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|  | **MOR 421 Social and Ethical Issues in Business** |
| **Spring 2018** |
| JFF 240 Tu. & Thurs. 10:00 – 11:50 a.m.  Professor: Katharine Harrington |
| Office: TGF 200 |
| Office Hours: By appointment  Office Phone: 213-740-0153  E-mail: [LKH@USC.EDU](mailto:LKH@USC.EDU) |

**COURSE DESCRIPTION**

What are social and ethical issues in business? How do they arise? How do organizations – and more importantly, leaders of organizations – deal with these issues? Ethical dilemmas arise when we have moral confusion, moral disagreement, OR a legitimate tension between conflicting goals and objectives. No human endeavor is value neutral. Moreover, business, government, and society are part of a complex and interdependent system. This course will help you develop a foundation of knowledge and skills that you will be able to use to critically examine this system.

We will use broad themes and diverse source materials to study social and ethical issues in business that are related to such things as: corporate social responsibility, financial practices; marketing tactics; product development and product liability; responsibilities to customers; ethical issues in international business; the duties and responsibilities of employers; and managing in a regulated environment.

The course is structured around case-studies. These cases give us the opportunity to examine very particular – *REAL WORLD* – situations that illuminate the intersection of corporate strategy, organizational values, the competitive environment, and decision-making. MOR 421 will immerse students in a multi-disciplinary approach to the normative analysis of business issues.

**LEARNING OBJECTIVES**

Upon successful completion of this course, students will be able to:

1. Identify ethical and socially sensitive issues in business;

2. Use various analytic models to critically examine these issues;

3. Reach decisions regarding these issues and develop accompanying policy recommendations;

4. Describe the extent to which business shapes and is shaped by society.

**REQUIRED READING**

Course Reader (CR)

Other assigned articles

**GRADING**

**Points % of Grade**

**Participation 100 10%**

**Case Write-Ups (5 – 30 points each) 150 15%**

**Mid Term #1 100 10%**

**Mid Term #2 100 10%**

**Research Case Study 250 25%**

**Final Exam 300 30%**

Participation

Your learning experience in this course and the experience of your colleagues depend on your interactive participation. This requires thoughtful preparation prior to class and engagement in class discussion.

Case Write-Ups

At various points throughout the semester I will ask you to write-up and turn in your analysis of the case assigned for that day/week. Although the case questions may vary, each assignment will be very specific regarding the components you must include in your write-up.

Mid-Term Exam #1

The first mid-term exam will include short-answer questions about material covered in class up to that point in time.

Mid-Term Exam #2

The second mid-term exam will be a mini-case study with specific case questions.

Research Case Study

The Research Case Study is an in-depth analysis of an organizational situation, social problem, or contemporary issue with ***substantive ethical dimensions***. You may complete this assignment on your own or in a group of no more than 3 students. In a 15-20 page paper you will:

* Describe the topic in detail and clearly articulate your research question
* Report on the important facts discovered in your research
* Identify the stakeholders and their interests;
* Identify the ethical issues clearly;
* Identify and describe the major social, economic, and/or legal factors that impact the issue;
* Provide a detailed answer to your research question

Each individual or team will make a presentation of their research case study to the entire class on one of the last two scheduled class meetings.

Final Exam

The final exam will be a detailed case study. It is my practice to hand out two or three cases one week prior to the exam. The case study for the exam will be one of these cases.

Final Grades

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Historically, the average grade for this class is about a (B+). Three items are considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Your ranking among all students in the class.

Concert Rules

1. Class starts and ends on schedule. Students and faculty are expected to be timely.
2. Students and faculty should remain in attendance for the duration of the class, except in an emergency.
3. Phones and other electronic devices should be turned off. Laptop/tablet use should be confined to note-taking.

**MARSHALL GUIDELINES**

Add/Drop Process

If you are absent three or more times prior to February 1, 2013 (the last day to withdraw from a course with a grade of “W”), I may ask you to withdraw from the class by that date.

Statement for Students with Disabilities

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. For more information visit [www.usc.edu/disability](http://www.usc.edu/disability) .

**Academic Conduct**

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, “Behavior Violating University Standards” <https://policy.usc.edu/scampus-part-b/>.  Other forms of academic dishonesty are equally unacceptable.  See additional information in *SCampus*and university policies on scientific misconduct, [http://policy.usc.edu/scientific-misconduct](http://policy.usc.edu/scientific-misconduct/).

[NB: It’s an ethics class!!]

## **Support Systems**

*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.<https://engemannshc.usc.edu/counseling/>

*National Suicide Prevention Lifeline - 1-800-273-8255*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. [http://www.suicidepreventionlifeline.org](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.suicidepreventionlifeline.org_&d=DwMFAg&c=clK7kQUTWtAVEOVIgvi0NU5BOUHhpN0H8p7CSfnc_gI&r=_36nnFETM-Q6pZ6iq9FbkRLnOqB2hAKf3hpB7emICZo&m=E2UsZJRCMqi9OEfKUeqk9Y1uY3eDgl_cjSeDni9P-3s&s=twu831aNHupJnoiSEzsXZ1lmq9yCzJvEv35V5v5dYAY&e=)

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website:<http://sarc.usc.edu/>

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class.<https://equity.usc.edu/>

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response.<https://studentaffairs.usc.edu/bias-assessment-response-support/>

*Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic.<https://studentaffairs.usc.edu/ssa/>

*Diversity at USC –* [*https://diversity.usc.edu/*](https://diversity.usc.edu/)

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at [blackboard.usc.edu](http://blackboard.usc.edu/).

**COURSE CALENDAR, READINGS AND CASES**

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| Jan 9 | **Introduction to the course**   * Ethics 101 * Expectations * Components of Your Grade * Using Case Studies |
| Jan 11 | **Understanding Moral Development and Moral Responsibility**  Readings   * An Introduction to Ethics (CR) * The Discipline of Building Character (CR) * The Parable of the Sadhu (CR)   Exercise  Identifying Personal Values (Handout) |
| Jan 16 | **Personal Responsibility and Accountability**  Readings   * Why I am leaving Goldman Sachs, Smith (NY Times)   <http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html>   * Public Exit from Goldman Raises Doubt Over a New Ethic   <http://www.nytimes.com/2012/03/15/business/a-public-exit-from-goldman-sachs-hits-a-wounded-wall-street.html>   * Goldman Sachs Response to Smith’s Op-Ed   http://www.bloomberg.com/news/articles/2012-03-14/goldman-sachs-response-to-greg-smiths-op-ed  Introduction to case study analysis |
| Jan 18 | **Introducing Corporate Social Responsibility**  Readings  The Normative Foundations of Business (CR)  Case  Merck and River Blindness (CR) |
| Jan 23 | **Obligations to Consumers**  Case  Ford Pinto  https://philosophia.uncg.edu/phi361-matteson/module-1-why-does-business-need-ethics/case-the-ford-pinto/ |
| Jan 25 | **ELC Exercise** |
| Jan 30 | **Obligations to Consumers**  Case  McDonalds Hot Coffee (CR)  Case  Merck, The FDA and Vioxx Recall (CR)   * How the FDA Evaluates Drugs   <http://www.fda.gov/AboutFDA/Transparency/Basics/ucm269834.htm>   * Big Pharma   <https://www.drugwatch.com/manufacturer/>   * Risky Drugs – Why the FDA Cannot Be Trusted   <http://ethics.harvard.edu/blog/risky-drugs-why-fda-cannot-be-trusted> |
| Feb 1 | Case  Merck, The FDA and Vioxx Recall (CR) |
| Feb 6 | **Mid-Term #1**  **Informal Discussion About Research Topics** |
| Feb 8 | **CSR and Obligations to Shareholders**  Readings/Case  Burroughs Welcome and the Pricing of AZT-A (CR) |
| Feb 13 | **Scientific Innovation and the Role of Government**  Readings   * Genetic Engineering: Editing humanity   <http://www.economist.com/news/leaders/21661651-new-technique-manipulating-genes-holds-great-promisebut-rules-are-needed-govern-its>   * Genome Editing: The age of the red pen   <http://www.economist.com/news/briefing/21661799-it-now-easy-edit-genomes-plants-animals-and-humans-age-red-pen>    Guest Lecture – Professor Donal Manahan |
| Feb 15 | Case to Be Assigned |
| Feb 20 | Class Does Not Meet |
| Feb 22 | Class Does Not Meet |
| Feb 27 | **What About Privacy?**  Case  Yahoo in China-A (CR) |
| Mar 1 | **Apple and the FBI**  Readings   * Breaking Down Apple’s iPhone Fight (NY Times)   <http://www.nytimes.com/interactive/2016/03/03/technology/apple-iphone-fbi-fight-explained.html?_r=0>   * Apple v. The FBI (NPR)   <http://www.npr.org/sections/alltechconsidered/2016/03/29/472141323/apple-vs-the-fbi-the-unanswered-questions-and-unsettled-issues>   * Tim Cook’s Fight with The FBI (Time)   <http://time.com/4262480/tim-cook-apple-fbi-2/> |
| Mar 6 | **Research Project Updates** |
| Mar 8 | **Mid-Term Exam #2** |
| Mar 13 | **Spring Break** |
| Mar 15 | **Spring Break** |
| Mar 20 | **Financial Crisis of 2008**  Case  The Big Short |
| Mar 22 | **Who Is Responsible? Unpacking the Financial Crisis of 2008**  Readings   * “Origins of the Financial Crisis – Crash Course”, The Economist, September 7, 2013   http://www.economist.com/news/schoolsbrief/21584534-effects-financial-crisis-are-still-being-felt-five-years-article  “Three Ethical Roots of the Economic Crisis”, Thomas Donaldson, Journal of Business Ethics (2012) 106:5-8 (CR) |
| Mar 27 | **When Competing Interests Collide**  Guest Lecturer – Prof. Najmedin Meshkati, Viterbi School of Engineering  Case  BP Deep Water Horizon (CR) |
| Mar 29 | **When Competing Interests Collide**  Case  BP Deep Water Horizon (CR) |
| Apr 3 | **Research Project Updates** |
| Apr 5 | **Crisis Management & Organizational Culture**  Readings  Report of the Presidential Commission  <http://science.ksc.nasa.gov/shuttle/missions/51-l/docs/rogers-commission/table-of-contents.html>  Challenger Disaster, History  <http://www.history.com/topics/challenger-disaster>  Case  Space Shuttle Challenger |
| Apr 10 | **Issues in International Business**  Case  Texaco in Ecuador  <https://www.vanityfair.com/news/2007/05/texaco200705> |
| Apr 12 | **Who is Responsible? Unpacking the Texaco in Ecuador Case**  Case  Texaco in Ecuador |
| Apr 17 | **Issues in International Business**  Case  GE Ultrasound in India (CR) |
| Apr 19 | **Issues in International Business**  Readings  Deadly Medicine, Vanity Fair, January 2011  <http://www.vanityfair.com/news/2011/01/deadly-medicine-201101>  Testing Drugs in the Developing World  <http://www.theatlantic.com/health/archive/2013/02/testing-drugs-on-the-developing-world/273329/>  Case  Clinical Trials in Developing Countries |
| Apr 24 | Research Case Presentations |
| Apr 26 | Research Case Presentations |

Please note: The date/time of the Final Exam is determined by the University. For the date and time of the final for this class, consult the USC *Schedule of Classes* at [www.usc.edu/soc](http://www.usc.edu/soc). Select the corresponding semester to view and click on the “Final Examinations Schedule” link on the left side of the screen.