COURSE PURPOSE:

In this course, we will focus on the ethical, social, political, and legal environment of business, with the goal of producing managers who are “ethically aware”. Many of the “reasons” for this course are in fact the names of companies: Enron, WorldCom, Tyco, American International Group, among many others. All of these companies illustrate what happens when top-level managers fail to consider the ethical, social, political, and legal considerations in the business world. Business leaders, organizations, and corporate stakeholders are increasingly recognizing that rules and ethical expectations for corporate activities are in the long run good for individual businesses and the institution of business.

Throughout this semester, we’ll focus on specific functional areas of business and the formation of organizational strategies. We’ll be using the concepts of corporate social responsibility, stakeholder analysis, and business ethics to make you more aware of how complex the organizational environment is, and why it is important for individuals and organizations to be able to respond appropriately to the changing business environment and stakeholder groups, including consumers, employees, stockholders, local communities, the media, and the natural environment.

In examining the legal and political environment, thoughts naturally turn to the impact of Government on how businesses operate. Often stakeholder expectations for business get codified in law and regulation, but businesses in turn have considerable influence over political and legal processes. In addition, sometimes expectations for corporate behavior are not codified in law, but organizations still need to respond to them in some way.

Finally, because so many of the topics we’ll be discussing are in the news, we’ll often be discussing current events that touch on course-related topics. Please feel free to bring ideas and articles to class for this purpose! The discussion of controversial and interesting topics (with multiple appropriate solutions) ensures there will be lots of interaction.

COURSE OBJECTIVES

• To heighten awareness of the complex character of organizational environments and lay a foundation for ethical and responsible behavior to deal with this complexity.

• To understand the political and legal contexts, in addition to the competitive market, that may support or limit the actions that a manager wants to take.

• To understand the needs and desires of important stakeholder groups and how business can deal with them and issues important to them effectively.
TEXT AND/OR OTHER READINGS

There will be two required texts for this class:


Additional material will be posted to UNM Learn.

PERFORMANCE MEASURES and GRADING

Grades will be based on class participation, in class quizzes, and three writing assignments. The weights for these components are as follows:

<table>
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<tr>
<th>Individual performance</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Class participation</td>
<td>15 %</td>
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<tr>
<td>Quizzes (top 5 scores of 6 quizzes)</td>
<td>25 %</td>
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<tr>
<td>First paper</td>
<td>10 %</td>
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<tr>
<td>Documentary paper</td>
<td>25 %</td>
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<tr>
<td><strong>Total for individual activities</strong></td>
<td><strong>75 %</strong></td>
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<table>
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<th>Team performance</th>
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<tbody>
<tr>
<td>Final stakeholder team assignment</td>
<td>25 %</td>
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<tr>
<td><strong>Total for team activities</strong></td>
<td><strong>25 %</strong></td>
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Class participation. Grades for class participation will depend on both quality and frequency of participation. Quality is much more important than frequency. Students will receive high points for class participation when:

* their participation shows evidence of thoughtful analysis,
* their participation fits in with the flow of class discussion and demonstrates that they have been listening to and responding to others’ viewpoint,
* they are able to influence the class to consider important avenues that it has neglected,
* they are able to engage constructively in debating points with other students.

--Less value will be placed on participation that repeats facts without analysis, or that disrupts the flow of the class discussion without good reason.

--Attendance of all classes and other activities is extremely important, as this is a course that relies heavily on class discussion and presentations.

--Feel free to challenge or build upon any material presented by the readings or the instructor. But, in doing so, make sure that you show respect for the viewpoints and opinions of your colleagues and the instructor. Disrespect in any form will not be tolerated.
**First paper.** In this short (2-5 pages) paper you will review the discussion of primary stakeholders in Freeman, Harrison, and Wicks, Chapter 1. Find a real life example of company and one of its primary stakeholders. Your example must provide evidence of either the company’s influence on the stakeholder or the stakeholder’s influence on the company. Your paper will discuss this relationship using the concepts presented in the book, as well as any other reference material you choose to use. Your paper must present evidence (not opinions) for each point you make. This exercise will require some outside research. This paper is due on Monday, 2/22/2016.

**Documentary Paper from the film Merchants of Doubt.** This assignment requires you to write an essay on any salient issue raised in the film. Construct a thesis statement (highlighted in **bold**) – a short (25 words or less) summary statement – that encapsulates your position on the issue. You also need to demonstrate how the movie was the inspiration for your paper. In explaining your position make sure you address both the pros and cons of the issue. Support your arguments using facts—avoid what you “believe” or “feel”. You should also make reference to two concepts that we’ve covered in the course so far. Include a conclusion summarizing the evidence presented. This paper should be 7-10 pages. The due date for this assignment is 4/11/2016.

**Team Project: Stakeholder Analysis.** Working with 2 or 3 other students, this assignment requires you to choose any current (within the past 6 months) nonmarket issue facing a corporation. Explain the issue. Conduct a stakeholder analysis of the issue and explain the connection of each stakeholder to the issue. Explain and justify how the corporation should prioritize the different stakeholders in the issue. Construct a response to the issue for the corporation for the most important stakeholder. This paper should be 10-15 pages. The due date for the paper is 5/02/2016. The results of the group effort will be presented to the class in a panel discussion on the last night of class on 5/09/2016.

**Instructions for all writing assignments**

1. **YOUR PAPERS MUST CONTAIN PROPER CITATIONS.** Organize your references in any style you like. The important thing is that someone else (like me) can find your information. When using internet material, please include the exact weblink for the page containing the information. BE CONSISTENT with the style you use.

2. The format for all papers is a 12 point font, double spaced, with 1” margins on every side.

3. Number all pages after page one.

4. Staple pages together. DO NOT paper clip or fold pages together.

5. If you don’t already own a writing handbook, buy one. The Elements of Style by Strunk and White is my favorite. Whichever one you prefer, use it well.

6. Use topic headings to improve the flow of your paper.

**Late Assignments.** No late assignments will be accepted unless I give prior approval. Assignments are still due even if you have e-mailed or called me to let me know of your absence. You are still responsible for all assignments due on the day of class (before the start of class), as well as any work assigned in class in your absence. Late assignments are given a grade of ‘0’.
Policies and procedures

Class attendance is a critical element of learning. More than four unexcused absences may result in an administrative withdrawal or a failing grade for the course. Equally important is active class engagement. I will assume that you have read the assigned materials before class, so we’ll be able to use our time together discussing, evaluating, and applying them to real business situations.

Please turn off cell phone ringers during class!

Ethical lapses like plagiarism and cheating will result in a failing grade for the course.

ACADEMIC INTEGRITY
Anderson School of Management faculty, staff and students commit to values of trust, honesty, integrity, and accountability. We will not tolerate academic dishonesty. By enrolling in any course at Anderson, the student accepts the Anderson Academic Honesty Code and affirms the following pledge:

I will not lie, cheat, fabricate, plagiarize or use any other dishonest means to gain unfair academic advantage.

Any violation of the code of conduct will be taken very seriously and appropriate sanctions will be applied. FOR FULL TEXT OF ANDERSON’S ACADEMIC HONESTY CODE, please visit http://www.mgt.unm.edu/honesty

ADA Statement
Reasonable accommodation will be given to any individual with a legitimate disability. Please contact the instructor privately for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

COURSE CALENDAR  (Tentative –subject to change)

<table>
<thead>
<tr>
<th>Week no</th>
<th>Date</th>
<th>Topic</th>
<th>Reading, etc</th>
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<tr>
<td>1</td>
<td>1/18</td>
<td>Holiday</td>
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<tr>
<td>2</td>
<td>1/25</td>
<td>Syllabus</td>
<td>Introduction to the course</td>
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<td></td>
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<td>Parable of the Sadhu</td>
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<td>Ferrell Case 11: Frauds of the Century</td>
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<td>3</td>
<td>2/01</td>
<td>The Importance of Business Ethics</td>
<td>Ferrell, Fraedrich, and Ferrell, Chapter 1</td>
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<td>Ferrell Case 9: Enron</td>
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<td>Week</td>
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<td>Topic</td>
<td>Readings</td>
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| 4    | 2/08 | Stakeholder Relationships, Social Responsibility, and Corporate Governance | Ferrell, Fraedrich, and Ferrell, Chapter 2  
Freeman, Harrison, and Wicks, Chapter 1  
Ferrell Case 1: Monsanto  
Ferrell Case 8: Zappos |
| 6    | 2/22 | Emerging Business Ethics Issues | Assignment: watch the film *Inside Job* (part of Quiz 2)  
Ferrell, Fraedrich, and Ferrell, Chapter 3  
Ferrell Case 15: PepsiCo |
| 7    | 2/29 | The Institutionalization of Business Ethics | Quiz 2  
Ferrell, Fraedrich, and Ferrell, Chapter 4  
Ferrell Case 15: PepsiCo |
| 8    | 3/07 | Ethical Decision Making | Quiz 2  
Ferrell, Fraedrich, and Ferrell, Chapter 5  
Ferrell Case 3: WalMart |
| 9    | 3/14 | Spring Break | |
| 10   | 3/21 | | Quiz 3  
Documentary *Merchants of Doubt* – movie and class discussion  
Assignment of Documentary Paper |
| 11   | 3/28 | Individual Factors: Moral Philosophies and Values | Quiz 3  
Ferrell, Fraedrich, and Ferrell, Chapter 6  
Ferrell Case 12: Galleon |
| 12   | 4/04 | Organizational Factors: The Role of Ethical Culture and Relationships | Quiz 4  
Ferrell, Fraedrich, and Ferrell, Chapter 7  
Ferrell Case 16: Cardinal IG |


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<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Reading Material</th>
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</table>
| 13   | 4/11 | Developing an Effective Ethics Program | Ferrell, Fraedrich, and Ferrell, Chapter 8  
Freeman, Harrison, and Wicks, Chapter 5  
Ferrell Case 13: *Whole Foods*  
**Documentary Paper Due** |
| 14   | 4/18 | Managing and Controlling Ethics Programs | Ferrell, Fraedrich, and Ferrell, Chapter 9  
Ferrell Case 13: Whole Foods  
**Quiz 5** |
| 15   | 4/25 | Globalization of Ethical Decision Making | Ferrell, Fraedrich, and Ferrell, Chapter 10  
Ferrell Case 18: *Global Bribery* |
| 16   | 5/02 | Ethical Leadership | Ferrell, Fraedrich, and Ferrell, Chapter 11  
Freeman, Harrison, and Wicks, Chapter 6  
**Quiz 6**  
**Group Papers Due** |
| 17   | 5/09 | | **Group Presentations** (Stakeholder Analyses) |