

Religion/Management 228: Business, Ethics and Society.

Section, Department, Time: Rel/Mgt 228-401 9:40-10:40 A.M.
or Rel/Mgt 228-402 10:50-11:50 A.M.
Location: Loop Campus

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Introduction. This class studies the ethical implications of the economic system governing our society, that is, the free market functioning almost exclusively through the efforts of corporations (business.)

A. This is a liberal studies course in applied ethics. It combines the exercise of liberal studies skills with content from the world of business and the economic development of society. It applies ethical principles to the behavior of society's economic institutions and to the people who manage and work in them. The course assumes that American economic institutions are bound by the same ethical standards which govern the larger society. It is this perspective which guides the development of the course.

The College of Commerce provides the manager with economic, financial, marketing, and accounting criteria in other courses. This course addresses the ethical dimensions of the economic system, both macro and micro. It also assumes that the student has no previous training in the systematic study and application of ethical theory.

The course has three principal objectives:

- *to understand the language and concepts of ethics and the principal ethical theories used to critique the world of business;
- *to be able to analyse and to produce ethical arguments in relation to specific cases in business;
- *to discuss and critique the stand of one religious group, the American Catholic Bishops, on the ethics of the American economic system.

Accordingly the course will cover the following topics:

- (1) the basic vocabulary and concepts used in ethics and business;
- (2) a variety of ethical theories;
- (3) the moral reasoning process;
- (4) the application of moral reasoning to business issues and to management/labor issues;
- (5) the position of the Roman Catholic bishops on the ethics of the American economic system, both domestic and international.

B. As in all Liberal Studies courses there is a strong emphasis on higher level learning skills. (See the Bloom handout in the Materials Packet.) Business ethics utilizes the problem-solving skills of critical thinking. The religion component of the course illustrates how the arguments of religious based thinking can contribute to the conversation about ethics in business. This component provides an example of how the ethical theory of one religious body critiques mainstream economic theory and practice in the United States.

Ethics itself is an academic discipline. As such, it is a systematic way of thinking about and resolving moral issues. There are different systematic ways of approaching such resolution, four of which follow: The first is what is sometimes referred to as dilemma or quandry ethics. This approach tends to use the moral reasoning process to resolve moral issues. The second may be called a critique of structures. This approach focusses on an analysis of the

structures of society to resolve moral issues. The third is usually described as character or virtue ethics. This approach promotes inculcation of virtues, i.e., character-building habits of action. A fourth approach is called the ethics of care. This approach emphasizes care for the concrete well-being of persons. In this course on management ethics, we utilize dilemma ethics (with emphasis on the logic of the moral reasoning process) and examine the "ethics of care" in business situations. The specific business issues covered in the class can be found in the attached calendar.

C. Required readings:

- (1) Velasquez, Manuel. *Business Ethics: Concepts and Cases* 4th ed. Upper Saddle River, N.J.: Prentice Hall, 1997.
- (2) *Economic Justice For All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy*. Washington, D.C.: National Conference of Catholic Bishops. Tenth Anniversary Edition, 1997.
- (3) Materials Packet to be found on the electronic reserve.
- (4) Hard copy Reserve Shelf: the following articles:
 - Utilitarianism by John Stuart Mill;
 - Categorical Imperative by Immanuel Kant;
 - Justice as Fairness by John Rawls;
 - Libertarianism by Robert Nozick;
 - "Can a Corporation Have A Conscience?" by K. Goodpaster and J. Matthews;
 - "The Social Responsibility of Business Is To Increase its Profits" by Milton Friedman.
- (5) Electronic Reserve Shelf:
 - All the articles mentioned above on the "Hard Copy Reserve Shelf"
 - Materials Packet;
 - Select Readings on unions
 - Other Readings placed during the quarter.

C. Suggested Reading:

Larrabee, Mary Jeanne. *An Ethic of Care: Feminist and Interdisciplinary Perspectives*. New York and London: Routledge, 1993. Select readings: See especially her introduction for an overview of the discussion "Gender and Moral Development: A Challenge for Feminist Theory." pp. 3-16. 1993. Read the following articles in the Larabee book: Narayan, Uma. "Colonialism and Its Others: Considerations on Rights and Care Discourses." pp. 133-140; Tronto, Joan C. "Care As A Basis for Radical Political Judgments", pp. 141-149.

D. Grading: I follow the description of grading which appears in the *Bulletin* 1999-2001. Numerically, the grades are A=93; A-=89-92; B+=86-88; B=83-85; B-=79-82; C+=76-78; C=73-75; C-=69-72; D+=64-68; D=60-63; F= below 60. For special rules in relation to plagiarism, see the *Bulletin* 1999-2001.

E. Evaluation:

- (1) A Quiz on chapter 1 in the early weeks of the course=10%.
 - (2) Midterm (in class)=40%.
 - (3) Class participation as individual and as member of a group=10%.
 - (4) A Quiz on chapter 3 and the Bishops document toward the end of the quarter=10% of the final grade.
 - (4) Final exam (take home)=30% of the final grade.
- There will be no make-up tests or exams unless the student has an excused absence. Final exams one day late will take a deduction of 10 points. Papers that are tardy two days or more will not be accepted. There are no "Incompletes" without a letter from the Dean's office granting such permission.

As the business enterprise operates more and more on the basis of teamwork, so too will this class. Teamwork takes place especially in small groups that work with cases and readings. Small groups will give formal presentations during

class. One of the duties which small groups imposes is responsible and intelligent participation in group discussion.

F. The University's class attendance and tardiness policy is found in the Bulletin 1999-2001. Absence from class (whether excused or unexcused) makes one a non-contributor to class discussions and undermines group preparation. Because of the participatory nature of the class, two unexcused absences will lower the final grade one letter. Three unexcused absences will draw the grade of FX. (An absence is considered "excused" when I am informed before class, not subsequent to it.) Absences during the first week of class are included in the tabulation of absences. Group reporters should advise the group of their absence. Failure to do so may lower the participation grade and will certainly lower the grade for debate contribution.

G I am available Monday-Wednesday-Friday 9:00-9:30 A.M. and 12:00-12:30 P.M. I will distribute a sign-up sheet for appointments during these hours, either to get acquainted or to discuss class work. Some days the afternoon hours may be extended. I will note the extension on the sign-up sheet

CALENDAR

The calendar is an attempt to give you a close, if not sometimes a precise, approximation of the material we will cover in class each day. Sometimes discussion may spill over into another class leaving us behind schedule. To honor the calendar I will make adjustments during the quarter. For example, guest speakers will require some changes in the calendar during the quarter. The first few weeks of classes are the toughest because of all the new concepts and theories which they introduce. The other chapters tend to apply the concepts learned in chapter 1 and the theories in chapter 2.

The readings listed are to be done for the date under which they appear in the calendar.

Chapter I: Ethics and Business

Week I:

September 8: Explanation of syllabus. Read Velasquez, pp. 2-11. Definition of ethics; 5 features of a moral standard; difference between descriptive and normative ethics.

September 10: Read Velasquez, pp. 11-24. Difference between ethics and morality. Four approaches used to guide business behavior: for profit, loyal agent, whatever is not illegal, business ethics. Four sources of decision making in business: authority ("I said so"), feeling ("I feel this is how you should act"); intuition ("I just have this intuition as to how we should behave"); business ethics ("This is the reason I think we should act such a way".) Morality and the Kate Simpson Case.

Week II

September 13: Continue Velasquez from September 10. Ethical Relativism. Society and its common ends. Special problems of multinationals for business ethics.

September 15 and 17: Read Goodpaster and Friedman (both articles are on the electronic and hard copy reserves) who take opposing views on the following question: Do moral standards govern the behavior not only of individual persons but also corporations? Prepare a brief written synthesis of the key arguments found in each article to be read in class. (this is part of the participation grade.) Students will be called on at random. Also, read Velasquez, pp. 24-35.

Week III:

September 20: Kohlberg's theory of moral development and the Gilligan critique. (See articles from the Larrabee book mentioned above under Suggested Readings.)

September 22: The meaning of moral reasoning, a schema for using it, and criteria to analyse its adequacy.

September 24: Read Velasquez, pp.35-52. Objections to bringing ethics into business; the case for ethics and business; determining moral responsibility; corporate responsibility and the subordinate's responsibility (Van Diver Case). (See Materials Packet, p. 6) (Read Case: Merck and Company in Velasquez.)

Chapter II: Ethical Principles in Business

Week IV:

September 27: Read Velasquez, pp. 72-85 as well as the reading on Utilitarianism by John Stuart Mill to be found on the electronic and hard copy reserve shelf. Jeremy Bentham: Traditional Utilitarianism.

September 29: Read Velasquez, pp. 85-100 and reading on Categorical Imperative by I. Kant found on the electronic and hard copy Reserve shelf. Rights Theory: Immanuel Kant: Categorical Imperative.
Last 20 minutes of class, Quiz on chapter 1.

October 1: Continue Kant, if necessary. Read Velasquez, pp. 104-112. Distributive Justice.

Read Velasquez, pp. 112-118: John Rawls: Justice And Fairness and reading on Justice as Fairness on the electronic and hard copy Reserve Shelf; Nozick: Libertarianism and reading on Libertarianism by Robert Nozick on the electronic and hard copy Reserve shelf. (Optional: the "Ethics of Care" in Velasquez, pp.120-126.)

Week V:

October 4: Continue Rawls and Nozick, if necessary.
(Quizzes returned.)

October 6: Read Velasquez, (pp. 139-143) Moral Principles in International Contexts. Resolve case: Pepsi's Burma Connection, pp. 159-163) This will be a practicum on the use of the moral reasoning process and the moral standards derived from the five moral theories.

Chapter III: The Business System

October 8: Continue October 6 ,if necessary. Begin the study of ideology and how it functions in the business system.(Velasquez, pp. 166-170)

Week VI:

October 11: Read Velasquez on market versus command system,(pp. 170-171); Locke, Smith, Keynes, Social Darwinism,(pp.171-184.)

October 13: Midterm Exam on chapter 2.

October 15: Marxist Criticism, (Velasquez, pp.185-192) the mixed economy, (pp. 192-195)

Week VII:

October 18: Discuss October 15 material, if necessary.
Practice in using the moral reasoning process: Case in groups: the Health Business, Velasquez, pp. 200-203. Assignment of questions from Economic Justice For All will be made.

"Religion and Economic Justice"

October 20: Read background material about economic justice on pages 11, 12, and 14 of the Materials Packet. The themes and principles which the bishops use in their critique: Lecture and written exercise in class on paragraphs 12-22 on pages 15-18 Economic Justice For All (Tenth Anniversary Edition, 1997).

October 22: "The Salvadoran Agenda": a video on El Salvador's economic condition and the contribution of DePaul

Week VIII:

October 25, 27 Analyse Christy deMeurer case in Velasquez, pp. 200-203. In groups, resolve the case using the moral theories

October 29:

*Group reporters hand in typed six step procedure for the application of their theory to the deMeurer case. Group reporters lead an on-screen review of their responses.

*Lecture on principal themes of the Bishops letter, pp. 15-18 Economic Justice For All. Also, a written exercise on the themes.

*Assign groups questions from page 15 of the Materials Packet for Monday November 1. Topics: Select Economic Questions (par. 127-135) and Poverty (pars. 170-214.)

For Wednesday November 3, read page 14 of Materials packet on "Models for Development" groups will prepare assigned questions from page 15 of Materials Packet on "The U.S. Economy and Developing Nations" par. 251-293.

Week IX:

November 1: Groups present responses to questions assigned October 29.

November 3: Lecture and discussion of page 14 of Materials Packet on "Models for Development. Groups respond to questions assigned October 29 from page 15 of Materials Packet and discussion of U.S. Economy and developing nations? (par. 251-293.) The video viewed October 22 on El Salvador can serve as an illustration.

November 5: Read paragraphs 170-214 in Bishops document on poverty in the U.S. . Guest Speaker, Steve Edwards, on poverty in America. Topic: From Welfare to Workfare: How Well Does The System Work?

Week X:

Cooperation Between Management and Labor:
Chapter VII: The Ethics of Job Discrimination

November 8: Lecture:

*Read and be able to discuss Velasquez, pp. 368-387 on the nature and extent of job discrimination.

*Read and be able to discuss Velasquez pp.397-406 on Affirmative Action as compensation and as an instrument for achieving social goals. (For an update on government statistics, check <http://www.census.gov> at the Census Bureau).

*Read and be able to discuss Velasquez, pp.406-408 on Affirmative Action based on diversity, pp. 406-408. Other readings can be found in the Materials Packet, pp. 18-19.

*Begin reading and analysis of Brian Weber case, Velasquez, pp. 423-424.

November 10: Continue November 8. (*Quiz II on material in chapter 3 and questions covered in the bishops document as well as Amstutz models for development. Last 20 minutes of the class.*)

November 12 Groups: Resolve Brian Weber case (Velasquez 423-424) using the moral reasoning process and the theories covered in class.

November 15: Continuation of November 12.

1. Final exam for 9:40-10:40 section: Thursday, November 18: 8:45-11:00 A.M. (Deliver the copy to Andrea in Lewis Center 1520 by 11:00 A.M. Ask her to check your name on the list.)

2. Final exam for 10:50-11:50 section: Wednesday November 24: 8:45-11:00 A.M.

(Deliver the copy to me in Lewis Center 1510 by 11:00 A.M. Be sure I check your name on the list.)