

**Philosophy and Ethics of Business (EBB069A05)**  
**2015-2016**  
**2<sup>nd</sup> semester, 2<sup>nd</sup> block**

**Instructors:**

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**Overview**

Capitalism, shareholder wealth, employee rights, consumer freedom, obligations towards suppliers and competitors, civil society and the government—moral and political questions abound in business. But research in moral psychology shows that we often fail to see what is morally important about a situation. And if we do see it, we often don't know how to deal with it. And even if we know how to deal with it, we often don't act accordingly. This course takes a practical approach to business ethics. Its main objectives are to foster sensitivity to moral and philosophical aspects of decision making in business; to teach analytic skills that help you take a position in moral debates and to give a reasonable justification for your position; and to develop ways to successfully cope with dilemmas and issues that arise in business. We examine the main theories in the philosophy of business, business ethics, and moral psychology; we consider specific issues concerning capitalism and the theory of the firm, employees, consumers and other stakeholders; and we look at ways in which business interacts with NGOs, governments and civil society in a context of globalisation and focused on sustainability.

**Objectives**

Upon completion of the course the student is able to:

1. Identify philosophically and morally relevant aspects of decisions as well as one's moral responsibilities.
2. Explain and apply main theories, arguments and concepts from philosophy and ethics of business.
3. Cope successfully with moral dilemmas in business economics and international business.
4. Distinguish philosophical and moral issues concerning capitalism, theory of the firm, individual and social choice.
5. Report orally and in written form on moral decision making in business.
6. Discuss and debate moral issues in business.

**Credits**

5 ECTS, that is, 140 hours, or roughly 75 hours for preparation of class (reading, preparation for tutorials, assignments), 40 hours for the take-home exam, plus lectures and tutorials

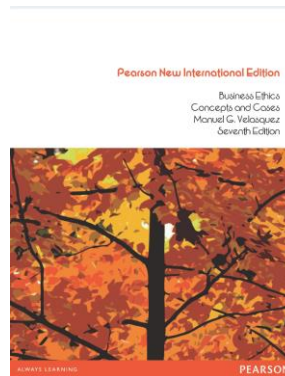
### **Set-up and enrollment in tutorial groups**

There will be six two-hour plenary lectures ('hoorcolleges'), and five two-hour tutorials ('werkcolleges'). Students have to enroll themselves into tutorial groups, in the the Student Portal module. In each tutorial group students will be combined in teams of 4 (5) persons to work together on assignments. The division in teams is made by us, for didactical reasons.

### **Main literature**

We use one textbook: Manuel Velasquez, *Business Ethics: Concepts and Cases*, 7<sup>th</sup> edition, Pearson, 2013. (Cover may be different.)

**Most copies sold in the Netherlands do not contain Chapter 8. We post a copy of Chapter 8 on the Student Portal.**



### **Lectures**

There will be seven lectures. Each of the lectures is devoted to a distinct topic, but the lectures are also highly interlinked. Attending the lectures is not mandatory, but please note that they deal with topics that may not be dealt with in the tutorials or the book, and that the contents of the lectures may be necessary for doing well on assignments and/or take-home exam. For the exact place and time of the lectures, please see the course schedule.

### **Tutorials**

The course is heavily built on collaborative work. It is about learning to identify moral issues, analyse them, and tackle them – in a group, a work team, a board of directors, and sometimes as a sole individual blowing the whistle. You will learn to articulate your position, and justify it with tools from business ethics. You will learn to listen to others articulating their views. And you will learn to defend your own views against those of others – in respectful, open and honest ways, always aware of cultural sensitivities and differences. All this requires class attendance during tutorials, which is mandatory, as well as collaborative participation.

Student evaluations have applauded the course for creating a friendly, open, motivating and interactive atmosphere – which is as much due to the students' input as to that of the instructors. The assignments involve collaborative work, and this is impossible to do without preparation. Active class participation accordingly means that you have read the materials, and that you have prepared assignments, before the deadline. Teams are responsible for organizing their meetings and distribution of labour.

## Class room rules

Because lectures and tutorials are meant to facilitate respectful ethical discussion and debate, we use a number of class room rules.

- We discourage the use of laptops. There is ample empirical evidence that students using laptops for taking notes score less on exams despite the fact that they write down more. If you insist, we won't bar them – but please use them only for taking notes, then.
- We ban the use of mobile phones. The use of mobile phones not only distracts you, other students and instructors, it is also in seen as rather disrespectful in many contexts.
- We encourage everyone to speak up openly. Students should feel no opinion, idea or view cannot be debated during class. But please understand that we do not accept statements expressing disrespectful opinions about specific fellow students.

## Grading

Tutorial class attendance is mandatory. Active and respectful participation in the tutorials as well as handing in assignments will count towards your grade (see below for percentages). In case you miss a tutorial, you will receive a non-pass or a 1 for the assignment associated with the tutorial (depending on the grading system used for the assignments). In line with Faculty policy, there is no opportunity for reparation assignments because the total weight of these assignments does not exceed 25 per cent. As a result, there is no need to inform the instructors about a missed tutorial or assignment.

For group assignments, each team member will receive the same grade in the tutorials (except for team members failing to attend the tutorial, see above).

Assignment	Title	Individual/team	Grading	Weighing
Assignment 1, 2, 3, 5, 6	performance in class	1, 2 and 6 Individual; 3 & 5 team	Pass/non-pass (every class 2 pnts)	5% (taken together)
Assignment 4	op-ed	individual	1-10	5%
Assignment 7	consultancy	team	1-10	5%
Assignment 8	film review	individual	1-10	5%
Assignment 9	debate	team	1-10	5%
Exam	Take home exam	individual	1-10	75%

Assignments 1, 2, 3, 5, 6 are graded on a Pass/Non-pass basis. Taken together, they will be considered as one 'combined' assignment. For this combined assignment, you will receive a mark calculated by the number of passed assignments times 2.

Only your overall course grade determines whether you pass or fail the course. Only the overall course grade will be rounded.

# Calendar

Wk	Date	Activity	Topic	Readings	Assignment
15	11 April	Lecture 1 Tutorial 1	Introduction CSR, moral psychology	Velasquez ch. 1	Assignment 1
16	18 April	Lecture 2 Tutorial 2	Normative theories	Velasquez ch. 2	Assignment 2 Assignment 3
17	25 April	Lecture 3 No tutorials, work on your assignment 4	Governments and markets	Velasquez ch. 3	
18	2 May	No lecture No tutorial			
	8 May	Deadline			Assignment 4 (op-ed)
19	9 May	Lecture 4 Tutorial 3	Ethics in the market place	Velasquez ch. 4	Assignment 5 Assignment 6
20	16 May	No lecture Tutorial 4			Assignment 7 (consultancy)
21	23 May	Lecture 5 No tutorials work on your assignment 8	Consumers	Velasquez ch. 6	
	TBA	Review Assignment 4			
	29 May	Deadline			Assignment 8 (film review)
22	30 May	Lecture 6 Tutorial 5	job discrimination and employees	Velasquez ch. 7 Velasquez ch. 8 (available on the Student Portal)	Assignment 9 (debate)
	5 June	Take-home exam on the Student Portal			
	TBA	Review Assignment 8			
25	19 June	Deadline handing in exam			Take-home exam
27	TBA	Review exam			
28	3 July	Resit exam on the Student Portal			Resit
	10 July	Deadline handing in resit exam			
	TBA	Review resit			

# Assignments

There are five individual assignments (1, 2, 4, 6, 8) and three team assignments (3, 5, 7).

## **Assignment 1** (individual, graded pass/non-pass)

*Readings* Course manual.

*What to do?* Read the entire course manual, and prepare questions about administrative or practical issues, if necessary. No need further readings.

*What will we do in class?* The tutorial instructor will distribute a short newspaper article on Turing Pharmaceuticals, and introduce it. This article will be discussed and debated in class.

*Grading* Pass/non-pass for participation in discussion.

## **Assignment 2** (individual, graded pass/non-pass)

*Readings* Case 'Into the mouths of babes' (download from the Student Portal)

*What to do?* Read the case.

*What will we do in class?* We will engage in class-room discussion in order to familiarize you with the normative theories discussed in Chapter 2 of Velasquez.

*Grading* Pass/non-pass for participation in discussion.

## **Assignment 3** (team assignment, graded pass/non-pass)

*Readings* Case 'Traidors Bank and Roche's drug trials in China' (Velasquez p. 149)

*What to do?* Read the case. Each team prepares answers to the case questions. Write down the answers (one-page A4, good layout, 12pt letter) and hand this over to the instructor at the beginning of class.

- For each question, first write down the final conclusion and then your supporting argumentation leading up to this specific conclusion.
- So think through and discuss answers and do not write down raw, unprocessed, intuitive, first impressions as final conclusions.
- Make sure to base answers explicitly on the case information, and use and refer to theory from the textbook.
- A page with only key terms or a telegram style argument means a non-pass.
- We only want your final conclusions concerning the questions, plus arguments. Do not write down all the intermediate steps you took to arrive at them!

*What will we do in class?* We discuss and debate the case in some detail. *Grading* Pass/non-pass for the answer sheet.

**Assignment 4** (individual, graded 1-10)

*Readings* Article(s) from recent financial or business media that you find yourself.

*What to do?*

Research the financial and/or business media from the last few weeks (you may want to use the LexisNexis database, accessible via the RUG portal) and find an article which is ethics-related. Write a 400-word open editorial (op-ed = 'opiniestuk') about the topic, and use one (and only one) normative theory to defend your claim. Start your text with describing what the moral problem or question is, in your opinion.

*Can I choose any topic as long as it fits within business and ethics broadly conceived?*

Yes, and you don't need to email us to ask permission or our opinion about the topic. The point of the assignment is to practice ethics, not to become a superstar in selecting topics. So focus on your ethical arguments. But it has to be a topic that was discussed in the news media recently.

*For which newspaper am I writing the op-ed?*

Aim high and imagine that you are writing for *Financial Times* or comparable quality newspaper.

*Can I use other sources than LexisNexis?*

Certainly. Actually, if you are a regular reader of business media it won't take you more than a couple of minutes to find a suitable topic. If not, then go to the FEB library, scan a couple of issues of *Financial Times*, *Wall Street Journal*, *The Economist*, *Business Week* etc. and after again half an hour you've got your case. We don't care how you get your case. LexisNexis is only one suggestion.

*Do I need to focus on only one normative theory?*

Yes. 400 words don't allow you to do more.

*Isn't 400 words very hard?*

Yes. But that's part of the assignment. You'll have to write and rewrite the piece a couple of times. Don't assume that your first draft is anywhere near final. You'll need to revise and revise your text. The ability to write a 400-word piece will be useful to you way beyond ethics.

*What are the evaluation criteria?*

There is only one criterion and that is whether you have adequately applied normative theory to the case. Of course, you need to write in a way that is understandable. But there are no credits to be gained by literary style etc. So the criterion is whether the piece shows that you understand utilitarianism, justice, ethics of duty, or whatever theory you selected.

*Do I need to explain the moral theory?*

No. But of course you need to show the reader that you understand the theory.

So implicitly, you will in a way 'explain' the theory a bit. But don't start with a crash course on (for example) Kant, because you'd be wasting your words. Start with the case, and then apply Kant in a way that shows that you understand Kant.

*How strict is the word limit?*

Use an interval of plus/minus 10 per cent.

*What should I do if my question is not on this list?*

Please think first and try to answer it or try to make a reasonable prediction of what we would say. If you feel that you have a very urgent question without which you can't do the assignment, you can send us an email. But please note that we cannot spell out everything in an assignment and that it is part of the challenge and exercise to make your own decisions.

*Deadline* Sunday 8 May, 23.59 hours, to be uploaded on the Student Portal

*Grading* Grade between 1 and 10 inclusive.

**Assignment 5** (team assignment, graded pass/non-pass)

*Readings* Case 'The GM Bailout' (Velasquez, p. 262)

*What to do?*

Read the case. Each team prepares answers to the case questions. Write down the answers (one-page A4, good layout, 12pt letter) and hand this over to the instructor at the beginning of class.

- For each question, first write down the final conclusion and then your supporting argumentation leading up to this specific conclusion.
- So think through and discuss answers and do not write down raw, unprocessed, intuitive, first impressions as final conclusions.
- Make sure to base answers explicitly on the case information, and use and refer to theory from the textbook.
- A page with only key terms or a telegram style argument means a non-pass.
- We only want your final conclusions concerning the questions, plus arguments. Do not write down all the intermediate steps you took to arrive at them!

*What will we do in class?* We discuss and debate the case in some detail.

*Grading* Pass/non-pass for the answer sheet.

**Assignment 6** (individual, graded pass/non-pass)

*Readings* Case 'Becton Dickinson and needle sticks' (Velasquez p. 359)

*What to do?* Read the case, and prepare answers, for yourself, to the questions that accompany the case.

*What will we do in class?* We will engage in class-room discussion in order to familiarize you with issues discussed in Chapter 6 of Velasquez. *Grading* Pass/non-pass for participation in discussion.

**Assignment 7** (team assignment, graded 1-10)

*What to do?*

Do a consultancy for a multinational firm, and prepare a presentation with your team. Each team will be assigned one company. Aim is to consult the firm on its business ethics. You have to present the conclusions and recommendations during the tutorial. In the weeks before the tutorial, you meet up with your team, and research the company, its ethical strengths and weaknesses, and you use the materials from the readings to point out ways how the company should improve its corporate social responsibility and ethics. Here you should discuss at least consumers and employees, but your presentation will improve in quality if you deal with other stakeholders as well.

It is entirely the team's responsibility to organize these meetings and divide labour. In the tutorial the team reports its conclusions in a brief statement of half a page A4 (use bullet points, good layout, 12pt letter) because this will be used during the presentation as a hand-out. Make sure the team comes with sufficient copies of the hand-out for all participants of the tutorial. In addition, the team prepares a PowerPoint presentation (maximum three slides, bring USB stick) in which one designated member of the team presents the conclusions and recommendations.

*What will we do in class?*

The structure of the tutorial is the following. Call the teams 1 to 6.

- We start with 5 minutes presentation by one member of team 1. Distribute hand-outs to non-team members, use PowerPoint, maximum three slides.
- Then 15 minutes questions from – and discussion with – the non-team members (that is, members of teams 2 to 6). Here all other members of team 1 will have to participate. The spokesman will not participate.
- Of course, all this does not work if members of teams 2 to 6 fail to grasp the information in the presentation. Therefore, each team prepares handouts for the rest of class.
- Participation in the discussion is as much a requirement for passing this assignment as having a decent 5-minute presentation of your team's views.

Same process for teams 2 to 6.

Team 1: Primark

Team 2: Nestlé

Team 3: Ikea

Team 4: Samsung

Team 5: NS

Team 6: Jumbo



*Grading* Grade between 1 and 10 inclusive for presentation and participation in debate.

**Assignment 8** (individual, graded 1-10)

*Readings* Watch the movie *The big short*. (Available on Bol.com and many other.)

*What to do?*

You are asked to write a 1000 word review on the movie *The big short* (McKay, 2015). Your review should include a moral evaluation of one aspect of the movie. In order to make this a valuable exercise in the context of a course on business ethics, you will have to pick a few concepts, theories or methods from Velasquez, in particular from Chapters 3-4, and use them in the review. You may use them to attack the ideas expressed in the film; you may use them to extend the film's criticism; or you may use them in another creative and original way.

*Can I choose any theory from Velasquez, chapters 3 - 4, I like?*

Yes. The idea is that you use materials from Velasquez, Chapters 3-4, but it is unimportant to us which ones you use. As long as you use them consistently and adequately, it is fine with us. Choosing too many views, however, risks making your review rather superficial. So in general it would be a good idea to try to focus on only two or three of them.

*Can I use materials from other chapters in Velasquez?*

Yes, but our advice is not to use too many different theoretical views. So make sure that if you use other chapters, this is to reinforce a point you want to make, and not to raise a new point.

*What are the criteria you'll use to grade the assignment?*

Same as for the 400-word op-ed. We have to see from the work you submit that you understand the Velasquez materials which you apply. So you have to represent them correctly and to apply them as they should be applied. Of course, you have to write an understandable text, both by structuring the text and by using correct English. Check spelling, grammar, idiom, and again, assume that you have to revise your piece several times before you upload it to the Student Portal. But you won't gain additional credits for literary style or linguistic sophistication.

*How strict is the word limit?*

Use an interval of plus/minus 10 per cent.

*Deadline* Sunday 29 May, 23.59 hours, to be uploaded on the Student Portal

*Grading* Grade between 1 and 10 inclusive.

**Assignment 9** (team assignment, graded 1-10)

*What to do?*

A few weeks in advance, three propositions ('stellingen') will be provided via the Student Portal. These propositions will relate to recent business news. Teams meet to prepare for a debate on one of these three propositions. Teams will know their proposition but they do not know in advance which side they have to defend, so you have to prepare both sides. Preparation means that you draw up a list of arguments, think about the best rhetorical way to defend the views, try to anticipate counterarguments of your opponents, etc. You have to make use of the materials from the book, but the debate is not going to be an academic enterprise. Aim is to mimic a real-life debate about an ethical topic arising in business.

*What will we do in class?*

The first 30 minutes of tutorial will be devoted to the first proposition. Teams 1 and 2 will debate these. The second half hour will be devoted to the second proposition, debated by Teams 3 and 4, etc. This is the structure.

- First five minutes: instructor assigns propositions to teams, and teams have a few minutes to prepare, make notes, etc.
- Then debate between 1 and 2 starts.
- The defending team presents its case in favour of the proposition in five minutes.
- The offending team presents its arguments against the proposition, also in five minutes.
- Then a free debate of about 7 min.

*Grading* Grade between 1 and 10 inclusive for report and participation in debate.

# Frequently Asked Questions

*What do you mean by 'lecture'?*

A lecture is a plenary event, a 'hoorcollege'.

*What do you mean by 'tutorial'?*

A tutorial is an event with a smaller number of students, 'werkcollege'.

*What are the 'office hours' for?*

Office hours are things that Dutch students are fairly unfamiliar with, or are reluctant to use. In most Anglo-Saxon universities, office hours are organized to facilitate further discussion among instructors and interested students – and also, of course, for an occasional administrative question. The door will be open. There is no queue. There is no need to make an appointment beforehand.

*Where can I find all the information for this course?*

You can find all information on the Student Portal.

*Why do you teach a course on Philosophy and Ethics in Business?*

This course introduces you to a set of concepts, arguments and other tools that you can use when you are confronted with moral issues in your business life – and that you will face moral challenges, from your very first day in business, is beyond doubt. Read the *Financial Times* or any other newspaper or business blog, and you know what we mean. While we were writing this, for instance, Royal Imtech had lost 90% of its market value since it became clear that several of its officers had not acted with integrity (admittedly, there were other problems with the firm as well). Everyone has to act with integrity. But for business people there is an additional reason: ethical misconduct disasters cost a lot of money. Moreover, we strongly believe that doing philosophy and ethics also benefits your critical thinking skills and raises your creativity. It has, we believe, a lot of positive externalities.

*Will the lecture slides be posted on the the Student Portal?*

Yes. They will be made available on the Student Portal. This way you can focus on what the instructor says instead of on taking notes in class.

*Am I expected to read the entire book?*

Yes. The book is especially designed for this course and does not contain any optional material.

*Is class attendance compulsory?*

We would not organize classes if we did not consider them to be useful. However, we know that students may wish to have a formal statement on their attendance. The answer is: it depends. Lectures ('hoorcolleges') are optional. But everything that is discussed in a lecture is part of the material for the final exam

and is essential for successfully doing lots of assignments. But in the end, it is up to you.

On the other hand, the tutorials ('werkcolleges') are mandatory. We have detailed the rules above.

*What am I expected to do before a lecture?*

You are expected to read the material as specified in the course calendar.

*What am I expected to do before a tutorial?*

You are expected to reread the material from the lecture, and to prepare the assignment(s). The tutorial instructor can request you to leave if you have failed to prepare the assignment sufficiently well, or if you participate in disrespectful, uncooperative or otherwise unacceptable ways. The instructor's decision is final and cannot be debated. You will be considered to have failed the attendance requirement for this tutorial. This may sound harsh, and it must be pointed out that this rule has only very rarely been used in the past. But it is there to ensure that we can discuss ethics in an open, honest and respectful way.

*What happens if I do not come to the lecture?*

Nothing, but please do note that a lecture is not just a discussion of the chapters of the book, but includes more material that may be relevant to the final exam.

*What happens if I do not attend a tutorial?*

You are expected to be present at all times. For formal rules, see above.

*Who makes the teams in the tutorials?* Students have to enrol themselves into tutorial groups and into teams via the Student Portal course site.

*Why do we sometimes work in teams?*

Ethics in business requires collaboration, and collaborative assignments are better suited to give you a realistic impression of what it means to discuss difficult ethical issues in business.

*Can I change tutorials?*

No. The university has carefully planned the tutorials, so please do not approach us with requests about changing tutorials. You are enrolled in a full-time study programme, and we expect you to follow the programme as we develop it for you. Except for students who are following a so-called Top Sports programme (who have different rights granted to them by the university), we will not honour requests to switch to another tutorial, once or more than once, or for the entire course.

*Can we change teams?*

No.

*Is there an opportunity to repair failed assignments?*

No. If you underperform on the assignments, you cannot repair this, following Faculty policies.

*How many exams are there?*

The course has one take-home exam, apart from the assignments.

*What is the exam material?*

The exam material is everything as discussed during lectures and tutorials, all the reading materials outlined in the course calendar, all slides and/or hand-outs provided by instructors (not the slides and hand-outs provided by fellow students). Although it is not compulsory to come to the lectures (the tutorials are mandatory, though), please be advised that anything discussed during the lectures is part of the exam material and is likely to be necessary for answering questions on the exam and to do well on the assignments.

*Can we review the assignments and exams?*

Yes, the course calendar indicates the review sessions. But please understand that review sessions are not to bargain a better grade. They are meant to facilitate feedback for those who want or need, and to correct grading mistakes.

*What are the historical success rates?*

Last year, the results were beautiful. We hope you will join us and make things even better this year!

*What happens if I do not pass an exam?*

Not passing means you have a final grade lower than 5.5, that is, the grade obtained after weighting all the scores for all assignments and the take-home exam. If you do not pass the course, there are two options. (i) Retake the whole course in the next academic year. (ii) Resit the final exam. There are no reparations for tutorials and assignments.

If after having chosen for option (ii) and your final grade is still below 5.5 (so after you have taken the resit), you will have failed the course. You will, then, have to do the course again in its entirety. This means that none of the grades received for assignments and/or final exam and/or resits may be stored for next year. You will have to take the entire course again, with all assignments, exams and other requirements that come with it.

*How is the final grade calculated?*

The final grade is the weighted sum of the grades received for the assignments (if class attendance is sufficient) and the take-home exam (or the resit). Please check the grading discussion above for the weights.

*If I am dissatisfied with my final grade, can I take an assignment resit?* No. If you happen to miss an assignment or if you hand in substandard assignments getting grades below 5.5, you cannot repair this.

*If I am dissatisfied with my final grade, can I take the final exam resit to get a higher grade?*

Yes of course. And then we will let the highest grade count.

*Is there a mock exam?*

No. That wouldn't make sense for a take-home exam.

*Why don't you fully discuss all reading materials during the lectures?*

You can read faster than we can speak. Hence it would be boring for you if all chapters would be discussed at length. Moreover, not all reading materials are equally difficult to understand. What we know to be more difficult will be explained during the lectures and/or tutorials. But you will have to cover a substantial part of the material by means of self-study.

*What if I have a question that is not on this list?*

We are there to help you. However, we trust that you understand that our time is limited and that we wish to help all of you equally. To make that possible, please do not ask us questions that you can answer yourself by means of a reasonable amount of work. Frankly, we will not respond to such requests. For example, do not send us emails asking us what book will be used. And please do address us properly, as we will also do the same with you. Don't approach us in terms of 'hey, why did you forget to put the material on the web? I haven't got all week to wait', or something similar (we don't make this up, this is a real example). For those of you who find it difficult to know how to address people in English, there are innumerable resources on the web that contain examples. Google: 'email to instructor' or something like that.

*Is Philosophy and Ethics in Business a nice course?*

Of course! We do not only think that our theme is important, but we also aim for making the course a nice experience to you. The course consistently gets very positive evaluations, and together we strive to make something worthwhile to remember out of our efforts. And of course, we sincerely appreciate your feedback to further develop the course!