

## Topics in the Philosophy of Business and Economics

Fall 2006

Phil 445

### Contact information

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Office hours: Tuesday and Thursday, 10:20 p.m. – 11:20 a.m., and by appointment.

Course webpage: on Blackboard, you will find the syllabus, notes, study questions, and paper topics. I may have reason to email you during the semester. Because I have access only to your BGSU email address, you must either occasionally check that address, or set it up so that it forwards messages to the account you normally use. You are responsible for making sure you receive any information I send via email.

### Meeting times and places

Tuesday and Thursday, 11:30 a.m. – 12:45 p.m., 309 University Hall.

### Required texts

1. *Management Ethics* (ME), Norman Bowie with Patricia Werhane (Blackwell, 2005).
2. *A Preface to Economic Democracy* (ED), Robert A. Dahl (Univ. of CA, 1985).

Texts are available at the BGSU bookstore. In addition, there will be many readings on e-reserve and/or Blackboard. Readings followed by a 'B' are on Blackboard; those followed by an 'E' are on e-reserve.

### Objective

In this course we will examine selected issues in management ethics. We will ask general questions such as: in whose interests should the firm be managed? And the related question: who should have ultimate control over the firm? In addition, we will consider some specific ethical questions that arise *about* managers, such as: how much should they (especially CEOs) be paid? And we will how examine managers should treat (i) their customers, (ii) their employees "at home," and (iii) their employees overseas. In parts of this course, we will take for granted the hierarchical structure of most firms, and ask what those at the top should and shouldn't do in certain situations. In other parts, we will critically examine this hierarchy.

### Course learning outcomes

At the end of this course, you will be able to (i) understand some of the main ideas in management ethics, (ii) recognize the moral aspects of the management of firms, (iii) identify, analyze, and think critically about the reasons – explicit or implicit – people (including you) have for their views about these issues, and (iv) construct both written and oral arguments in defense of these views.

### Assignments and grading

1. Attendance: 5%.
2. Presentation of final paper: 5%.
3. First paper: 4 – 6 pages: 20%.
4. Final paper: 6 – 8 pages: 30%.
5. In-class exam: 20%.
6. Final exam: 20%.

A couple of notes:

You will get the whole 5% of the attendance grade simply by showing up and being respectful in class. Starting with your third unexcused absence (you get 2 for free), your final grade will be docked 1% (e.g., from 100% to 99%), up to a maximum of 5%. See below for the definition of “unexcused absence.”

The presentation will be a presentation of your final paper idea, to be given during the last week of classes.

Overall the grading scheme for the course is: 90 and above = A; 80 – 89 = B; 70 – 79 = C; 60 – 69 = D; 59 and below = F.

### Extra credit

Class is more fun when we have vigorous discussions of the readings. There is no penalty if you do not participate. However, excellent participators will be given up to 2% extra credit toward their final grades. (This matters more often than you might think.) So, for example, if your other assignments average an 88%, but you spoke up regularly and intelligently, you will get an ‘A’ for the course.

### Academic integrity policy

If you cheat on a test or plagiarize all or even part of a paper, I will give you an ‘F’ for the course. I am very serious and completely inflexible about this. If you do not know what cheating or plagiarism is, it is your responsibility to inform yourself. BGSU’s official policy can be found here:

[http://www.bgsu.edu/catalog/Acad\\_policies/Acad\\_policies2.html](http://www.bgsu.edu/catalog/Acad_policies/Acad_policies2.html)

### Late policy/missed exam policy

I recognize all and only the standard excuses for missing an exam and/or turning in a paper late, e.g., illness, jury duty, or a family emergency. Documentation for your excuse (e.g., a doctor’s note) will be required. If you are unsure about whether your absence qualifies as excused, ask me.

If you know you will be absent on the day of an exam, arrange to take it before that day. If you do not, and your absence is excused, you will be allowed to take a make-up exam; if your absence is unexcused, you will not be given a make-up.

For each day your paper is late, it will be marked off 4%. Note, days that class doesn't meet and weekend days are still days. So, if a paper is due on a Thursday, and you turn it in the following Tuesday, it will be marked off 20%.

Papers are due at the beginning of class. If you turn it in after class is over, it will be marked off 4% (but not another 4% until the following day).

### Withdrawal policy

The university's withdrawal policy will be followed strictly. It can be found here: [http://www.bgsu.edu/catalog/Acad\\_policies/Acad\\_policies15.html#withdraw](http://www.bgsu.edu/catalog/Acad_policies/Acad_policies15.html#withdraw)

### Readings

Below is a *tentative* list of readings. These are subject to change, depending on time and class interest. You are expected to have completed the relevant readings *before* class meets.

### Introduction and CEO pay

#### Week 1

8/22: No reading.

8/24: ME, ch. 1.

#### Week 2

8/29: Nichols & Subramanian, "Executive Compensation: Excessive or Equitable?" (B)

8/31: Wilhelm, "Application of Distributive Justice Theory to the CEO Pay Problem: Recommendations for Reform." (B)

### The theory of the firm and corporate social responsibility

#### Week 3

9/5: Friedman, "The Social Responsibility of Business Is to Increase Its Profits," (E) and ME, ch. 2.

9/7: Evan and Freeman: "A Stakeholder Theory of the Modern Corporation: Kantian Capitalism." (E)

Optional: The Clarkson principles, <http://www.mgmt.utoronto.ca/~stake/Principles.htm>

#### Week 4

9/12: Goodpaster, "Business Ethics and Stakeholder Analysis." (B)

9/14: Boatright, "Fiduciary Duties and the Shareholder-Management Relation: Or, What's So Special About Shareholders?" (B)

#### Week 5

9/19: ME, ch. 6.

9/21: Orts & Strudler, "Ethical and Environmental Limits of Stakeholder Theory." (B)

### Ethical treatment of employees: meaningful work

#### Week 6

9/26: ME, ch. 3.

9/28: Schwartz, "Meaningful Work." (B) **First paper due.**

#### Week 7

10/3: Maitland, "Rights in the Workplace: A Nozickian Argument." (B)

10/5: **In-class exam.**

### Ethical Treatment of employees: economic democracy

#### Week 8

10/10: No class. Fall break.

10/12: ED, ch. 2.

#### Week 9

10/17: ED, ch. 3.

10/19: ED, ch. 4.

#### Week 10

10/24: Narveson, "Democracy and Economic Rights." (E)

10/26: Boatright, "Employee Governance and the Ownership of the Firm." (B)

### Ethical Treatment of Customers

#### Week 11

10/31: ME, ch. 4.

11/2: Brenkert, "Marketing to Inner-City Blacks." (B)

### Supply Chain Management

#### Week 12:

11/7: ME, ch. 5.

11/9: Arnold and Bowie, "Sweatshops and Respect for Persons." (B)

#### Week 13:

11/14: Maitland, "The Great Non-Debate Over International Sweatshops." (B)

11/16: Satz, "Child Labor: A Normative Perspective." (B)

#### Week 14:

11/21: French and Wokutch, "Child Workers, Globalization, and International Business Ethics: A Case Study in Brazil's Export-Oriented Shoe Industry." (B)

11/23: No class. Thanksgiving.

Moral Imagination and Leadership

Week 15

11/28: ME, ch. 7.

11/30: ME, ch. 8.

Week 16

12/5: **Student presentations.**

12/7: **Student presentations.**

**Final exam:** Wednesday, 12/13, 10:45 a.m. – 12:45 p.m.

**Final paper due:** Friday, 12/15, 1:00 p.m.