

ETHICAL AND LEGAL ENVIRONMENT OF MODERN ORGANIZATIONS

MOD 450

This course explores the foundations of ethical and unethical behavior and identifies legal issues involved in the management of specific problem areas of business. The role of ethics and social responsibility in the management of public and private sector organizations are examined in the context of the law and the regulatory environment.

OVERVIEW

Unlike many ethics courses, this course is designed “for the employee facing daily ethical dilemmas, rather than for upper-level managers seeking to develop a corporate ethics policy. By examining issues and scenarios that relate directly to the workplace, employees ... can develop a clearer sense of how their corporate codes of ethics relates to operational decisions that are made every day” (Ghillyer, 2014, p. i).

This module should help adult learners better understand their own values and how such values relate to the business world in which they function. It is not being assumed that learners have no values or have never thought about the relationship between such values and their professional activity. What is being assumed, rather, is that all of us can benefit from taking time to discuss these issues in a systematic, logical manner.

LEARNING OUTCOMES

During the completion of this module, the adult learner should:

1. Learn to identify common ethical and legal issues in business and value the significance of those issues.
2. Identify, analyze, and understand how businesspeople make ethical decisions and handle ethical issues.
3. Understand how ethical issues affect decision making across functional areas of the organization.
4. Become familiar with corporate social responsibility and how firms evaluate social responsibility activities.
5. Learn about corporate governance and the responsibilities of those involved.
6. Link ethical issues to the legal framework and the role of government in developing that legal framework, including Sarbanes-Oxley, Frank-Dodd, and Wall Street reform.
7. Understand the concept of whistle-blowing and the duty to respond.
8. Identify the impact of technology on increased productivity and decreased privacy, along with the need to find an appropriate balance.
9. Consider the global business environment, its ethical challenges and opportunities.
10. Understand the specific measures companies can take to build effective ethics programs

Emphasis will be on relating these concepts to real world situations.

TEXT

Ghillyer, A.W. (2014). *Business ethics now* (4th ed.). NY: McGraw-Hill/Irwin.

EVALUATION

This adult learner evaluation section provides guidelines and tools designed to incorporate the unique learning styles of adult learners into the grading process. This evaluation scheme includes brief analytical assignments and oral presentations in order to acknowledge the varieties of learning styles that adults possess. The module culminates in the preparation of a formal summary paper.

ATTENDANCE

Class attendance is necessary in order to complete the module. Unlike traditional courses, degree completion programs rely heavily on the dynamics of cohort interaction and group processing in order to integrate and apply the learning of academic content. The cohort model also emphasizes the development and practice of interpersonal communication skills and teamwork (e.g., group problem-solving and negotiation). The format therefore necessitates class attendance. In practical terms, one module session is equivalent to three weeks of traditional semester course work.

Absence from ONE class session will result in a participation score of zero and, generally, in an automatic reduction of the learner's grade. Advance notice and compelling reasons for the absence will be taken into consideration before the automatic reduction. TWO absences, however, will result in the automatic entry of a failing grade for the course. No exceptions will be recognized.

PARTICIPATION

Participation (up to 25 points per class) is evaluated according to the quality, not quantity, of participation. Each student is expected to participate orally during each class session. Oral participation should include:

- Demonstrated knowledge of weekly reading assignments
- Constructive comments made in classroom discussion
- Questions, comments, and general engagement during classmates' presentations
- Sharing of relevant workplace experience and knowledge
- Active participation in small group activities
- Bringing in interesting material to share with the class

Overall the adult learner should be engaged in classroom discussions and demonstrate an ability to handle the assigned material with a degree of proficiency. Questions and comments should reflect familiarity with the assigned material.

In addition, each student is expected to be on time for each class, and stay until its conclusion. Bethel University requires that tardiness and absences negatively impact the student evaluation.

CASES

Four case analyses, worth up to 40 points each, are due at the beginning of class 1, 2, 3, and 4.

1. Each case analysis should be 2-4 double spaced pages in length (500-1000 words), excluding the cover page.
2. Should have a cover page that includes the following:
 - a. Title of the case
 - b. Adult learner's name
 - c. University name
 - d. Facilitator's name and title
 - e. Course number and title
 - f. Date submitted
3. Briefly summarize the case, identifying the ethical nature of the problem, along with the essential elements and factors involved.
4. Answer each of the questions at the end of the case and explain those answers.
5. Prepare an oral presentation of the case and lead a class discussion of it. The presentation and discussion are not scored as participation, but as part of the case score

The cases are brief, but generally contain sufficient information for the analysis to be completed without the need to make major assumptions or use outside material. For an effective case analysis it is not necessary to have all the facts and circumstances available. You may "read between the lines" and make assumptions in order to make judgments and reach conclusions. The only requirements are that any assumptions are articulated and that they are consistent with the information or data provided. It is important when making assumptions, particularly about an individual's motives, feelings, values, etc., not to allow bias and stereotypes to shape those assumptions.

PRESENTATION

A 10 minute presentation of the summary paper, worth up to 35 points, is due in Week 5. Adult learners should choose a topic, have it approved by the facilitator no later than the start of the fourth class meeting, and then present their summary paper to the class using PowerPoint or similar software.

You need not "speak" for the full ten minutes. The ten minutes are allotted so that the class can interact with you. Plan for classmates' questions and comments about your presentation – it's part of their participation score. Additional time, depending on the size of the class, will be provided for class responses.

Do rehearse the presentation in advance and bring notes to keep on track.
Do not read PowerPoint slides or the summary paper to the class.

SUMMARY PAPER

A summary paper, worth 180 points, is due at the start of the last class meeting.

The topic may include any of the major ethical issues discussed in the module and should be approved by the facilitator no later than the start of the fourth class meeting.

The topic should be thoroughly researched, citing two (2) to four (4) credible sources. A minimum of two (2) of the sources should come from the Bethel library databases.

The paper should provide some context of personal experience and address the topic with critical thought.

1. The paper must be 8-10 pages in length (2000 – 2500 words) excluding the cover and reference pages. The paper should be formatted in APA style.
2. Must include a cover page that includes the following:
 - a. Title of the paper
 - b. Adult learner's name
 - c. University name
 - d. Facilitator's name and title
 - e. Course number and title
 - f. Date submitted
3. The paper should start with an introductory paragraph and succinct thesis statement.
4. The paper should end with a conclusion that clarifies and links to the thesis at the start of the paper.
5. The final page of the paper must be a reference page that is completed according to APA guidelines. At least two outside sources from the Bethel library databases must be used.

Summary Paper Grading Method

A/A-

The paper is clear, engaging, original, and focused; ideas and content are richly developed with details and examples. Organization and form enhance the central idea and theme; ideas are presented coherently to move the reader through the text. The voice of the writer is compelling and conveys the writer's meaning through effective sentence structure and precise word choices. The paper contains a clear balance of academic constructs, experiential documentation, and critical analysis.

B/B-

The paper is reasonably clear, focused, and well supported; ideas are adequately developed through details and examples. Organization and form are appropriate, and ideas are generally presented coherently. The voice of the writer contributes to the writer's meaning. Surface features do not interfere with understanding or distract from meaning. The adult learner has

clearly brought the reader through properly cited academic constructs and experiential documentation, but has not fully developed the area of critical analysis.

C/C-

The paper has some focus and support; ideas and content may be developed with limited details and examples. The writing may be somewhat disorganized or too obviously structured. The voice of the writer is generally absent; basic sentence structure and limited vocabulary convey a simple message. Surface feature errors may reduce understanding and interfere with meaning. The content areas of academic constructs are limited and large generalizations are made. Critical analysis is all but absent from the paper.

D/F

The paper has little focus and development; ideas and content are supported by few details and examples. There is little discernible shape and no direction. The writer's tone is flat. Awkward sentence structure and inadequate vocabulary interfere with understanding. Limited control of surface features makes paper difficult to read. Demonstrated critical analysis is absent and academic context is minimal.

EVALUATION SPECIFICS

Criteria for Evaluation:

Participation	(25 points per night)	125 points
Cases	(40 points each)	160 points
Summary Presentation		35 points
Summary Paper		180 points
Total Points		500 points

Grading Scale:

Grade	Participation	Cases	Presentation	Paper	Total Points
A	23 – 25	36 - 40	32 - 35	162 - 180	450 - 500
B	20 – 22	32 - 35	28 - 31	144 - 161	400 - 449
C	18 - 19	28 - 31	25 – 27	126 - 143	350 - 399
D	15 - 17	24 - 27	21 - 24	108 - 125	300 - 349
F	below 15	below 23	below 21	below 108	below 300

ACADEMIC INTEGRITY

All work should be completed by the individual adult learner. *Material that is paraphrased, including material from the text and cases, should be accompanied by an in-text citation and reference following APA guidelines.*

“Paraphrasing means taking another person’s ideas and putting those ideas in your own words. Paraphrasing does NOT mean changing a word or two ..., changing the sentence structure while maintaining the original words, or changing words to synonyms. If you are tempted to rearrange a sentence in any of these ways, you are plagiarizing, not paraphrasing. Paraphrasing is a fine way to use another person’s ideas to support your argument as long as you attribute the material to the author and cite the source in the text at the end of the sentence. In order to make sure you are paraphrasing in the first place, take notes from your reading with the book closed. Doing so will make it easier to put the ideas in your own words. When you are unsure if you are writing too close to the original, check with your instructor” (<http://writingcenter.unc.edu/handouts/plagiarism>).

All quotes must be enclosed in “quotation marks” and an appropriate in-text citation and reference, again following APA guidelines. Write in your own words and limit direct quotes to material that can be expressed in no other way. *No more than 10-15% of an assignment should consist of direct quotes.*

Academic dishonesty in any form will result in failure according to the policies of Bethel University. Please consult the Bethel website <http://www.bethelu.libguides.com/references>, or contact your facilitator if you have any questions before turning in something that is not your original work or idea.

ADULT LEARNER ASSIGNMENTS

Due Week 1:

- Read Chapters 1 & 2 before class.
- Complete a case analysis following the guidelines under the “Evaluation” section.
The cases come from the Thinking Critically assignments at the end of each chapter
The cases are assigned by last name.
 - A – C: Thinking Critically 1.1, pp. 17-18.
 - D – G: Thinking Critically 1.2, pp. 18-19.
 - H – K: Thinking Critically 1.3, pp. 19-20.
 - L – O: Thinking Critically 2.1, pp. 39-40.
 - P – S: Thinking Critically 2.2, pp. 40-42.
 - T – Z: Thinking Critically 2.3, pp. 42-43.
- Prepare an oral presentation of your assigned case in enough depth that you can lead a class discussion of the questions at the end of your assigned case.

Due Week 2:

- Read Chapters 3 & 4 before class.
- Complete an analysis of a case assigned by your facilitator, following the guidelines under the "Evaluation" section.
- Prepare an oral presentation of your assigned case in enough depth that you can lead a class discussion of the questions at the end of your assigned case.

Due Week 3:

- Read Chapters 5 & 6 before class.
- Complete an analysis of a case assigned by your facilitator, following the guidelines under the "Evaluation" section.
- Prepare an oral presentation of your assigned case in enough depth that you can lead a class discussion of the questions at the end of your assigned case.

Due Week 4:

- Read Chapters 7 & 8 before class.
- Complete an analysis of a case assigned by your facilitator, following the guidelines under the "Evaluation" section.
- Prepare an oral presentation of your assigned case in enough depth that you can lead a class discussion of the questions at the end of your assigned case.

Due Week 5:

- Read Chapters 9 & 10 before class.
- Complete the final summary paper using at least 2 outside sources from the Bethel University online library databases. The requirements for this paper are described in detail under the "Evaluation" section.
- Prepare a 10 minute oral presentation of the summary paper, following the guidelines in the "Evaluation" section. Be prepared for class questions and discussion.
- *Bring a self-addressed envelope if you wish to have the graded summary paper returned by mail.*

Defining Business Ethics



DEFINING BUSINESS ETHICS

- 1 Understanding Ethics
- 2 Defining Business Ethics

We begin by exploring how people live their lives according to a standard of “right” or “wrong” behavior. Where do people look for guidance in deciding what is right or wrong or good or bad? **Once they have developed a personal set of moral standards or ethical principles, how do people then interact with other members of their community or society as a whole who may or may not share the same ethical principles?**

With a basic understanding of ethics, we can then examine the concept of business ethics, where employees face the dilemma of balancing their own moral standards with those of the company they work for and the supervisor or manager to whom they report on a daily basis. We examine the question of whether the business world should be viewed as an artificial environment where the rules by which you choose to live your own life don't necessarily apply.

CHAPTER

1

UNDERSTANDING ETHICS

LEARNING OUTCOMES

After studying this chapter, you should be able to:

- 1 Define *ethics*.
- 2 Explain the role of values in ethical decision making.
- 3 Understand opposing ethical theories and their limitations.
- 4 Discuss ethical relativism.
- 5 Explain an ethical dilemma and apply a process to resolve it.

FRONTLINE FOCUS

Doing the Right Thing

Megan is a rental agent for the Oxford Lake apartment complex. The work is fairly boring, but she's going to school in the evening, so the quiet periods give her time to catch up on her studies, plus the discounted rent is a great help to her budget. Business has been slow since two other apartment complexes opened up, and Oxford Lake's vacancies are starting to run a little high.

The company recently appointed a new regional director to "inject some energy and creativity" into its local campaigns and generate some new rental leases. Her name is Kate Jones, and based on first impressions, Megan thinks Kate would rent her grandmother an apartment as long as she could raise the rent first.

Kate's first event is an open house, complete with free hot dogs and cokes and a clown making balloon animals for the kids. They run ads in the paper and on the radio and manage to attract a good crowd of people.

Their first applicants are Michael and Tania Wilson, an African-American couple with one young son, Tyler. Megan takes their application. They're a nice couple with a stable work history, more than enough income to cover the rent, and good references from their previous landlord. Megan advises them that they will do a background check as a standard procedure and that things "look very good" for their application.

After they leave, Kate stops by the rental office. "How did that couple look? Any issues with their application?"

"None at all," answers Megan. "I think they'll be a perfect addition to our community."

"Don't rush their application through too quickly," replies Kate. "We have time to find some more applicants, and, in my experience, those people usually end up breaking their lease or skipping town with unpaid rent."

QUESTIONS

1. What would be "the right thing" to do here? How would the "Golden Rule" on page 6 relate to Megan's decision?
2. How would you resolve this ethical dilemma? Review the three-step process on page 9 for more details.
3. What should Megan do now?

Pg 15

Pg 18

Ethics is about how we meet the challenge
of doing the right thing when that will
cost more than we want to pay.

The Josephson Institute of Ethics

>> What Is Ethics?

The field of **ethics** is the study of how we try to live our lives according to a standard of “right” or “wrong” behavior—in both

Ethics The manner by which we try to live our lives according to a standard of “right” or “wrong” behavior—in both how we think and behave toward others and how we would like them to think and behave toward us.

Society A structured community of people bound together by similar traditions and customs.

Culture A particular set of attitudes, beliefs, and practices that characterize a group of individuals.

Value System A set of personal principles formalized into a code of behavior.

Intrinsic Value The quality by which a value is a good thing in itself and is pursued for its own sake, whether anything comes from that pursuit or not.

how we think and behave toward others and how we would like them to think and behave toward us. For some, it is a conscious choice to follow a set of moral standards or ethical principles that provide guidance on how they should conduct themselves in their daily lives. For others, where the choice is not so clear, they look to the behavior of others to determine what is an acceptable standard of right and wrong or good and bad behavior. How they arrive at the definition of what’s right or wrong is a result of many factors, including how they were raised, their religion, and the traditions and beliefs of their **society**.

collection of all these influences as they are built up over your lifetime. A strict family upbringing or religious education would obviously have a direct impact on your personal moral standards. These standards would then provide a moral compass (a sense of personal direction) to guide you in the choices you make in your life.

HOW SHOULD I LIVE?

You do not acquire your personal moral standards in the same way that you learn the alphabet. **Standards of ethical behavior are absorbed by osmosis as you observe the examples (both positive and negative) set by everyone around you—parents, family members, friends, peers, and neighbors.** Your adoption of those standards is ultimately unique to you as an individual. For example, you may be influenced by the teachings of your family’s religious beliefs and grow to believe that behaving ethically toward others represents a demonstration of religious devotion. However, that devotion may just as easily be motivated by either fear of a divine punishment in the afterlife or anticipation of a reward for living a virtuous life.

Alternatively, you may choose to reject religious morality and instead base your ethical behavior on your experience of human existence rather than any abstract concepts of right and wrong as determined by a religious doctrine.

When individuals share similar standards in a community, we can use the terms *values* and *value system*. The terms *morals* and *values* are often used to mean the same thing—a set of personal principles by which you aim to live your life.

When you try to formalize those principles into a code of behavior, then you are seen to be adopting a **value system**.

THE VALUE OF A VALUE

Just as the word *value* is used to denote the worth of an item, a person’s values can be said to have a specific “worth” for them. That worth can be expressed in two ways:

1. An **intrinsic value**—by which a value is a good thing in itself and is pursued for its own sake, whether anything good comes from that pursuit or not. For example, happiness, health,

>> Understanding Right and Wrong

Moral standards are principles based on religious, **cultural**, or philosophical beliefs by which judgments are made about good or bad behavior. These beliefs can come from many different sources:

- Friends
- Family
- Ethnic background
- Religion
- School
- The media—television, radio, newspapers, magazines, the Internet
- Personal role models and mentors

Your personal set of morals—your **morality**—represents a



and self-respect can all be said to have intrinsic value.

2. An **instrumental value**—by which the pursuit of one value is a good way to reach another value. For example, money is valued for what it can buy rather than for itself.

VALUE CONFLICTS

The impact of a person's or a group's value system can be seen in the extent to which their daily lives are influenced by those values. However, the greatest test of any personal value system comes when you are presented with a situation that places those values in direct conflict with an action. For example:

1. *Lying is wrong*—but what if you were lying to protect the life of a loved one?
2. *Stealing is wrong*—but what if you were stealing food for a starving child?
3. *Killing is wrong*—but what if you had to kill someone in self-defense to protect your own life?

How do you resolve such conflicts? Are there exceptions to these rules? Can you justify those actions based on special circumstances? Should you then start clarifying the exceptions to your value system? If so, can you really plan for every possible exception?

It is this gray area that makes the study of ethics so complex. We would like to believe that there are clearly defined rules of right and wrong and that you can live your life in direct observance of those rules. However, it is more likely that situations will arise that will require exceptions to those rules. It is how you choose to respond to those situations and the specific choices you make that really define your personal value system.

DOING THE RIGHT THING

If you asked your friends and family what ethics means to them, you would probably arrive at a list of four basic categories:

1. Simple truth—right and wrong or good and bad.
2. A question of someone's personal character—his or her integrity.
3. Rules of appropriate individual behavior.

4. Rules of appropriate behavior for a community or society.

The first category—a *simple truth*—also may be expressed as *simply doing*

the right thing. It is something that most people can understand and support. It is this basic simplicity that can lead you to take ethical behavior for granted—you assume that everyone is committed to doing the right thing, and it's not until you are exposed to unethical behavior that you are reminded that, unfortunately, not all people share your interpretation of what "the right thing" is, and even if they did, they may not share your commitment to doing it.

The second category—*personal integrity*, demonstrated by someone's behavior—looks at ethics from an external rather than an internal viewpoint. All our classic comic-book heroes—Superman, Spider-Man, Batman, and Wonder Woman, to name just a few—represent the ideal of personal integrity where a person lives a life that is true to his or her moral standards, often at the cost of considerable personal sacrifice.

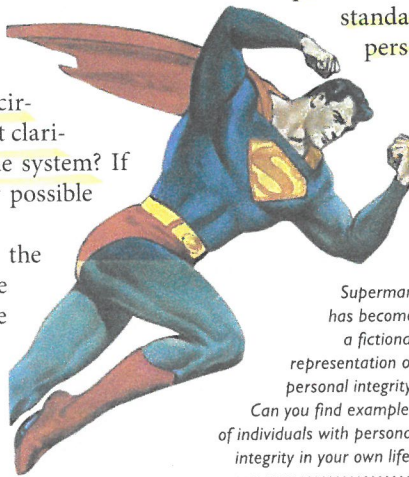
Rules of appropriate individual behavior represent the idea that the moral standards we develop for ourselves impact our lives on a daily basis in our behavior and the other types of decisions we make.

Rules of appropriate behavior for a community or society remind us that we must eventually bring our personal value system into a world that is shared with people who will probably have both similar and very different value systems. Establishing an ethical ideal for a community or society allows

that group of people to live with the confidence that comes from knowing they share a common standard.

Each category represents a different feature of ethics. On one level, the study of ethics seeks to understand how people make the choices they make—how they develop their own set of moral standards, how they live their lives on the basis of those standards, and how they judge the behavior of others in relation to those standards. On a second level, we then try to use that understanding to develop a set of ideals or principles by which a group of ethical individuals can combine as a community with a common understanding of how they "ought" to behave.

Instrumental Value The quality by which the pursuit of one value is a good way to reach another value. For example, money is valued for what it can buy rather than for itself.



Superman has become a fictional representation of personal integrity. Can you find examples of individuals with personal integrity in your own life?

Discuss

Discuss