

# Ethical Issues in Business

## Christopher Newport University, Fall 2017

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MEETING INFO Dr. Chris Tweedt Philosophy 207, Sec. 5  
202 McMurrin Hall Mon & Wed, 7:30–8:45 pm  
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TEXTBOOK *Moral Issues in Business*, 13th ed. by Shaw & Barry.

OUTCOMES The **purpose of this class** is to help you

1. identify, develop, analyze, and evaluate arguments relevant to business actions,
2. understand moral frameworks, reasons for and against those frameworks, and their application to concrete cases, and
3. act in ethically-informed and well-justified ways within business contexts.

OVERVIEW This class is divided into **two sections**.

1. First, we'll address how to make ethical decisions in a business context. To do this, we'll discuss what ethics is and why it is important, whether ethical truths are determined by one's culture or organization, whether the rightness of one's actions are determined by the outcome of those actions, the extent of corporate responsibility, and how to make difficult ethical decisions.
2. Second, we'll practice applying the results of the first section to specific cases. We'll offer arguments for and against the moral permissibility of selling harmful products, price gouging, deceiving in advertising and sales, violating employee privacy, offering bribes or insider trade secrets, suppressing reports of wrongdoing, discriminating in hiring and promotions, demanding company loyalty, harboring wealth, influencing legislation for business gain, and harming the environment.

SCHEDULE Aug 28 **Course overview, classroom expectations**  
No reading

Aug 30 **What is ethics?**  
Shaw, 1-4, 38-45

Sep 4 **Are actions really right or wrong?**  
Shaw, 4-22, 30-32

Sep 6 **Does our culture determine what is right or wrong?**  
Shaw, 12-14  
Time's "Uber Fail"

**How Do We Make Ethical Decisions?**

Sep 11 **How to structure ethical decision-making**  
Shaw, 23-28  
NPR's "How Small Fibs Lead to Big Lies"

**Sep 13 Egoistic and Consequentialist/Utilitarian reasoning**

Shaw, 54-66, 110-114

Bloomberg's "Pearson grants CEO 20% pay Increase in wake of January meltdown"

USA Today's "Ford CEO Mark Fields picks up a nice pay increase"

**Sep 18 Goal-oriented and Economic reasoning**

Shaw, 85-87

Podcast: Planet Money's "The Wells Fargo Hustle"

**Sep 20 Deontological reasoning**

Shaw, 66-84

TechCrunch's "Uber reportedly tracked Lyft drivers"

**Sep 25 Egalitarian/Justice-based reasoning**

Shaw, 105-110, 114-128, 133-134

Inc's "Here's what happened at that company that set a \$70,000 minimum wage"

**How Far Does a Business' Responsibility Extend?**

**Sep 27 The scope of corporate responsibility**

Shaw, 202-220

Milton Friedman's "The Social Responsibility of Business is to Increase its Profits"

**Oct 2 The extent of our responsibility to corporations**

Shaw, 221-226, 253-257

**Oct 4 Bringing it all together: how to make difficult ethical decisions**

No reading

**Oct 9 Review/overflow**

No reading

**Oct 11 Test #1**

**Oct 16 No class, Fall Break**

**Application: Consumers**

**Oct 18 Products: safety, quality, harmful effects**

Thesis: It is permissible for a business to sell any product it is legal to sell.

Shaw, 264-275

Information on the effects of cigarettes

The Washington Post on plastic surgery in South Korea

**Oct 23 Pricing: fixing, gouging**

Thesis: Price gouging is morally impermissible.

Shaw, 275-281

Forbes' Price Gouging is bad politics but good economics

Oct 25 **Advertising: deception, withholding information, manipulation**

Thesis: It's permissible for a company to knowingly deceive consumers via advertising.

Shaw, 281-295, 299-300

Recode's "What happened to the Lily camera drone?"

**Application: Employees**

Oct 30 **Social Matters:** abuse of power, confrontation, whistle blowing

Thesis: Employees are obligated to try to remedy known wrongdoings.

Shaw, 494-498, 509-519, 576-579

Nolo, "Can our employer prohibit us from talking about an investigation?"

Nov 1 **Financial Matters:** bribery, insider trading, conflicts of interest

Thesis: Neither bribery nor insider trading is morally impermissible.

Shaw, 498-509, 533-540, 541-550

NPR's "Drug company payments mirror doctors' brand-name prescribing"

Nov 6 **Relational Matters:** discrimination, affirmative action, hiring, firing

Note: This is a heavy reading day, but Thursday will be light.

Thesis: Affirmative action is just in all three senses discussed above.

Shaw, 380-408, 560-576

NYT's "Jerks and the Start-Ups They Ruin"

The Guardian's "AI programs exhibit racial and gender biases"

**Application: Companies**

Nov 8 **Transparency:** organizational layers

Thesis: Companies are obligated to have policies that identify individuals responsible for wrongdoings.

Shaw, 46-53

ProPublica's "What's happened to the big players in the financial crisis"

Nov 13 **Working Conditions:** privacy, pressure, culture

Thesis: Corporations are obligated to provide paid maternity leave for its salaried employees.

Shaw, 435-457

NYT's "Inside Amazon"

Inc's "Court: Hugging Could Be Sexual Harassment"

Nov 15 **Case Study Workday**

**Application: Community**

Nov 20 **Government:** influencing legislation

Thesis: It is impermissible for a corporation to make campaign contributions.

Shaw, 151-173

AP's "Influence Game: GM bill is self-driving and self-interested"

Nov 22 **No class, Thanksgiving**

Nov 27 **Environment**: obligations to future generations and/or to nature  
Thesis: We are obligated to create conditions for future persons to flourish.  
Shaw, 334-354  
BBC's "Chevron fined for Amazon pollution by Ecuador court"  
Ecowatch's "Fast fashion is the second dirtiest industry in the world"  
US NWR's "Walmart struggles to overcome environmental criticism"

Nov 29 **Underprivileged**: obligations to give  
Thesis: We are obligated to give to those who have a greater need than we do.  
Peter Singer's "Famine, Affluence, and Morality"  
Current Affairs' "It's Basically Just Immoral to be Rich"

Dec 4 **Review/Overflow**  
HBR's "Liberal Arts in the Data Age"

Dec 6 **Test #2**  
Audio file due by 6:30 pm

Dec 16 **Case Study Due**, paper must be uploaded sometime 2 pm 4:30 pm

GRADING

200 points **2 tests**

Tests are comprehensive, focusing on content from the most recent half of class.  
Tests will be taken on a computer during class times specified above.  
I will describe the format of the test in class.  
Test dates are on the schedule above.

50 points **5 quizzes**

These quizzes are entirely multiple choice, made available on Scholar.  
Quizzes contain 5 questions about the last meeting and the reading for the day.  
You need a secret passcode to take the quiz.  
The secret passcode will be given in the first 10 minutes of 5 unspecified classes.  
You can have the passcode without attending class only if you have a good excuse.  
There is a super secret, super harsh penalty for students who give out the passcode.

100 points **9 argument papers**

9 argument papers are due during the first 11 class times after Test #1.  
10 points per paper, extra 10 points for having completed 9 above 7 points each.  
You can write at most one argument paper per class time.  
Papers must contain no more than 100-words.  
Papers must contain only a thesis and reasons for that thesis.  
The paper must argue for or against the thesis of the day, given on the schedule.  
I will describe how to write your papers in class.  
Papers will be graded only on insight or thoughtfulness of the reasons for the thesis.  
Papers are due within 10 minutes of the start of each class.  
You get an automatic 0/100 on all papers if you plagiarize on one paper.

100 points **1 case study**

Must be in an audio format, maximum 3 minutes, delivered to me electronically.  
Must have an accompanying paper with the elements below.  
The first part must contain a description of a real-world business case.  
The second part must contain an analysis.  
What is the action you are evaluating?  
What stakeholders are affected?  
Is the action wrong? Why or why not?  
How could someone rationalize their action?  
Why is the rationalization incorrect?  
Students will only be graded on content, not smoothness of presentation.  
Due date is on the schedule above.

SCALE

|              |              |              |              |
|--------------|--------------|--------------|--------------|
| 100 > A > 92 | 90 > B+ > 88 | 80 > C+ > 78 | 70 > D+ > 68 |
| 92 > A- > 90 | 88 > B > 82  | 78 > C > 72  | 68 > D > 62  |
| 60 > F > 0   | 82 > B- > 80 | 72 > C- > 70 | 62 > D- > 60 |

OFFICE HOURS

|         |                                |           |                                |
|---------|--------------------------------|-----------|--------------------------------|
| Monday  | Tuesday                        | Wednesday | Thursday                       |
| 9-10 PM | 9:30-10:30 AM<br>12:30-1:30 PM | 9-10 PM   | 9:30-10:30 AM<br>12:30-1:30 PM |

**HONOR CODE** By being enrolled in this class, each student is expected to read, understand, and abide by the CHU's honor code. CNU reserves the right to penalize any student whose academic conduct at any time is, in its judgment, detrimental to the University. This conduct includes plagiarism, collusion, cheating, giving or receiving or offering or soliciting information in examinations, or the use of previously prepared material in examinations or quizzes.

Class Policy: You'll receive an automatic F in the course if you share test or quiz questions with other students. The purpose of these tests is to, well, test your knowledge. If you allow other students to prepare, it undermines the testing process. If you discover someone sharing questions and report it to me, you will get free ice cream. Also, I'll report all seeming-plagiarism to CHECS and give you a 0 for the assignment. I won't argue with you whether you did it intentionally. We all know how that will go. You'll argue that you didn't mean to do it, just like people who do it intentionally argue. So I'm not even going to ask. Please be intentional about not doing it.

**DISABILITY, ACCOMODATION** In order for a student to receive an accommodation for a disability, that disability must be on record in the Office of Student Affairs, 3rd Floor, David Student Union (DSU). If you believe that you have a disability, please contact Dr. Kevin Hughes, Vice President of Student Affairs (594-7160) to discuss your needs. Dr. Hughes will provide you with the necessary documentation to give to your professors. Students with documented disabilities are required to notify the instructor no later than the first day on which they require an accommodation (the first day of class is recommended), in private, if accommodation is needed. The instructor will provide students with disabilities with all reasonable accommodations, but students are not exempted from fulfilling the normal requirements of the course. Work completed before the student notifies the instructor of his/her disability may be counted toward the final grade at the sole discretion of the instructor.

**ACADEMIC SUPPORT** The Center for Academic Success (located in Christopher Newport Hall, first floor, room 123) offers free tutoring assistance for Christopher Newport students in several academic areas. Staff in the center offer individual assistance and/or workshops on various study strategies to help you perform your best in your courses. The center also houses the Alice F. Randall Writing Center. Writing consultants can help you at any stage of the writing process, from invention, to development of ideas, to polishing a final draft. The Center is not a proofreading service, but consultants can help you to recognize and find grammar and punctuation errors in your work as well as provide assistance with global tasks. You may visit the Center for Academic Success to request a tutor, meet with a writing consultant, pick up a schedule of workshops, or make an appointment to talk one-on-one with a University Fellow for Student Success. If I become concerned about your course performance, attendance, engagement, or well-being, I will speak with you first. I also may submit a referral through our Captains Care Program. The referral will be received by the Center for Academic Success as well as other departments when appropriate (Counseling Services, Office of Student Engagement). If you are an athlete, the Athletic Academic Support Coordinator will be notified. Someone will contact you to help determine what will help you succeed. Please remember that this is a means for me to support you and help foster your success at Christopher Newport.