

## **Business Ethics and Social Responsibility**

BETH 5120  
Fall Quarter, 2018

Jeffery Smith  
Professor and Frank Shrontz Chair of Professional Ethics  
(206) 296-5714  
[smitjeff@seattleu.edu](mailto:smitjeff@seattleu.edu)

### 1. COURSE DESCRIPTION

Graduate business education at Seattle University is designed to provide students with advanced skills to manage—and lead—business organizations in support of the common good. Essential to this is an awareness of how decisions can be made in an ethically responsible fashion. To that end, this course invites students to engage in a critical examination of the broader social purpose of business and the ethical responsibilities that businesses owe to a variety of stakeholders, including employees, suppliers, customers, local communities, and equity investors. We will explore topical issues such as: corporate social responsibility; the ethical requirements of the market; professional roles and obligations in the areas of finance and accounting; confidentiality, fairness, and honesty in business; conflicts of interest; and the ethical problems facing global business. This course provides the time, analytic tools and examples to help students refine their ability to analyze and effectively respond to ethical challenges in business.

### 2. LEARNING OBJECTIVES

Upon completion of the course, students should be able to:

- critically discuss relevant texts in the fields of business ethics and corporate social responsibility
- identify and critically examine the ethical and legal dimensions of business activity
- apply ethical concepts and principles to recommend courses of action in the conduct of business
- evaluate business conduct in international contexts of operation
- improve skills in oral communication and the analysis of arguments

### 3. MAJOR TOPICS

- Corporate Responsibility and the Social Purpose of Business
- Ethical Principles and Decision Making
- Ethics and the Market
- Ethics and Professional Standards
- Ethical Business Cultures and Leadership
- Legal and Regulatory Environment of Business
- Ethics in Finance
- Ethics in Accounting
- Ethical Dimensions of International Business

### 4. REQUIRED TEXTS

[Boatright, J.R. \(2014\). \*Ethics in Finance\* 3<sup>rd</sup> Edition. Wiley Blackwell. ISBN: 978-1118615829](#)

Electronic coursepack of case studies and articles available through Harvard Business School Publishing:  
<https://hbsp.harvard.edu/import/573686>

Individual articles available through Lemieux Library, the world-wide-web or posted on Canvas

At times you will find it useful to consult electronic resources available through the world-wide-web and the University's electronic databases, such as ProQuest, Business Source Elite or Lexis-Nexis. Students are expected to be familiar with the use of the library's databases and utilize them when assignments call for additional reading or research.

## 5. ASSIGNMENTS

The course will be comprised lectures, large and small group discussions, and written analyses of the course material. It is expected that all students will come class having read the assigned material and are prepared to ask questions as well as address issues raised by the students and the instructor.

### Preparation and Participation (All Sessions)

The completion of reading assignments and participation in classroom discussion is critical to the learning process. To receive full participation credit, a student must attend each class session and be “present and prepared” **in two sessions** to critically discuss the assigned reading material and respond to issues that arise in class. To be “present and prepared” a student must be (a) physically present to address a question posed by the instructor, if called upon, and (b) provide an answer or comment in response that demonstrates a complete, thoughtful and engaged reading of the assigned material for that session. Students will be assigned specific sessions for which they need to be “present and prepared.” From time to time, students’ preparation and participation will also be measured in other ways: small group discussion projects during class, online discussions, volunteering during class, and attendance.

### Short Analytical Essays (Due Sessions 2, 4, 6 and 8)

4 times during the quarter students are expected to compose a written response to a specific question posed by the instructor. These submissions should demonstrate a careful, applied understanding of the assigned readings and will be approximately 3 pages in length. It is expected that the responses are **clearly written and organized, concise, grammatically correct, analytically sound, and demonstrate a thorough, applied understanding of the reading assignments**. Each reflection assignment will be graded using a 10-point scale, with 10 denoting outstanding work, 9 denoting very good work, 8 denoting good work, 7 denoting satisfactory work, 6 denoting minimally acceptable work, and 1-5 denoting varying degrees of unsatisfactory work. Half-point scores, e.g., 8.5 points, may be given to fine-tune scores when appropriate.

It is expected that students use the APA Style Guide **for in-text citations and bibliographic references** for their essays, **including for assigned texts**. This means that part of your grade for presentation and style will be determined by the accurate use of the APA Style Guide for citations and references. For an overview of the APA Style Guide with respect to citation and reference, see this [helpful resource produced by the Seattle University Lemieux Library](#). You do not need to provide a title page, running head or abstract for these essays. Simply submit your essay without a title page and your name in the upper right corner.

### Final Exam (Due Finals Week)

Each each student will be asked to complete a comprehensive final exam consisting of concept identification, short answer and comparative analytical questions. The exam will be made available during the final session and students will then have a number of days to complete the exam and submit it online, via Canvas. The questions on the exam will be written to test students’ **applied comprehension of the assigned readings** during the term as well as their ability to **critically analyze the problems discussed in the readings and in during class**.

## 6. GRADE WEIGHTINGS

ASSIGNMENT	WEIGHT	SESSION DUE
Short Analytic Essays	65% (16.25% each)	2, 4, 6 or 7, and 8
Final Exam	25%	Final Exam Week
Preparation and Participation	10%	Weekly

## 7. GRADING STANDARDS

Your final grade will be computed based on the total points you receive as a percentage of the total points possible, reflecting the relative weight of each assignment.

The chart below shows the equivalencies for a given letter grade, its numeric value, and its percentage range. Unless there is compelling reason to do so, I will not deviate from these equivalencies.

J. D. Smith, 09/17/2018

4.0	=	A	=	94-100
3.7	=	A-	=	90-93
3.3	=	B+	=	87-89
3.0	=	B	=	83-86
2.7	=	B-	=	80-82
2.3	=	C+	=	77-79
2.0	=	C	=	73-76
1.7	=	C-	=	70-72
1.3	=	D+	=	67-69
1.0	=	D	=	63-66
0.7	=	D-	=	60-62
0.0	=	F	=	0-59

#### A (Outstanding)

The student displayed exceptional grasp of the material, frequently with evidence of intellectual insight and originality. The student participated fully in classroom activities and offered accurate, detailed, clear, nuanced insights in their submitted work with no—or very few—errors and omissions.

#### B (Good)

The student demonstrated a thorough grasp of the material with some errors and omissions. Assignments were thoroughly and completely done, with careful attention to detail and clarity and with evidence of intellectual insight. The student participated fully in classroom activities and offered insights that were accurate, somewhat detailed, clear and indicative of an above average level of work.

#### C (Satisfactory)

The quality of the student's work was acceptable, meeting minimal course standards, but not exceptional. Performance on examinations and other assignments was satisfactory and demonstrated that the student was keeping up with the material and attending to some, but not all, details. The student participated in classroom activities often but not fully.

#### D (Poor)

The quality of the student's work was not always satisfactory, but overall was passing. Assigned work was not always done or when done was inadequate. Performance on examinations and other work was generally weak with regard to understanding of the subject matter. Many details were overlooked and the student often did not participate in classroom activities.

#### F (Failing)

The quality and/or quantity of the student's work was incomplete and not at an appropriate level. A failing grade may indicate a failure to complete course requirements as outlined in the syllabus, inability to comprehend course material or an inability to take steps to rectify that lack of comprehension and consistently unsatisfactory performance on examinations or other assignments.

### 8. ACADEMIC POLICIES

*Seattle University's Policies on Academic Integrity, Grading Grievance and Professional Conduct will be strictly adhered to and applied. The policy, as well as procedures for addressing violations of the policy, are provided through [Redhawk Axis](#). It is expected that all students read and understand the policy and its provisions.*

The highest standards of academic conduct are required. This is particularly true for the citation of course and research material in *all* written assignments. If you did not actually collect the data or independently arrive at the idea presented, then a proper citation must be used. Citations (in the form of parenthetical notes, endnotes or footnotes) must be used for quoted or paraphrased text and any time you borrow an idea from an author, the instructor, or your peers. Using someone else's sentence or organizational structure, pattern of argument and word choice, even if not exactly similar in every respect, warrants citation. It is students' responsibility to make sure that their citations and quotation marks unambiguously highlight the ideas, words, sentences, and arguments that they borrow from other sources. Paraphrasing is not simply changing one or two words in a sentence; it completely reconstructs someone else's idea in your own words. For guidelines on appropriate citation, quotation, paraphrasing,

and plagiarism, see materials provided by [Purdue University's Online Writing Lab](#) or [Indiana University's Writing Tutorial Services](#). Students should also consult [Seattle University's Writing Center](#) for advice on the writing process and plagiarism. The Discussion with the instructor and your peers is encouraged before the composition of written work; however, all written work and take home exams, unless specified by the instructor, is to reflect independent composition and revision. Students working on group or collaborative assignments are expected to contribute equally to all tasks necessary for completion of the assignment.

Students are expected to follow all written and verbal instructions provided by the instructor with regard to written assignments and exams. In addition to plagiarism, other impermissible academic behavior includes, but is not limited to, collaboration without instructor consent, falsifying research data, illicit possession of exams, using prohibited study aids during exams, unauthorized communication about an assignment or exam, handing in others' work as your own, reusing assignments or papers from other courses, and impeding equal access to educational resources by other students.

Time constraints, language barriers, the demands of work and family, failing to read the University's policy, unintentional misuse of sources, or a lack of preparation do not excuse academic dishonesty or otherwise mitigate the appropriate penalty. If a student is uncertain about appropriate methods of citation or has a question about the academic integrity policy, it is his or her responsibility to seek guidance from the instructor, a University official, or another reputable source.

## 9. OTHER POLICIES

### Electronic Devices in Class

Please put away and do not use mobile phones, tablets, laptop computers or other similar devices during class. Please do not text, email, or instant message during class. Exceptions to this policy will be announced by the instructor when appropriate.

### Class Participation

Class participation and attendance are extremely important, and students must come fully prepared. Each class session covers a large amount of material. Students are responsible for all information given during the class instruction. If students miss more than one session of instruction, a make-up assignment may be required and incorporated in the student's participation grade, at the instructor's discretion. If the student must be absent, he/she should inform the instructor. More than one unexcused absence can adversely affect a student's final grade through reduced credit for participation.

### Grade of "Incomplete"

An "incomplete" is not given for poor or neglected work. A grade of "incomplete" is to be granted only for very special reasons. The granting of an incomplete grade should occur only after a discussion between faculty and student, initiated by the student. The decision of whether or not to grant an incomplete is dependent on an emergency situation that prevents the student from completing (on time) the work necessary for the course.

### Late Assignments

Late assignments will not be accepted unless prior arrangements have been made with the instructor in unusual circumstances. Please contact the instructor as soon as possible when unforeseen or unique circumstances arise that may delay submission of an assignment.

### Notice on Learning Disabilities

Students who have unique learning needs or require special accommodation for any disability, including a learning disability, chronic health problem or mental health condition, should notify the instructor as soon as possible, preferably the first session of class or before. They should also be in contact with the [University's office for Disability Services](#) located in Loyola 100 so that proper steps can be taken to facilitate learning. That office can also be reached at (206) 296-5740.

## Office of Institutional Equity

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle University offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct. Seattle University requires all faculty and staff to notify the University's Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student. For more information, please visit [the Office of Institutional Equity](#). If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity ([oi@seattleu.edu](mailto:oi@seattleu.edu) or 206.296.2824)

### 10. COURSE SCHEDULE

Please have the listed readings completed prior to class.

#### **Session 1—Introduction**

#### **Session 2—The Social Purpose of Business, Part 1**

[Starbucks, “Global Social Impact: 2017 Performance Report”](#) (Canvas)  
 Friedman, “The Social Responsibility of Business Is To Increase Profits” (Canvas)  
 Supplemental: [Karnani, “The Case Against Corporate Social Responsibility”](#) (Canvas)

SHORT REFLECTION ESSAY 1 DUE

#### **Session 3—The Social Purpose of Business, Part 2**

[Hussain, “An Alternative to the Fiduciary Theory of the Corporation”](#) (Canvas)  
 Hsieh, “Responsibilities to Society” (coursepack)  
 Case: Taking a Bite Out of Apple—Labor Rights and the Role of Companies in a Global Supply Chain (coursepack)

#### **Session 4— Ethical Standards in Business, Part 1**

Boatright, *Ethics in Finance*, Chapter 2, pp. 26-45  
[Collins, “Bernie Madoff’s Ponzi Scheme”](#) (Canvas)

SHORT REFLECTION ESSAY 2 DUE

#### **Session 5— Ethical Standards in Business, Part 2**

Case: The Wells Fargo Banking Scandal (coursepack)  
[Gino, “Banking Culture Encourages Dishonesty”](#) (Canvas)  
[Prentice, “Ethical Decision Making: More Needed Than Good Intentions”](#) (Canvas)

#### **Session 6—Fairness in Financial Markets**

Boatright, *Ethics in Finance*, Chapter 5, pp. 171-189  
 Boatright, “Galleon and the Mosaic Theory” (Canvas)  
[Council on Foreign Relations, “Understanding the LIBOR Scandal”](#) (Canvas)

SHORT REFLECTION ESSAY 3 (Option 1) DUE

**Session 7—Information and Disclosure in Financial Engineering**

Rotemberg, “Subprime Meltdown: American Housing and Global Financial Turmoil” (coursepack)

[Case: The Investment Bank Job](#) (Canvas)

Zuckerman, Craig and Ng, “Goldman Sachs Charged with Fraud” (Canvas)

SHORT REFLECTION ESSAY 3 (Option 2) DUE

**Session 8—Conflicts of Interest and Corruption**

Boatright, *Ethics in Finance*, Chapter 2, pp. 45-59

Boatright, *Ethics in Finance*, Chapter 3, pp. 63-77

[Morgenson, “The Finger-Pointing at the Finance Firm TIAA”](#) (Canvas)

Paine and Bruner, “Bribery in Business: A Legal Perspective” (coursepack)

SHORT REFLECTION ESSAY 4 DUE

**Session 9—Financial Reporting and Accounting**

Case: Cynthia Cooper and WorldCom (A) (coursepack)

Boatright, “Merrill Lynch and the Nigerian Barge Deal” (Canvas)

**Session 10—Data Analysis and the Use of Algorithms**

Fisman and Luca, “Fixing Discrimination in Online Marketplaces” (coursepack)

Boatright and Smith, “Capital One’s Online Profiles” (Canvas)

Boatright, *Ethics in Finance*, Chapter 5, “High Frequency Trading,” pp. 211-217

Supplemental: Davis, [“The Ethics of High-Frequency Stock Trading”](#) (Canvas)

**Take Home Final Exam Due Wednesday, December 12 at 6:00pm**