical expertise but also ethical competency. This unit provides a focus on ethical decision-making, and in particular introduces a series of frameworks for discerning what is right and wrong in important areas of business practice. Ethical competency is the ability to, a) perceive the ethical implications of a situation, b) engage in sound ethical reasoning, and c) develop practical problem solving strategies.

Enrolment in the unit

Unless there are exceptional circumstances, students should not enrol in BMA units after the end of week 2 of Semester, as the School cannot guarantee:

- that any extra assistance will be provided by the teaching team in respect of work covered in the period before enrolment; and
- that penalties will not be applied for the late submission of any piece or pieces of assessment that were due during that period.

Learning Outcomes

On completion of this unit, you should be able to:

- Identify and define four major theoretical frameworks that support ethical decision-making
- Analyse a series of case study facts and identify the ethical dilemma that lies therein
- Propose and justify your recommendations to overcome an ethical dilemma
- Identify and discuss the major ethical issues facing contemporary business managers

Generic Graduate Attributes

The University has defined a set of generic graduate attributes (GGAs) that can be expected of all graduates (see <http://www.utas.edu.au/tl/policies/index.htm>). By undertaking this unit you should make progress in attaining the following attributes:

Knowledge

- Students will become familiar with four theories of ethical decision-making
- Through the use of case study material, students will demonstrate how ethical theory provides a basis for managerial decision-making
- Students will explore the application of ethical theories in a number of issues concerning the rights and obligations of employers and employees, the protection of employees and consumers, and the responsibilities of organisations to the public at large

Communication Skills

- Students will be able to communicate, both orally and in writing, their ability to analyse case facts and present logical recommendations to overcome an ethical dilemma
- Students will acquire and develop ethical competency in managerial decision-making and be able to explain the importance of this dimension to others

Problem Solving Skills

- Students will develop practical problem solving strategies in resolving ethical dilemmas
- Students will become confident in introducing ethical considerations into managerial decision-making

Social Responsibility

- Students will be able to demonstrate ethical decision-making, with integrity and social responsibility as the key drivers of problem-solving
- Student will be able to explain to others the difference between acting ethically and the management of ethics in organisations, and be able to develop strategies for implementing ethical management in organisations

Texts

Prescribed Texts

There is no prescribed text for this unit. See MyLO for access to the required readings in this unit.

School Publications

Students must obtain the following electronic publications which are available from the School of Management website:

<http://www.utas.edu.au/mgmt/student.htm>

Writing Assignments: A Guide

School of Management Referencing Style

Recommended Reading

The publications listed below are highly recommended for further reading on the topics covered in the unit.

Books

Beauchamp, T. & Bowie, N. 2001. *Ethical theory and business* (6th ed.). Englewood cliffs, New Jersey: Prentice-Hall.

Carroll, A.B. & Bocholt, A.K. 2006. *Business and society: Ethics and stakeholder management* (6th ed.). Australia: Thomson.

De George, R.T. 2006. *Business ethics* (6th ed.). New Jersey: Prentice-Hall.

Desjardins, J.R. & McCall, J.J. 2005. *Contemporary issues in business ethics* (5th ed.). Victoria: Thomson.

Ferrell, O.C., Fraedrich, J. & Ferrell, L. 2005. *Business ethics ethical decision making and cases* (6th ed.). Boston: Houghton Mifflin.

Fisher, C., & Lovell, A. 2003. *Business ethics and values*. Harlow: Prentice-Hall.

Fritzche, D.J. 2005. *Business ethics: A global and managerial perspective* (2nd ed.). Sydney: McGraw-Hill

Goodpaster, K.E., Nash, L.L. & de Bettignies, H. 2006. *Business ethics* (4th ed.). Sydney: McGraw-Hill.

Hartley, R.F. 2005. *Business ethics: Mistakes and successes*. USA: Wiley.

- Hunt, R.W., Hunt, M.B. & Cox, B.G. 2005. *Ethics at work*. Australia: Pearson.
- Larmer, R.A. 2002. *Ethics in the workplace* (2nd ed.). Australia: Wadsworth.
- Newton, L.H. & Lord, M.M. 2004. *Taking sides* (8th ed.). USA: McGraw-Hill.
- Pfeiffer, R.S. & Forsberg, R.P. 2005. *Ethics on the job* (3rd ed.). Australia: Thomson.
- Pojman, L.P. 2006. *Ethics: Discovering right and wrong* (5th ed.). Australia: Thomson.
- Shaw, W. H. & Barry, V. 2004. *Moral issues in business* (9th ed.). Belmont, California: Wadsworth.
- Trevino, L.K. & Nelson, K.A. 2007. *Managing business ethics* (4th ed.). USA: Wiley.
- Velasquez, M. G. 2006. *Business ethics concepts and cases* (6th ed.). Upper Saddle River, New Jersey: Prentice-Hall.
- Weiss, J.W. 2006. *Business ethics: A stakeholder and issues management approach* (4th ed.). Australia: Thomson South-Western.

Journals and Periodicals

Apart from books, you will find it valuable to get into the practice of reading relevant articles from journals and periodicals (including newspapers and magazines).

The following refereed journals publish articles concerning ethical and social issues related to business and management practice.

Business & Professional Ethics Journal

Business & Society

Business Ethics Quarterly

Business Ethics: A European Review

Journal of Business Ethics

Journal of Business Education

Unit Structure

Saturday Workshops

There will be seven three-hour workshops scheduled on Saturdays. These workshops are a compacted style of teaching the conventional weekly lecturer/tutorial, with face-to-face contact between students and lecturers usually occurring every two weeks. **It is essential** that students complete the required reading and study tasks from the unit outline (and/or accompanying unit materials) before the workshop. In this matter, students will be able to keep up with the study schedule and will be prepared to discuss the material during the workshops.

Flexible Learning: MyLO

MyLO software has been incorporated into the delivery of this unit to enhance the learning experience by providing access to up to date course materials and by allowing for online discussion through this web based environment.

To access MyLO from your own computer you will need the appropriate software, and hardware to run that software. See *Learning Online* at <http://uconnect.utas.edu.au/> for computer software you will need.

Note: Older computers may not have the hardware to run some of the required software applications. Contact your local IT support person or the Service Desk on 6226 1818 if you experience difficulties. The School of Management has prepared a MyLO Information Sheet which includes access guidelines and contact information. It is available to download as a word document from the School of Management website: <http://www.utas.edu.au/mgmt/student.htm>

Privacy Policy and Notice

The School of Management takes the utmost care to protect the privacy and security of your personal information and to ensure its accuracy.

If you have any concerns about your privacy in MyLO please contact the lecturer-in-charge of this unit or view the University of Tasmania MyLO Privacy Policy Statement available from the university website on <http://www.utas.edu.au/coursesonline/privacy/index.html>.

Assessment

In order to pass this unit you must achieve an overall mark of at least 50 per cent of the total available marks. Details of each item of Coursework are provided in the Assignment Topics section.

Method of Assessment	Value	Due Date	Length*
Coursework			
Assignment 1	10	August 2 nd	1000 words MAXIMUM
Assignment 2	10	August 23 rd	1000 words MAXIMUM
Assignment 3	10	September 6 th	1000 words MAXIMUM
Assignment 4	10	September 20 th	1000 words MAXIMUM
Examination	60	Exam Period	
Total Marks	100		

* **Word Limit:** The word count includes such items as headings, in-text references, quotes and executive summaries. It **does not** include the reference list at the end of the assignment.

Examination

Format

There will be a three-hour closed-book examination with a value of 60% at the completion of the semester. The examination will consist of a case study worth 30 marks and three essay questions from a choice of at least five, worth 10 marks each. The best preparation for the exam is consistent work throughout the semester, especially the workshop case-study exercises.

Scheduled date and place

Your final examination for this unit will be held during the scheduled examination period as indicated by Student Administration in correspondence to you.

Examinations will normally be scheduled Monday to Saturday inclusive. Examinations may be held during the day or evening and students should consult the university information which will be made available towards the end of semester.

You are advised to make any necessary arrangements with employers now for time off during examination period to sit this examination. Your participation at the scheduled time is not negotiable unless there are exceptional circumstances.

Note that you will be expected to sit the examination at your recorded study centre.

Supplementary Examination

Except in special circumstances and on the recommendation of the lecturer-in-charge or the Head of School, a student who fails will not be granted a supplementary examination.

Submission of Coursework

Lodging Coursework

All Coursework must have the School of Management Assignment Cover Sheet and Title Page attached. Both of which are available as a blank template from the School of Management website:

<http://www.utas.edu.au/mgmt/student.htm>

Please remember that you are responsible for lodging your Coursework on or before the due date. We suggest you keep a copy. Even in the most 'perfect' of systems, items sometimes go astray.

Hobart students: Lodge in assignment box at room 316, Commerce & Economics Building.

Launceston students: Lodge in assignment box beside room A170.

Alternatively, you may mail your assignments to the School of Management, University of Tasmania at the postal address: Private Bag 16, Hobart, Tasmania, 7000.

All coursework must be handed in by 2.00 p.m. on the due date.

Late Coursework

Written Work

Extensions will only be granted on medical or compassionate grounds and will not be granted because of work or other commitments. Requests for extensions should be **made in writing** to the lecturer-in-charge prior to the due date. Medical certificates or other evidence must be attached and must contain information which justifies the extension sought. Late assignments which have **not** been granted an extension will, at the lecturer's discretion, be penalised by deducting ten per cent of total marks for each full day overdue.

Assignments submitted more than six days late will normally not be accepted by the lecturer-in-charge.

Return of Coursework

Coursework will be returned during classes or it can be collected from the lecturer's or tutor's room at nominated times; it will not be available from the School's offices.

Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own, for example:

- using an author's words without putting them in quotation marks and citing the source;
- using an author's ideas without proper acknowledgment and citation; or
- copying another student's work.

If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor for relevant referencing guidelines, and the academic integrity resources on the web at <http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>.

The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline—Part 3 Academic Misconduct, see <http://www.utas.edu.au/universitycouncil/legislation/ord9.pdf>

The University reserves the right to submit (or to require you to submit) assignments to online plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.

Occupational Health and Safety (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University's policy at:
http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf

Workshop Outline

Workshop 1—19 July

Topic 1: Introduction and Unit Administration

- Course overview
- Course administration
- Case study method
- Assessment

Topic 2: Ethics and Business

Questions for Review:

1. Read the article by Barrier (1998) and discuss the following statement: “In order to make money in highly competitive markets, businesses must act unethically in one way or another”.
2. Using the “Ethics toolkit for managers” on MyLO, identify the 10 myths about business ethics.
3. Read the “Case of the Collapsed Mine”. What were the ethical obligations of the parties involved in the case? To what extent did they fulfil their ethical obligations?
4. Using the “Ethical Relativism” reading on MyLO, define what is meant by the term “ethical relativism”. What are the arguments for and against this concept? Given these arguments, does the concept offer a useful guide to action?

Topic 3: Utilitarianism

Case: The Airplane Manufacturing Case

Questions for Review:

1. What was the ethical dilemma faced by the firm’s President in this case? Was the President’s decision to offer the payment simply a good business decision under the circumstances?
2. Does it make any difference that such payments are an accepted practice in some parts of the world?
3. Who was harmed by the President’s payment? Who was helped by the payment?
4. Develop an Act Utilitarian analysis of this case. What course of action would an Act Utilitarian have recommended the President take? Would this recommendation be the same for a Rule Utilitarian?

Workshop 2—2 August

Topic 1: Kantianism

Cases: The Johnson Controls Case

Questions for Review:

1. What was the ethical dilemma faced by the firm in this case? How does the application of Kantianism (i.e. a deontological theory) differ from the application of a utilitarian theory to an ethical dilemma?
2. What self-imposed ethical laws (i.e. maxims) reflect the ethical dilemma choices in the case?
3. Define what is meant by “universalisable”, “respect for rational beings”, and “respect for autonomy”.
4. Which ethical dilemma choice would a Kantian recommend the company take in this case? By what criteria would they justify their recommendation?

Topic 2: Ethical Rights

Case: The John Smith CEO Case

Questions for Review:

1. What was the ethical dilemma faced by the decision-maker in these cases?
2. Identify the groups affected by the company's actions. What claims to Rights (both positive and negative) might each of these groups have had given the ethical dilemma choice to be made?
3. Using a Rights analysis, what course of action should the decision-maker have taken, given their ethical dilemma?

Workshop 3—23 August

Topic 1: Distributive Justice

Case: Karen's Dilemma

Questions for Review:

1. Define the five types of Justice that may be considered as part of an ethical analysis.
2. Using the principles of Distributive Justice, discuss how Rawl's "Veil of Ignorance" might be used to guide the action of the decision-maker in this case.

Topic 2: Corporate Social Responsibility (CSR)

Cases: The Killing of Kitty Genovese

Questions for Review:

1. Describe Friedman's "profit maximising perspective" on the social responsibility of corporations.
2. Describe Freeman's "stakeholder perspective" on the social responsibility of corporations.
3. What are the limitations of Friedman and Freeman's perspectives? Are they particularly useful for practising managers?
4. Using the article by Hinkley (2007), describe the "Moral Minimum" perspective of corporate social responsibility.
5. What is the Kew Gardens Principle? In what ways is it useful in guiding the social responsibility of corporations?

Workshop 4—6 September

Topic 1: Corporate Governance, Trade Secrets and Conflicts of Interest

Cases: The Boesky, Milken and an Insider Trading Case

Questions for Review:

1. What was the ethical dilemma in the case? Do you believe that Boesky acted ethically or unethically? Justify your answer.
2. According to Byrne et al (2002), identify the most important ethical issues surrounding corporate governance.
3. Define the notion of a "trade secret". When can information or knowledge be justifiably claimed as a "trade secret" by a firm? What strategies might you adopt to protect your firm's trade secrets?
4. What are some ethically permissible methods of gathering competitor intelligence? What are some ethically prohibited methods of gathering competitor intelligence? What are the differences between the two?

5. Define the notion of a “conflict of interest”. What are the potential ethical dilemmas that might arise from having a conflict of interest in the workplace, and what strategies might you consider employing to avoid them?

Topic 2: Safety, Risk and Environmental Protection

Cases: The McDonald’s Polystyrene Case

Questions for Review:

1. What was the ethical dilemma faced by McDonald’s in this case?
2. Did McDonald’s achieve the aim of “doing no avoidable harm” to the environment when they made their decision to stop using Polystyrene packaging? Were there other forms of “harm” that McDonald’s avoided instead?
3. Using the major theories of ethics, what do you believe constitutes acceptable levels of safety and risk for (a) products, (b) production processes, and (c) environmental management?
4. Imagine that you are the manager of a firm whose production processes generate toxic waste. How might you use the ethical theories in your determination of an “ethical level” of pollution?

Workshop 5—20 September

Topic 1: Whistle Blowing

Cases: The Ford Pinto case

Questions for Review:

1. What was the ethical dilemma faced by the engineers in the Ford Pinto Case?
2. Outline the “loyalty” argument against whistle blowing. Did the engineers at Ford have any opportunity to blow the whistle internally?
3. By what criteria is a person ethically *permitted* (i.e. if they want to) to blow the whistle?
4. By what criteria is a person ethically *obligated* (i.e. they have no choice but) to blow the whistle?
5. Using the article by Zellner, Anderson & Cohn (2002), discuss what processes a firm might adopt to minimise the likelihood that its employees will externally blow the whistle.

Topic 2: Marketing, Truth, Advertising

Cases: The Nestlé Infant Formula case

Questions for Review:

1. What was the ethical dilemma faced by the management of Nestlé in this case?
2. Can Nestlé’s marketing strategy be justified under any of the ethical theories studied in this unit? Given your answer, were consumers ethically obligated to join the boycott on Nestlé’s products?
3. What ethical issues might arise for each of the Basic Four Ps of the marketing mix (i.e. product, price, place, and promotion)?
4. Using the article by Richardson & McCord (2000), discuss the link between ethics, trust and firm performance. Discuss what you feel are the most important implications of this inter-relationship for managers.

Workshop 6—4 October

Topic 1: Workers' Rights: Employment, Wages and Unions PLUS OH&S

Cases: The Contentious Issue of Drug Testing in the Workplace

Questions for Review:

1. What is/are the ethical dilemma(s) inherent to the case? What recommendations would each of the ethical theories have for the resolution of the ethical dilemma?
2. Do employees have a "right to strike" against their employer? Using the ethical theories, determine when a strike action is ethically justified.
3. Identify the four major groups that are relevant to any strike consideration. Provide a discussion as to how they are relevant.
4. Are employee unions ethically justifiable? Explain your answer using the major ethical theories.

Topic 2: Workers' Rights and Duties Within a Firm

Cases: Drug and Polygraph Testing at Company X

Questions for Review:

1. What is the ethical dilemma inherent to the case? What recommendations would each of the ethical theories have for the resolution of the ethical dilemma?
2. Using the article by Weston (2001), identify the ethically justifiable rights employees and employers have in the employment relationship.
3. Define what is meant by "worker loyalty". Describe where an employer's expectation of loyalty is ethically justifiable. Describe when it might not be.

Workshop 7—18 October

Topic 1: Discrimination, Affirmative Action and Reverse Discrimination

Cases: The Weber Case

Questions for Review:

1. What is the ethical dilemma inherent to the case? What recommendations would each of the ethical theories have for the resolution of the ethical dilemma?
2. Differentiate between functional and dysfunctional discrimination. Why do we need to make this distinction?
3. What are the arguments for and against affirmative action? How might you go about introducing an ethically justifiable affirmative action program in your company?

Topic 2: Course Review and Exam Revision

To be announced.

Assignment Topics

Assignment 1

Due Date: August 2nd
Length: 1000 words MAXIMUM
Value: 10 Marks

Download the Utilitarian Case Study from the unit's MyLO page, and use it as the basis for your tutorial presentation.

TASK: Define the elements of the Utilitarian theory of ethical obligation. In your definition, be sure to outline the steps required when attempting to undertake an effective Utilitarian analysis. Using the case available on MyLO, provide a Utilitarian analysis of the "Ford Pinto - An amazing true story" case study. Detail and justify the decision you would make (as a Utilitarian) in this case.

Assignment 2

Due Date: August 23rd
Length: 1000 words MAXIMUM
Value: 10 Marks

Download the Kantian Case Study from the unit's MyLO page, and use it as the basis for your tutorial presentation.

TASK: Define the elements of the Kantian theory of ethical obligation. In your definition, be sure to outline the steps required when attempting to undertake an effective Kantian analysis. Using the case available on MyLO, provide a Kantian analysis of the "Termination of a Work Colleague and Friend" case study. Detail and justify the decision you would make (as a Kantian) in this case.

Assignment 3

Due Date: September 6th
Length: 1000 words MAXIMUM
Value: 10 Marks

Download the Rights Case Study from the unit's MyLO page, and use it as the basis for your tutorial presentation.

TASK: Define the elements of the Rights theory of ethical action. In your definition, be sure to outline the steps required when attempting to undertake an effective Rights analysis. Using the case available on MyLO, provide a Rights analysis of the "Contentious Issue of Smoking versus Non-Smoking" case. Detail and justify the decision you would make (as an Ethical Rights activist) in this case.

Assignment 4

Due Date: September 20th

Length: 1000 words MAXIMUM

Value: 10 Marks

Download the Justice Case Study from the unit's MyLO page, and use it as the basis for your tutorial presentation.

TASK: Define the elements of the Distributive Justice theory of ethical action. In your definition, be sure to outline the steps required when attempting to undertake an effective Distributive Justice analysis. Using the case available on MyLO, provide a Distributive Justice analysis of the "Case of the Plant Relocation". Detail and justify the decision you would make (as a Distributive Justice activist) in this case.

Workshop Schedule

Semester 2, 2008

Workshop	Workshop Date	Topic	Required Readings
1	19 July	Introduction: Ethics and Business Utilitarianism	Required Readings #1, 2 and 3
2	2 August	Kantianism Ethical Rights	Required Readings #4 and 5 <i>Assignment 1 due</i>
3	23 August	Distributive Justice Corporate Social Responsibility	Required Readings #6, 7, 8 and 9 <i>Assignment 2 due</i>
4	6 September	Corporate Governance, Trade Secrets and Conflicts of Interest Safety, Risk and Environmental Protection	Required Readings #10 to 18 <i>Assignment 3 due</i>
5	20 September	Whistle Blowing Marketing, Truth and Advertising	Required Readings #19 to 23 <i>Assignment 4 due</i>
6	4 October	Workers' Rights: Employment, Wages and Unions PLUS OH&S Workers' Rights and Duties Within a Firm	Required Readings #24, 25 and 26
7	18 October	Discrimination, Affirmative Action and Reverse Discrimination Unit Review	Required Readings #27 and 28
Examination Period: 25 October—11 November 2006			