

Pepperdine University
The George L. Graziadio
School of Business and Management

James R. Legler, Ph.D
Making Ethics Intentional: An Organizational Perspective

MBAM 698.18/Spring 2008
Session A

Wednesdays 8:00 AM – 12:00 Noon

January 9 – February 20, 2008

Malibu, California

Syllabus

Making Ethics Intentional: An Organizational Perspective
MBAM 698.18
Spring 2008
January 9 – February 20, 2008

Day/Time: Wednesday, 8:00 AM – 12:00 Noon
Location: Malibu

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Introduction

The course, *Making Ethics Intentional: An Organizational Perspective*, is an elective in the MBA program at Pepperdine University. It is taught from an organizational management perspective. The instructor is the director of a center for ethical leadership at Concordia College in Minnesota and works with corporations in developing ethics strategy, policies, and culture. He also teaches the business ethics courses at the college.

Course Description

This course focuses on ethical behavior in organizations. It was developed from a management perspective related to understanding how strategy, structure, leadership, procedures, culture, and individual values influence the behavior of people within organizations. The philosophy, issues and topics apply to all types of organization including corporations, small business, government, churches, and nonprofit. .

Topics discussed include definitions and perspectives of values and ethics, a management model for understanding ethical behavior in organizations, the stakeholder model as it relates to ethical decision-making, the description and awareness of ethical issues, moral philosophies that apply to organizational ethics, organizational factors (culture, strategy, and leadership) that influence organizational behavior, and the development of ethics programs and policies.

Students examine their own values in relation to ethical behavior, and their responsibility to themselves and the organization in regard to different ethical situations.

Course Objectives

Upon completion of this course the student will be able to:

1. Define values, ethics and ethical leadership as they apply to organizations. Examine several different perspectives and meaning of values and ethics. Discuss how personal values and organizational values relate and how they may come in conflict. Discuss the benefits and reasons for organizations to be ethical.
2. Describe the *Management Model for Understanding Ethical Behavior in Organizations*. Define the 6 key elements of the model: external environment, ethical issue intensity, individual factors, organizational factors (leadership, strategy, structure, procedures, and corporate culture), opportunity, and moral reasoning. Apply to relevant case studies and your organization..
3. Describe the stakeholder model in relation to ethics as it applies to ethical issues, strategic planning, and in ethical decision-making. Explain the role of primary and secondary stakeholders, the guidelines for using the stakeholders model, and apply the model to a case study and to corporation. Discuss the alternatives and strengths/weaknesses of the model.
4. Discuss ethics in relation to social responsibility. Explain Carroll's Model of Social Responsibility. Describe social responsibility issues related to economic conditions, competition, legal and regulatory areas, and philanthropic topics.
6. In relation to ethical issues, explain ethical issue intensity, ethical dilemmas, and the role of management in making employees aware of ethical issues. Describe the major ethical issues and problems organizations face. Relate specifically to you as a manager.
7. Discuss the institutionalization of ethics in organizations. Describe voluntary, core practices, and mandated programs as it relates to managing risk.. Discuss the mandated legal requirements in regard to competition, consumer protection, equity and safety, the environment, and ethical conduct. Explain the role of philanthropy in the strategy of an organization.
8. Moral philosophies can be used to examine ethical issues in organizations. Explain six philosophical approaches to ethics including egoism, utilitarianism, deontology, relativist perspective, virtue ethics, and justice ethics. Apply these to several case studies and discuss how you as a manager could use the different philosophies to approach an ethical issue..
9. In making decisions, describe how culture influences our ethical decision making. Discuss the influence of norms, groups, relationships, significant others, and organizational pressures on a manager's decision-making.
10. Discuss the responsibility of organizations as moral agents. Explain how ethical programs can help avoid legal problems. Explain the key areas of developing an ethics program: code of conduct, code of ethics, statement of values, ethics officer, ethics training, and systems to monitor and enforce policies.

Course Objectives (continued)

11. Explain Goodpaster's perspective of creating an ethical corporate culture. Discuss his explanation of unbalanced pursuit of goals (teleopathy), the three problems related to teleopathy (fixation, rationalization and detachment), the leader as the principal architect, of the corporate conscience, mindset, moral reasoning, and the means of developing a corporate culture (orienting, institutionalizing, and sustaining).

Texts and Course Materials

Ferrell, O.C., Fraedrich, J., and Ferrell, L. (2008). *Business ethics: Ethical making and cases. Seventh Edition*. Boston: Houghton Mifflin.

Morris, T. (1997). *If Aristotle ran General Motors: The new soul of business*. New York: Henry Holt.

Goodpaster, K. (2007). *Conscience and corporate culture*. Malden, MA: Blackwell.
(passed out in class – do not purchase)

Course Grading

The course grade will be based closely on the following:

Weekly Reaction/Analysis Papers	100 points each (6)	86%	600 Points
Class Input & Case Studies		14%	100 Points

The grading usually corresponds to traditional percentages. This would be 92 to 100 A; 90 to 91 A-; 88 to 89 B+; 82 to 87 B; 80 to 81 B-; 78 to 79 C+; 72 to 77 C; 70 to 71 C-; 68 to 69 D+; 62 to 67 D; 60 to 61 D-; 59 and below failing.

Students are always welcome to discuss their grades and may get an update on their grade status at any time. A student who feels they received an unfair grade should discuss the issue with the instructor to see if an error or misunderstanding occurred.

Attendance

Students are expected to attend class and be in class on time. Learning is an active process. If you are unable to attend class or will be late, please notify the instructor ahead of time.

Part of your grade (100 points) is based on class input, contributing to the class, discussing issues, and case studies discussed in class.

Course Requirements and Policies

1. **Assigned Material** -- Students are expected to read the assigned material and be prepared to discuss the listed topics in class. Part of the student's grade is based on responses to class questions, contributing to the learning environment, and communicating a knowledge of the material in class. Assignments are due on the date indicated (at class time). Late assignments will be accepted only with special permission and with up to a 20% reduction in grade (depending on circumstances).
2. **Reaction/Analysis Papers** -- The major portion of the student's grade will be based on the weekly reaction and analysis papers. There will be six assignments where students will respond to specific questions at the end of each unit. Note the details regarding the assignments below.

Reaction/Analysis Papers (Specific Directions)

There are six reaction papers due during the term based on the assigned reading. Each reaction paper has 6 to 8 questions. When writing the papers please follow the below guidelines:

1. **Reaction/Analysis Questions** – the questions are at the end of each study guide unit. They are based on the assigned reading which are also listed in the study guide and on the course calendar.
2. **Format** – please write out the first sentence of each question on your answer sheet. Double-space the paper. Each answer may vary from ½ a page to 2 pages depending on the depth of the question. Please try to keep within those guidelines -- as managers you need to be able to communicate efficiently, clearly and focus on the main points. Quotes from the readings are encouraged – when using direct quotes document with first author's last name and page. Example: (Morris, p. 24). If you have any questions follow APA style.
3. **Responses/Analysis** – Read the question thoroughly and answer all parts. Generally it asks you to describe the concept and analyze/relate to an organization or your role as a manager or compare to some other concept. If you have limited work experience give an example from the reading or class or related news articles.

It is assumed that when you write the answers they have a critical analysis perspective. Critical analysis would be defined as comparing to other material, relating to your role as a manager, relating to an organization, or critiquing/analyzing the concepts.

4. **Grading** – The grade is based on four factors: organization of the paper, writing style, critical analysis, and overall quality (25 points in each category).

5. **Returned Work** – Papers will be returned the next class period (unless for an unknown emergency). Please feel free to email or call me if you have any questions.

Please do not email your papers to me unless of an emergency or you are unable to be in class.

Reaction/Analysis Papers (continued)

6.. Tom Morris Book – The book by Tom Morris – *If Aristotle Ran General Motors*, is used extensively in our consulting work with corporations. Dialogue sessions are set up where executives meet on regular basis with assigned readings and discuss how these concepts relate to their organization and their own life. The questions concerning the assigned readings are embedded in your assignment but we will discuss the reading in class time as a dialogue session.

Pepperdine University Policy on Conduct

The course may require electronic submission of essays, papers, or other written projects through the plagiarism detection service Turnitin (<http://www.turnitin.com>). Turnitin is an online plagiarism detection service that conducts textual similarity reviews of submitted papers. When papers are submitted to Turnitin, the service will retain a copy of the submitted work in the Turnitin database for the sole purpose of detecting plagiarism in future submitted works. Students retain copyright on their original course work. The use of Turnitin is subject to the Terms of Use agreement posted on the Turnitin.com website. You may request, in writing, to not have your papers submitted through Turnitin. If you choose to opt-out of the Turnitin submission process, you will need to provide additional research documentation and attach additional materials (to be clarified by the instructor) to help the instructor assess the originality of your work.

The University expects from all of its students and employees the highest standard of moral and ethical behavior in harmony with its Christian philosophy and purposes. Engaging in or promoting conduct or lifestyles inconsistent with traditional Christian values is not acceptable.

The following regulations apply to any person graduate or undergraduate, who is enrolled as a Pepperdine University student. These rules are not to be interpreted as all-inclusive as to the right to take disciplinary action in appropriate circumstances not set out in this catalog. It is understood that each student will assume the responsibilities involved by adhering to the regulations of the University. Students are expected to respect order, morality, personal honor, and the rights and properties of others at all times. Examples of improper conduct for which students are subject to discipline are as follows:

- * Dishonesty in any form, including plagiarism, illegal copy of software, and knowingly furnishing false information to the University.
- * Forgery, alteration, or misuse of University documents, records, or identification.
- * Failure to comply with written or verbal directives of duly authorized University officials who are acting in the performance of assigned duties.
- * Interference with academic or administrative process of the University or approved activities.
- * Otherwise unprotected behavior that disrupts the classroom environment.
- * Theft or damage to property
- * Violation of civil or criminal codes of local, state, or federal governments.
- * Unauthorized use of entry into University facilities.
- * Violation of any stated policies or regulations governing student relationships to the University

Pepperdine University Policy on Conduct (continued)

Discipline action may involve, but is not limited to, one or a combination of the alternatives listed below:

Dismissal – separation of the student from the University on a permanent basis.

Suspension – separation of the student from the University for a specified length of time

Probation – status of the student indicating that the relationship with the University is tenuous and the student's records will be reviewed periodically to determine suitability to remain enrolled.

Specific limitations to and restrictions of the student's privileges may accompany probation.

Pepperdine University Policy on Disabilities**Assistance for Students with Disabilities**

The Disability Services Office (DSO) offers a variety of services and accommodations to students with disabilities based on appropriate documentation, nature of disability, and academic need. In order to initiate services, students should meet with the Director of the DSO at the beginning of the semester to discuss reasonable accommodation. If a student does not request accommodations or provide documentation, the faculty member is under no obligation to provide accommodations. You may contact the Director of Disability Services at 310.506.6500. For further information, visit the DSO Web site at: <http://www.pepperdine.edu/disabilityservices/>.

Course Schedule and Assignments

Date		Subject & Due Dates	Assignments
Jan 9	Wed	Discuss Course Outline/Introduction to Ethics	Read Preface & Chapter 1 (Ferrell)
Jan 16	Wed	The Stakeholder Model and Corporate Social Responsibility <u>Written Assignment 1 Due</u>	Read Ch. 2 & Case 16 Starbucks (Ferrell) Read Preface, Intro., and Ch. 1 (Morris)
Jan 23	Wed	Ethical Issues and Ethical Issue Awareness <u>Written Assignment 2 Due</u>	Read Ch. 3 & Case 4 Tyco (Ferrell) Read Ch. 2-3 (Morris) View <i>Chariots of Fire</i> Video
Jan 30	Wed	Institutionalization of Business Ethics Business Ethics in a Global Economy <u>Written Assignment 3 Due</u>	Read Ch. 4, 10, & Enron Case 3 (Ferrell) Read Ch. 4-6(Morris)
Feb 6	Wed	Ethical and Moral Philosophies <u>Written Assignment 4 Due</u>	Read Ch. 6 (Ferrell) Read Ch. 7-9 (Morris) View <i>Wall Street</i> Video Tolstoy Story
Feb 13	Wed	The Role of Strategy, Culture, and Leadership Developing Effective Ethics Programs <u>Written Assignment 5 Due</u>	Read Ch. 7 (Ferrell) Read Ch 8 (Ferrell) Read Ch 10-12 (Morris)
Feb 20	Wed	Creating an Ethical Corporate Culture <u>Written Assignment 6 Due</u>	Read Forward, Preface, Pages 1-52 (Goodpaster) Harvard Business Review Article by McCoy (Both handed out in class)

Suggested Resources for Ethics Course

Badaracco, J. (1994). *Defining moments*. Boston: Harvard Business Review Press.

Blank, R. B. & McGurn, W. (2004). *Is the market moral? A dialogue of religion, economics, and justice*. Washington, DC: Brookings Institution Press.

Block, P. (1993). *Stewardship: Choosing service over self-interest*. San Francisco: Berrett Koehler.

Chappell, T. (1993). *The soul of a business: Managing for profit and the common good*. New York: Bantam.

Chappell, T. (1999). *Managing upside down: The seven intentions of value-centered leadership*. New York: William Morrow. (HD 57.7.C43)

Collins, J. C. & Porras, J. I. (1994). *Built to last: Successful habits of visionary companies*. New York: Harper Collins.

Covey, S.R. (1990). *Principle centered leadership*. New York: Simon & Schuster.

Friedman, T. L. (1999). *The lexis and the olive tree*. New York: Anchor Books.

George, B. (2003). *Authentic leadership: Rediscovering the secrets of creating lasting value*. San Francisco: Jossey-Bass.

Gilmore, R. A. (2005). *Doing philosophy at the movies*. Albany, NY: State University of New York Press.

Goldsmith, M., Kaye, B., & Shelton, K. *Learning journeys: Top management experts share hard-earned lessons on becoming great mentors and leaders*. Palo Alto, CA: Davies-Black.

Golin, A. (2004). *Trust or consequences: Build trust today or lose your market tomorrow*. New York: Amacom.

Goodpaster, K. (2007). *Conscience and corporate culture*. Malden, MA: Blackwell.

Greenleaf, R. (1997). *Servant leadership: A journey into the nature of legitimate power and greatness*. Mahway, NJ: Paulist Press.

Gunther, M. (2004). *Faith and Fortune: The quiet revolution to reform American business*. New York: Crown Business.

Handy, C. (1998). *The hungry spirit: Beyond capitalism, a quest for purpose in the modern world*. New York: Broadway Books.

Suggested Resources for Ethics Course (continued)

Henderson, M. & Thompson, D. (2003). *Values at work: The invisible threads between people, performance and profit*. Auckland, New Zealand: Harper Collins.

Hesse, H. (1992). *The journey to the east*. New York: The Noonday Press.

Johnson, C.E. (2001). *Meeting the ethical challenge of leadership: Casting light or shadow*. Thousand Oaks, CA: Sage.

Johnson, L. & Phillips, B. (2003). *Absolute honesty: Building a corporate culture that values straight talk and rewards integrity*. New York: Amacom.

Kuczarski, S.S. & Kuczarski, T.D. (1995). *Value-based leadership*. Englewood Cliffs, NJ: Prentice Hall.

Lennick, D. & Kiel, F. (2005). *Moral intelligence: Enhancing business performance & successful leadership success*. Upper Saddle River, NJ: Pearson Education.

Maxwell, J.C. (2003). *There's no such thing as business ethics*. New York: Warner Books.

Miller, D. (2007). *God at work: The history and promise of the faith at work movement*. New York: Oxford University Press.

Morris, T. (1998). *If Aristotle ran General Motors: The new soul of business*. Gordonsville, VA: Holt.

Novak, M. (1996). *Business as a calling: Work and the examined life*. Free Press

O'Toole, J. (1995). *Leading change: The argument for value-based leadership*. New York: Ballantine Books.

Palmer, P. (1990). *Leading from within: Reflections on spirituality and leadership*. Indianapolis: Indiana Office for Campus Ministries.

Patterson, K., Grenny, J., McMillan, R. & Switler, A. (2002). *Crucial conversations: Tools for talking when stakes are high*. New York: McGraw-Hill.

Paine, L. S. (2003). *Value shift: Why companies must merge social and financial imperatives to achieve superior performance*. New York: McGraw-Hill.

Spears, L.C. & Lawrence, M. (2004). *Practicing servant leadership: Succeeding through trust, Bravery, and forgiveness*. San Francisco: Jossey-Bass.

Whyte, D. (2002). *The heart aroused: Poetry and the preservation of soul in corporate America*. New York: Currency Doubleday.