

## Semester at Sea Course Syllabus

**Voyage: Summer 2014**

**Discipline: Commerce**

**SEMS 2500-104: Ethics, Values, and Compliance in Business**

**Division: Lower**

**Faculty Name: Mike Wenger**

### Course Description

In this course we will study business ethics, broadly defined. We will address issues from both an individual level and from an organizational level and we will explicitly engage the added complexity of global business. The prime questions we will explore are: Is the pursuit of profit antithetical to the notion of ethical behavior? How do you think about ethics as an individual navigating a career in business and how do you make the right ethical decisions? What is the impact of differing cultures, legal systems, and religious imperatives and what are practical ways to cope with their variety? How does a business organization design, create, and implement systems that result in all employees behaving consistently with company values, ethical intentions, and legal requirements? Is "compliance" enough or should businesses do more than merely comply? The course will apply a variety of viewpoints including classic and contemporary philosophic frameworks, economic theory, cultural analysis, examination of various legal systems, organizational design, and stakeholder analysis. We will use a mix of guided discussion, case analysis, and readings from academic, professional, and popular sources. We will take advantage of the real world to consider and observe these issues in nine different nations that we visit.

### Course Objectives

After this course, you should:

- Learn to identify common ethical issues in business
- Understand how ethics can be incorporated into key business decisions
- Gain a greater awareness of legal requirements as well as best practices in business
- Learn about specific measures companies can take to build effective ethics programs
- Understand major global ethics issues taking place in international business
- Gain insight into ethical decisions and decision making in complex situations
- Know about the most important legal and institutional restrictions applicable to U.S. business-people, how to keep current, and how to keep out of jail
- Begin to form realistic ideas about how you, as an ethical agent, will approach your career

### Course Materials

Our text is available for purchase in the bookstore and online:

*Business Ethics: Ethical Decision Making and Cases, 9e.*  
Ferrell, Fraedrich, and Ferrell  
Mason, Ohio: South-Western Cengage Learning  
ISBN-13: 978-1-111-82516-5.  
Price on amazon.com (as of May 2013): \$90-\$124

Given the limitations on bandwidth onboard, these publicly available reports for each country we will visit will be in our class electronic folder:

- The World Bank: *Doing Business In*
- US State Department: *Country Commercial Guides*
- Transparency International: *Country Corruption Reports* and *The Global Corruption Report*

We will also use various news articles, government publications, and academic articles. These additional resources will be available through the ship's intranet or the onboard library.

### Student Teams

One of the big differences between ethics as a purely philosophical study and ethics as a business phenomenon, is the constant impact of group dynamics. We will see that the social environment created by a person's work group is a major factor in an organization's ethics. Simply stated: people tend act in ways that their immediate peers reinforce. Consequently, working within a social environment is a critical aspect of learning about business ethics. We will form teams (3-5 people per team) to accomplish several assignments and to support each other in the learning endeavor. To mitigate the possibility of "free-loading," team members will complete a

confidential peer evaluation that will be part of the grading process.

### ***Learning Activities and Grades***

We will use a variety of learning activities including lecture, discussion, debate, case studies, individual student papers, team projects, guest speakers, and guided exploration. More details about each assignment will be presented in class.

#### ***Case Studies***

We will use case studies extensively in class to explore concepts, challenge assumptions, and test theories in real-world situations. When cases are assigned, all students will read the case and come prepared to engage in discussion. Several individual students will submit written answers to specific questions about the case. One student team will do an in-depth analysis of the case and lead the discussion.

#### ***Field Laboratory<sup>1</sup>***

In Helsinki, we will spend a day at Nokia -- a company that was founded in 1865 in what was then The Grand Duchy of Finland and was primarily engaged in the pulp and timber business. You may know it more in its modern incarnation as a global mobile phone and telecom giant. It has over 100,000 employees in over 120 countries and sells into over 150 countries. We will visit specifically with Nokia's Worldwide Ethics and Compliance executives. Nokia has a renowned ethics and compliance effort that covers all the major issues including worker rights, safety and health, sustainability and environmental impact, privacy, corruption, and customer relations. We will learn first-hand about the reality, challenges, tools, and career opportunities that "business ethics" brings.

This rich experience will allow us to culminate and apply much of what we will have discussed in the course to that date including ethical theories, issues, and the tools businesses and individuals bring to complex, ethically ambiguous situations. Each student team will select (and have approved) one major ethics or compliance arena as a focus for their field lab exploration project. They will use available documentation and interaction with the Nokia executives to explore this topic in depth. The project deliverable is a report (no more than 15 pages) and an in-class presentation.

#### ***Field Journal***

Each student will maintain a personal journal to explore behavior outside of the United States. We will discuss and practice "field observation" in class. Briefly, whenever we visit a new country, each student will observe "rules and rule-following behavior." This includes (but is not limited to) automobile traffic, queuing etiquette, pedestrian behavior, interaction with store clerks, police presence, trash and litter, smoking in public, and behavior in bars and restaurants. We will consider what our observations imply for "business behavior" in each country (including behavior of managers, employees, customers, and suppliers) and how our observations compare to information we learn from classroom study. Though we will practice this observation in every country we visit, each student will be required to turn in their journal entries for only two countries. We will discuss our observations in class and apply our theoretical constructs to what we observe. Through this process of discussion and feedback, everyone will become a more skilled, sensitive observer as the voyage progresses.

Your grade will be determined based on the following assignments. Additional and specific guidance will be provided for each activity:

<b>Activity</b>	<b>weight</b>
Individual Journal (2 each at 10%) 1 submission from Portugal/Spain/UK/Ireland; 1 submission from Norway/Sweden/Russia/Finland/Poland	20
Individual Case Questions (2 each at 10%)	20
Team Case Presentation	20
Team Field Experience Writeup and Presentation	20
Individual Final Exam: There will be a comprehensive essay/short-answer examination at the end of the course.	20
<b>Total</b>	<b>100</b>

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1 Pending approval

### ***Class and Grading Philosophy***

I expect you to come to (every) class prepared to engage. This means doing and thinking about the readings prior to class and completing your assignments on time. I will attempt to put the readings in context, provide emphasis, expand on some points, and invite you to discuss various topics. I will not rehash what you can learn more efficiently by reading. Given the fast pace and full itinerary of Semester at Sea, it is important for you to keep up right from the start. If you fall behind in your reading, there will be much less recovery time than you may have come to expect.

Grades of “A” are reserved for excellent work that reflects superior understanding and insight, creativity, and skill; grades of “B” are assigned to good work that reflects a high level of understanding and insight, creativity, or skill; grades of “C” are assigned to adequate work that indicates readiness to continue study in the field; and grades of “D” are assigned to marginal work, only minimally adequate. While I do not grade on a “curve” and it is certainly possible that every student in the class can earn an “A,” typically, 25% - 33% of the students in my classes merit grades of “A” or “A-.”

### **Grading Scale**

<b>Grade</b>	<b>Range</b>
A	93.0% - 100.0%
A-	90.0% - 92.9%
B+	88.0% - 89.9%
B	83.0% - 87.9%
B-	80.0% - 82.9%
C+	78.0% - 79.9%
C	73.0% - 77.9%
C-	70.0% - 72.9%
D+	68.0% - 69.9%
D	63.0% - 67.9%
D-	60.0% - 62.9%
F	Below 60.0%

### ***Honor Code***

Semester at Sea students enroll in an academic program administered by the University of Virginia, and thus bind themselves to the University’s honor code. I applaud the University’s Honor Code, live by it myself, and admire your adherence to it. The code prohibits all acts of lying, cheating, and stealing. Please consult the Voyager’s Handbook for further explanation of what constitutes an honor offense.

Each written assignment for this course must be pledged by the student as follows:

“On my honor as a student, I pledge that I have neither given nor received aid on this assignment.” The pledge must be signed, or, in the case of an electronic file, signed “[signed].”

### ***Disability***

If you have a disability and require accommodations for this course, please speak with me as soon as possible so that your needs may be appropriately met.

### ***Late Policy***

Late papers/projects are penalized severely. I will dock your paper/project half a letter grade for each day it is late. Special arrangements will only be made in the case of illness (requiring a medical professional’s note).

Meeting	Assignments
C1 Wednesday June 18 Drop/Add	Course Introduction: <ul style="list-style-type: none"> <li>• Developing a class knowledge profile</li> <li>• Our mutual expectations</li> <li>• The Syllabus</li> <li>• Exercise: Soy-DRI</li> <li>• Teams</li> <li>• Mini-lecture: A general framework and the big questions</li> </ul>
C2 Thursday June 19	Ch 1 The Importance of Business Ethics Handout: Using Cases in Class. (Available electronically)
C3 Friday June 20	Read Case: The American Red Cross Faces Organizational Integrity Challenges Handout and in-class exercise: Journal/Observation Instructions and Preparation Transparency International Report: Portugal
<b>In Lisbon</b>	
C4 Wednesday 25 June	Journal discussion Ch 2 Stakeholder Relationships, Social Responsibility, and Corporate Governance
C5 26 June Thursday	Student-led Case 1: Monsanto Attempts to Balance Stakeholder Interests  Transparency International Report: Spain
<b>In Bilbao</b>	
C6 Tuesday 1 July	Journal discussion  Ch 3 Emerging Business Ethics Issues (first half)
C7 Wednesday 2 July	Ch 3 Emerging Business Ethics Issues (second half) In class exercise: Cordoza v. Foodservice Inc.
C8 Thursday 3 July	Student-led Case 2: GlaxoSmithKline Experiences High Costs of Product Quality Issues Read: <i>The Economist</i> , Disaster at Rana Plaza: A gruesome accident should make all bosses think harder about what behaving responsibly means. May 4, 2013 (Available electronically)  Transparency International Report: United Kingdom
<b>In Glasgow</b>	
C9 Tuesday 8 July	Journal discussion  Ch 10 Globalization of Ethical Decision-Making
C10 Wednesday 9 July	Student-led Case 3: The Coca-Cola Company Struggles with Ethical Crises Read: Prahalad, C.K, and K. Lieberthal (2003) <i>Harvard Business Review</i> The End of Corporate Imperialism August 2003 pp. 3 - 11.(Available electronically)  Transparency International Report: Ireland
<b>From Galway to Dublin</b>	
C11 Monday 14 July	Journal discussion  Ch 4 The Institutionalization of Business Ethics
C12 Tuesday 15 July	Student-led Case 4: Recreational Equipment Incorporated (REI): A Responsible Retail Cooperative Read: Sushil Mohan (2010) Ch 1. The Theory of Fair Trade in <i>Fair Trade Without the Froth</i> London: The Institute of Economic Affairs. pp. 17-32. (Available electronically.)

<b>Meeting</b>	<b>Assignments</b>
C13 Wednesday 16 July	Ch 5 Ethical Decision Making and Ethical Leadership  Transparency International Report: Norway
<b>From Bergen to Oslo</b>	
C14 Monday 21 July	Journal discussion  Ch 6 Individual Factors: Moral Philosophies and Values
C15 Wednesday 23 July	Ch 7 Organizational Factors: The Role of Culture and Relationships  Transparency International Report: Russia
<b>In St. Petersburg</b>	
C16 Tuesday 29 July	Journal discussion:  Student-led Case 5: Enron: Questionable Accounting Leads to Collapse In class video excerpt from <i>The Smartest Guys in the Room</i>
C17 Wednesday 30 July	Ch 8 Developing an Effective Ethics Program  Transparency International Report: Sweden
<b>In Stockholm</b>	
C18 Monday 4 August	Journal discussion Ch 9 Managing and Controlling Ethics Programs Read: OECD - Good Practice Guidance on Internal Controls, Ethics, and Compliance (Available electronically)
C19 Tuesday 5 August	Field Lab Preparation: <ul style="list-style-type: none"> <li>• Nokia Annual Report</li> <li>• Nokia Code of Conduct</li> <li>• US Sentencing Guidelines</li> <li>• Foreign Corrupt Practices Act: A Primer</li> </ul> Transparency International Report: Finland
Wednesday 6 August	Field Project: Nokia Global Ethics and Compliance (Pending approval)
<b>In Helsinki</b>	
C20 Sunday 10 August	Field Experience Presentations
C21 Monday 11 August	Student Field Experience Presentations (if needed) Textbook Appendix: Sustainability: Ethical and Social Responsibility Dimensions  Transparency International Report: Poland
<b>In Gdansk</b>	
C22 Saturday 16 August	Journal discussion Student-led Case 6: Walmart: The Future is Sustainability A sampling of the rest of the world 1: Asia, Africa, the Middle East, and South America  Additional readings TBD
C23 Sunday 17 August	A sampling of the rest of the world 2: Asia, Africa, the Middle East, and South America  Additional readings TBD

<b>Meeting</b>	<b>Assignments</b>
Monday 18 August	Study Day
C24 Tuesday 19 August	<b>Final Exams</b>