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IM Chapter 2:

Ethical Decision-Making: Personal and Professional

Contexts Chapter Objectives

After reading this chapter, students will be able to:

- 1. Describe a process for ethically responsible decision making.
- 2. Apply this model to ethical decision points.
- 3. Explain the reasons why —good people might engage in unethical behavior.
- 4. Explore the impact of managerial roles on the nature of our decision making.

Opening Decision Point What Would You Do?

Students are given the following three scenarios and asked what they would do in these situations.

Scenario 1: You are the first person to arrive in your classroom and as you sit down you notice an iPod on the floor underneath the adjacent seat. You pick it up and turn it on. It works fine and even has some of your favorite music listed. You realize that you are the only one in the room and no one will know if you keep it. You see other students entering the room so you place the iPod on the floor next to your belonging. You will have the whole class period to decide what to do.

<u>Scenario 2:</u> Instead of finding the iPod, you are a friend who sits next to the person who finds it. As class begins, your friend leans over and asks your advice about what to do.

<u>Scenario 3:</u> You are now a student representative on the judicial board at school. The student who kept the iPod is accused of stealing. How would you make the decision about the situation?

Students are asked to consider the following questions related to the above scenarios.

Chapter 02 - Ethical Decision-Making: Personal and Professional Contexts

What are the key facts that you should consider before making a decision, as either the person who discovered the iPod, the friend, or the judicial board member? Is this an ethical issue? What exactly are the ethical aspects involved in your decision? Who else is involved, or should be involved, in this decision? Who has a stake in the outcome? What alternatives are available to you? What are the consequences of each alternative? How would each of your alternatives affect the other people you have identified as having a stake in the outcome?

Where might you look for additional guidance to assist you in resolving this particular dilemma?

I. Introduction

- **a. Putting Ethics into Practice:** Ethics requires not simply decision-making, but accountable decision-making.
 - **i.** Even if a person does not consciously think about a decision, her or his own actions will involve making a choice and taking a stand.

- 1. **Example:** If you find a lost iPod, you cannot avoid making an ethical decision, whether by act or omission, about what to do with it. Whatever you do with the iPod, you will have made a choice that will be evaluated in ethical terms and have ethical implications.
- **b.** Ethical Decision Making in Everyday Life: This chapter examines various elements involved in individual decision making and applies those concepts to the decisions individuals make every day in business. The chapter also explores:
 - i. Ways ethical decision making can go wrong.
 - **ii.** Ways effective business leaders can model the most effective ethical decision-making.

II. A Decision Making Process for Ethics

- a. What is the Ethical Decision-Making Process?
 - i. We explore the application to the opening Decision Point How would you decide what to do in the iPod case at the beginning of the chapter? First, you might wonder how the iPod ended up under the desk. Was it lost? Perhaps someone intentionally discarded the iPod. Wouldn't that fact make a significant difference in the ethical judgment that you would make? Or, suppose the person who discovered the iPod actually saw it fall from another student's backpack. Would that make a difference in your judgment about that person?
- ** **Teaching Note**: This discussion should be tied back to Chapter One and students should be reminded that an ethics course strives to help them think for themselves. Always in the background are the dual pitfalls of dogmatism, which imposes one correct ethical view on all, and relativism, which denies that there is any correct ethical view. This decision-making process provides the middle ground between dogmatism and relativism.

Chapter Objective 1 Discussed Below

- b. Step 1: Determine the Facts of the Situation.
 - **i.** It is essential to make an honest effort to understand the situation, and to distinguish facts from mere opinion.
 - **ii. Perceptual differences** surrounding how individuals experience and understand situations can explain many ethical disagreements. **Knowing the fact**s and carefully **reviewing the circumstances** can go a long way towards resolving disagreements at an early stage.
 - **iii.** Example: Let us turn to the iPod case. What facts would be useful to know before making a decision? Suppose you already owned an iPod. Would that make a difference? Suppose you knew who sat at the desk in the previous class. Imagine that, in fact, the iPod had been in a place not easily seen and you had observed it there over the course of several days. Suppose the iPod did not work and, instead of being discovered underneath a seat, you found it in a wastebasket. How would your

decision change as any of these facts changed? Can you imagine a situation in which what looks like an ethical disagreement turns out to be a disagreement over the facts?

iv. Role of Science (and Theoretical Reason) in Ethics:

- 1. An ethical judgment made in light of a diligent determination of the facts is a more reasonable ethical judgment that one made without regard for the facts. A person who acts in a way that is based upon a careful consideration of the facts has acted in a more responsible way—ethically and rationally more responsible—than a person who acts without deliberation.
- 2. The sciences, and perhaps especially the social sciences, can help us determine the facts surrounding our decisions. As a business example, consider what facts might be relevant for making a decision regarding child labor. Consider how the social sciences of anthropology and economics, for example, might help us understand the facts surrounding employing children in the workplace within a foreign country.
- **3. Applying this strategy to a business operation** would encourage business decision-makers to seek out perhaps alternative or somewhat less traditional methods of fact gathering to ensure that she or he has compiled all of the necessary data in processing the most ethical decision.

c. Step 2: Identifying the Ethical Issues Involved.

- i. It is crucial to recognize a decision or issue as an ethical decision or ethical issue. It is easy to be led astray by a failure to recognize that there is an ethical component to some decision.
- ii. It is important to ask questions about the ethical implications of a decision or issue: How does one determine that a question raises an ethical issue at all? When does a business decision become an ethical decision?
- iii. —Business or —economic decisions and ethical decisions are not mutually exclusive. Just because a decision is made on economic grounds does not mean that it does not involve ethical considerations as well.
- **iv. Being sensitive to ethical issues** is a vital characteristic that needs to be cultivated in ethically responsible people.
 - 1. How will our decisions impact the **well-being** of the people involved?
 - **2.** To the degree that a decision affects the well-being—the happiness, health, dignity, integrity, freedom, respect—of the stakeholders, it is a decision with ethical implications.
 - **3.** Shall we also consider then the environment, animals, future generations? There are often ethical implications for these entities, as well. In the end, it

is almost impossible to conceive of a decision we might make that does not have at least some impact on the well-being of another.

v. Normative myopia, or shortsightedness about values, can occur in business contexts when one is unable to recognize ethical issues. Normative myopia does not occur only in businesses, as the Reality Check below displays.

Reference: —Reality Check - Is There an Ethics of Writing Papers? ||

*Reference: —Reality Check – **Bounded Ethicality**||*

- vi. Inattentional blindness can result from focusing failures when we happen to focus or we are told specifically to pay attention to a particular element of a decision or event and we miss all of the surrounding details, no matter how obvious.
- vii. Change blindness occurs when decision-makers fail to notice gradual changes over time, such as when Arthur Andersen auditors did not notice how low Enron had fallen in terms of its unethical decisions. One of the means by which to protect against these decision risks is to ensure that decision-makers seek input from others in their decision processes.
- **d.** Step 3: Identify and Consider All of the —Stakeholders Affected by the Decision.
 - i. —Stakeholders in this general sense include all of the groups and/or individuals affected by a decision, policy, or operation of a firm or individual.
 - **ii.** Considering issues from a variety of perspectives other than one's own, and other than what local conventions suggest, helps make one's decisions more reasonable and responsible.
- *Reference —Figure 2.1 Stakeholder Map||*
 - iii. Shifting one's role is helpful in considering the affects of a decision on others.
 - 1. Rather than being in the position of the person who discovers the iPod, what would you think of this case if you were the person who lost it? How does that impact your thinking? What would your judgment be if you were the friend who was asked for advice?
 - **iv. Key Test of Ethical Legitimacy:** Whether or not a decision would be acceptable from the point of view of all parties involved.
 - 1. If you could accept a decision as legitimate no matter whose point of view you take, that decision would be fair, impartial, and ethical.
 - **2. Example:** If you acknowledge that you would not accept the legitimacy of keeping the iPod were you the person who lost it rather than the person who found it, then that is a strong indication that the decision to keep it is not a fair or ethical one.

3. Example: Consider Enbridge's decisions after the oil spill in Wrigley, as described in Chapter 1. Considering only its obligation to its shareholders might lead to a decision to satisfy only the minimum legal requirements for cleaning up the site, to avoid additional costs that would negatively impact profits. However, a decision that considers only the shareholders' point of view would not be a responsible decision. The spill also affected the residents of Wrigley, who are heavily dependent on the forests and waterways in the area for their livelihood and ways of life.

Decision Point: Who Matters, After an Oil Spill?

Students are asked to think back to the Decision Point in the first chapter, —Ethics After an Oil Spill. One of the key challenges Enbridge faced involved determining the identity of its key stakeholders. To whom does the company owe obligations in the wake of the oil spill? But once the company has identified its stakeholders, then what?

Challenge students consider the relatively easy example of a group that is directly affected: the residents of the tiny town of Wrigley, and to determine what the company owes to this group. The following questions are included in this Decision Point to facilitate student reflection or discussion of Enbridge's obligations to this stakeholder group:

Are the residents of Wrigley owed a clean-up effort that restores the area to its state prior to the spill, or should the clean-up process only go as far as the law demands?

Are the people of Wrigley owed a speedy cleanup? How speedy--and at what cost?

Do they have a right to participate in the decision-making, or just to be kept informed? Does Enbridge have an obligation to go beyond repairing the damage from the spill and contribute to community development projects, such as a "swimming pool or a hockey arena or something for the kids," as suggested by one resident?

v. A major challenge to ethical decision-making is that decisions involve the interests of multiple stakeholders and each alternative will impose costs on some stakeholders and offer benefits to others.

Reference: —Reality Check – BHP Billiton's Stakeholder Relationships||

- e. Step 4: Consider the Available Alternatives.
 - i. Creativity in identifying options also called —moral imagination | − is one element that distinguishes good people who make ethically responsible decisions from good people who do not.
 - ii. Consider both the obvious and subtle options with regard to a particular dilemma.
 - 1. When reviewing the Enbridge circumstances, ask yourself how Enbridge might utilize moral imagination in its response to various stakeholders affected by the oil spill, particularly the townspeople of Wrigley.

- 2. Or consider the case of discovering a lost iPod. One person might decide to keep it because she judges that the chances of discovering the true owner are slim and that if she does not keep it, the next person to discover it will make that decision.
- **3. Moral imagination might be something simple** like checking in a lost and found department.
- f. Step 5: Compare and Weigh the Alternatives.
 - i. Create a mental spreadsheet that evaluates the impact of each alternative you have devised on each stakeholder you defined.
 - ii. Place oneself in the other person's position. Understanding a situation from another's point of view, making an effort to —walk a mile in their shoes, contributes significantly to responsible ethical decision making.
 - **iii. Predict the likely, the foreseeable, and the possible** consequences to all the relevant stakeholders.
 - iv. Consider ways to mitigate, minimize, or compensate for any possible harmful consequences or to increase and promote beneficial consequences.
 - v. Consider how the decision will be perceived by others:
 - 1. Would you feel proud or ashamed if The Wall Street Journal printed this decision as a front page article? Could you explain the decision to a ten-year-old child so the child thinks it is the right decision? Will the decision stand the test of time?
 - **2.** Would your behavior change if other people knew about it? Typically, it is the irresponsible decisions that we wish to keep hidden.

*Reference: —Reality Check – The Ultimate Recognition of Impact on Stakeholders **

vi. Some alternatives might concern matters of principles, rights, or duties that override alternatives.

*Reference: —Reality Check – **Seeking Guidance?**||*

- vii. One additional factor in comparing and weighing alternatives requires consideration of the effects of a decision on one's own integrity, virtue, and character.
 - 1. Understanding one's own character and values should play a role in decision-making.
 - 2. A responsible person will ask: —What type of person would make this decision? What kind of habits would I be developing by deciding in one way rather than another? What type of corporate culture am I creating and encouraging? How would I, or my family, describe a person who decides in this way? Is this a decision that I am willing to defend in public?

3. An honest person might not even thing about retaining the iPod; keeping it for oneself is simply not an option for such a person.

g. Step 6: Make a Decision.

- i. Our ability to learn from our experiences creates a responsibility to then:
 - **1. Evaluate** the implications of our decisions.
 - 2. Monitor and learn from the outcomes.
 - **3. Modify our actions** accordingly when faced with similar challenges in the future.
- ii. The reading by Bowen McCoy, —Parable of the Sadhu, demonstrates this deliberative process.
 - 1. McCoy reviews his decision-making after the fact and evaluates the implications of his decision, recognizing the responsibility that each participant had for the outcome that results.
 - 2. However, McCoy points out that it is more effective to have the time and space in which to consider these questions before we are faced with them than it is to consider them when they become urgent.
- **h.** The value of this approach: Other approaches to ethically responsible decision-making are possible, and this approach will not guarantee one single absolute answer to every decision. But it is a helpful beginning in the development of responsible and ethical decision-making.

Chapter Objective 2 Addressed Below

Reference: —Figure 2.2 – An Ethical Decision-Making Process"

Decision Point

Applying the Decision-Making Model

This Decision Point explains that Richard Grasso, former Chairman of the New York Stock Exchange, was given an enormous compensation package by the Board of Directors at the NYSE. His salary was determined by the employment contract he had signed with the NYSE board of directors. Grasso resigned in the face of public criticism of his pay package and initially he agreed to forgo the final \$48 million in retirement benefits. Most of the members of the board were personal friends of Grasso. He had appointed them to their positions and played a role in determining their pay.

At the time, the NYSE was a nonprofit organization that regulated publicly traded companies. Those companies being regulated were ultimately the same companies that were paying Grasso his salary. This situation raises concerns about conflicts of interest, deception, fraud, misallocation of funds, theft, and personal ethical questions about greed and arrogance. The stakeholders here include the members of the board, other employees of NYSE, and every company whose securities are traded on the NYSE and every

investor who relies on the integrity of the NYSE to oversee and regulate the sale of securities.

Students are asked to consider how one would use the ethical decision making mode to determine whether Grasso should return any of his compensation package. Students would follow the steps of the decision making model process to make this determination.

III. When Ethical Decision-Making Goes Wrong: Why Do —Good People Engage in —Bad Acts?

- **a.** Individuals do not always make the responsible, autonomous decisions of which they are capable.
 - i. There are many ways in which responsible **decision making can go wrong** and many ways in which people fail to act in accordance with the ethical judgments they make.
 - **ii.** Sometimes people can **simply choose to do something unethical**. We should not underestimate the real possibility of immoral choices and unethical behavior.
 - **iii.** Sometimes well-intentioned people fail to choose ethically.
- **b.** Why do people we consider to be —good do —bad things? What factors determine which companies or individuals engage in ethical behavior and which do not?

Chapter Objective 3 Addressed Below

- **c. Stumbling Blocks**: There are many stumbling blocks to responsible decision making and behavior, which are either **cognitive or intellectual.**
 - **i.** A certain type of **ignorance** can account for bad ethical choices. Sometimes that ignorance can be almost willful and intentional.
 - 1. After you discover a lost iPod, you might **rationalize to yourself** that no one will ever know, that no one is really going to be hurt, that an owner who is so careless deserves to lose the iPod.
 - **2.** You might try to **justify** the decision by telling yourself that you are only doing what anyone else would do in this circumstance.
 - **3.** You might even **choose not to think about it** and try to put any guilty feelings out of your mind.
 - ii. Sometimes we only **consider limited alternatives**.
 - 1. When faced with a situation that suggests two clear alternative resolutions, we often consider only those two clear paths, missing the fact that other alternatives might be possible.

- **2.** Responsible decision making would require that we discipline ourselves to explore additional methods of resolution.
- **d.** Having a **simple rule to follow** can be reassuring and comfortable to many decision makers.
 - i. Example: Assume you are a business manager who needs to terminate a worker in order to cut costs. Of course, your first thought may be to uncover alternative means by which to cut costs instead of firing someone, but assume for the moment that cutting the workforce is the only viable possibility. It may be easiest and most comfortable to terminate the last person you hired, explaining, —I can't help it; it must be done, last in/first out, I have no choice |
 - **ii. Using a simple decision rule** might appear to relieve us of accountability for the decision, even if it may not be the best possible decision.
 - 1. i.e. You did not —make the decision; the rule required the decision to be made.
- **e.** We also often select the alternative that satisfies minimum decision criteria, otherwise known as —**satisficing**, || even if it might not be the best.
- **f.** Other stumbling blocks are a question of **motivation and will-power**.
 - i. As author John Grisham explained in his book, Rainmaker, —Every (lawyer), at least once in every case, feels himself crossing a line he doesn't really mean to cross. It just happens.
 - ii. Sometimes it is simply easier to do the wrong thing.
 - *Reference: —Reality Check The Ethics of Cheating|*
- **g.** Unfortunately, we **do not always draw the lines for appropriate behavior** in advance, and even when we do, they are not always crystal clear.
 - **i.** As Grisham suggests, it is often easy to do a little thing that crosses the line, and the next time it is easier, and the next easier still.
 - **ii.** People also sometimes make decisions they later regret because they lack the courage to do otherwise.
 - **iii.** It is not always easy to make the right decision; you might lose income, your job, or other valuable components of your life.
 - iv. Courage is also necessary when responding to significant *peer pressure*.
 - **v.** We tend to give in to peer pressure in our professional environments, both because we want to —fit in and to achieve success in our organizations, and also because our *actual* thinking is influenced by our peers.
- h. Why Make Unethical Decisions?

- **i. Environment**: Sometimes the corporate or social environment is rife with ethical challenges and unethical decisions.
 - 1. Example: The enormous amounts of corporate executive compensation, lack of oversight of corporate executive decisions, significant distance between decision-makers and those they impact, financial challenges, and a set of ethical values that has not yet caught up to technological advances.
- **ii. We can benefit from unethical acts**, from gaining something as simple as an iPod, to something as significant as a salary package of \$180 million.

Decision Point

Ethical Oil: Choose Your Poison

In the fall of 2011, a Canadian organization called EthicalOil.org started a public-relations campaign aimed at countering criticism of commercial development of Canada's oil sands. Extracting oil from these sands does immense environmental damage. EthicalOil.org seeks to counter such criticism by pointing out the alternative: choosing not to buy oil harvested from Canada is effectively choosing oil produced by non-democratic Middle-Eastern countries with very bad records of human rights abuses. This decision point asks students to discuss the ethical trade-offs between different choices, neither of which is perfect. Students are given the following questions to ask themselves:

Imagine you have the choice, as a consumer, between buying gas for your car that comes from a country where oil extraction does vast environmental damage, and buying gas from a country where the profits from that oil help support a dictatorship with a history of human rights abuses. Which gas will you buy? Why? Are you willing to pay a bit extra to get oil that is more ethical, whatever that means to you?

Imagine that you are responsible for securing a contract to provide gas for your company's fleet of vehicles. If the choice is available to you, will you choose the most environmentally-friendly gas? Or the gas least associated with human rights abuses? Or will you just go with the cheapest gas available? Consider whether the choice between buying gas that harms the environment and gas that contributes to human rights abuses exhausts the alternatives in these scenarios. Are there other courses of action available to the individual car-owning consumer? To the manager responsible for procuring gas for the company fleet?

Stress the importance of considering the answers to these questions before you are actually faced with a decision.

- i. Making Ethically Responsible Decisions: is a serious challenge we all face throughout life.
 - i. The easiest thing to do would be to remain passive and simply conform to social and cultural expectations, to —go with the flow.
 - **ii.** To live a meaningful human life, we must step back and reflect on our decisions, assuming the responsibility of autonomous beings.

- **j. Ethical Individuals:** Some individuals do not succumb to temptations and may not even deliberate in the face of an ethical dilemma.
 - i. Many people have developed a certain type of character, a set of ethical habits that will encourage them, without deliberation, to act ethically.
 - **ii.** Developing such habits, inclinations, and character is an important aspect of living an ethical life.
- ** **Teaching Note**: (See Reality Check earlier in the chapter, —Bounded Ethicality. I)
- **a. Social Context:** Decision making can be greatly influenced by the social context in which it occurs. Social circumstances can make it easier or more difficult to act in accordance with one's own judgment.
 - i. Within business, an organization's context sometimes make it difficult for even the best-intentioned person to act ethically, or it can make it difficult for a dishonest person to act unethically.
 - **ii.** Responsibility for the circumstances that can encourage ethical behavior and can discourage unethical behavior falls predominantly to the business management and executive team.
- **b.** Integrity's Role: The decision-making model introduced in this chapter develops from the point of view of an individual who finds herself in a particular situation. Personal integrity lies at the heart of such individual decision-making: What kind of person am I, or do I aspire to be? What are my values? What do I stand for? Compare Aaron Feuerstein and one of the Enron executives: what type of person are they? What are their wants, interests, beliefs, values?
- **c. Personal and Professional Decision Making:** The ethical implications of both must be considered within the business setting.
- **d. Social Roles:** Every individual fills a variety of social roles, and these roles carry with them a range of expectations, responsibilities and duties.
 - i. Social roles include: friend, son or daughter, spouse, citizen, neighbor, and others.
 - ii. Institutional roles include: manager, teacher, student body president, and others.
 - **iii.** Decision making in these contexts raises broader questions of social responsibilities and social justice.

Chapter Objective 4 Addressed Below

- **e.** Consider: How different roles might impact your judgment about an ethical dilemma.
 - i. Your judgment about the iPod might differ greatly if you knew that your friend had lost it, or if you were a teacher in the class, or if you were a member of the campus

judicial board.

- **ii.** Our judgment about Richard Grasso might change when we learn that his professional responsibility included oversight of a regulatory body that governed the very companies that were paying his salary.
- **f. Organizational Roles:** In a business context, individuals fill roles such as managers, executives, and board members, who have the ability to create and shape the organizational context in which all employees make decisions.
 - **i.** Individuals, therefore, have a responsibility to promote organizational arrangements that encourage ethical behavior and discourage unethical behavior.
- **g.** The following three chapters develop these topics:
 - i. Chapter 3 will provide an overview of how some major ethical traditions might offer guidance both to individual decision-makers and to those who create and shape social organizations.
 - **ii. Chapter 4** will examine topics of **corporate culture**, ethical organizations, and ethical leadership.
 - **iii. Chapter 5** examines **corporate social responsibility**, the ends towards which ethical organizations and ethical leaders should aim.

Opening Decision Point Revisited What Would You Do?

This case could be discussed in a different way than presented. Ask students to discuss situations in which it would be ethically permissible to keep an iPod that one found in a classroom. What circumstances would make this decisions ethically permitted? Rather than approaching the question from the perspective of what makes a decisions ethically wrong, approach it from the opposite direction: what makes a decisions ethically right? Distinguish the case in which keeping it could be excused or forgiven, from cases in which it is the right thing to do.

Ouestions. Projects. and Exercises

1. Consider your own personal values and explain where they originated. Can you pinpoint their derivation? To what degree have you chosen your own values? To what degree are your own values products of your family, your religious or cultural background, or your age? Does it matter where values originate?

The Life Goals assignment (which was passed down from other colleagues to one of the authors) works well in place of this particular question. It is included at the end of this chapter in this IM as Appendix A.

Students might also be asked to distinguish from among their own values, those that are easily changed from those that would be unlikely ever to change. While much of this discussion may involve topics in psychology, it can easily be directed to questions of moral psychology, learning theory, and through that to the development of moral character and virtues.

2. Identify an activity that is outside of your —zone of comfortl; in other words, do something that you might not otherwise do, experience something that you might not otherwise experience, because the activity would otherwise be something with which you would be uncomfortable. This activity does not need to be something enormous or intimidating; but instead it could be something as basic as being the first to apologize after an argument, or agreeing to dress up for a masquerade party when you might not usually feel comfortable doing so. You might offer to cook dinner for a friend, when that would normally be an uncomfortable arrangement; or you might ask a question in class, or offer to lead a presentation, if those are things something that make you uncomfortable.

It is important that you consider your expectations (i.e., how do you think you will feel, what do you think it will be like?) before engaging in this activity, and write them down. Then, after the experience, complete the assignment by writing a description of the actual experience and indicating whether the reality matched your expectations, considering in particular your original perceptions and expectations and whether they were accurate. How closely can we trust our perceptions and prejudgments about our expectations of experiences? How true is our —gut instinct?

The purpose of the Zone assignment is to encourage students to engage in a —stretch, to do something they might not otherwise do and to explore whether their preconceptions about that stretch were correct. Sometimes, of course, they are. But more often, they are not and the students are thereby primed for the next class sessions to be a bit more open-minded about what judgments might lie ahead, as well. Reinforce to the students, however, that you do not mean to imply that they should do anything that they are not supposed to do, but simply something they might not otherwise be likely to do. Topics of etiquette and social norms can be helpful here.

3. What issue, challenge, or idea do you care about most in the world? Share it in a brief essay, then convince your reader why it is so important that she or he should also care about that issue to the same extent. It may be effective to use the theories discussed in prior chapters to persuade your reader of the value of your argument.

At the end of the chapter, as Appendix B, is an example of an argument made by an author in favor of freedom of the press with inserts (in bold/italics) by one of the text authors to reiterate how that original author is making his points using connections to the theories addressed in this chapter. Students might also be directed to take a look at NPR's "This I Believe" series to get some ideas of how to argue passionately for something in which they believe (though those authors do not necessarily use the theories discussed in the chapters as they will!). They will find them at:

4. Your CEO recognizes you as having extraordinary skills in decision making and communications so she asks for guidance on how to best communicate her plans for an imminent reduction in force. What are some of the key strategies you will suggest she employ in reaching such a decision and making the announcement?

Students will need to use the ethical decision making process, including sensitivity to stakeholders and careful consideration of theories.

- 5. Describe the qualities you believe are necessary in an —ethical leader. Provide support for your contentions and explain why a leader should evidence these qualities in order to be considered —ethical from your perspective. Then identify someone you believe embodies these qualities in her or his leadership and provide examples. Finally, provide an example of someone who you believe does not possess these qualities and describe that person's leadership.
 - With the students, walk through the qualities of an —ethical leader, and use these as a basis for discussion of who we currently recognize as leaders in our world. Compare the ethical leaders to those listed as unethical. One might begin with the question of a —good leader and play on the ambiguity between —good-as-effective, and —good-as-ethical.
- 6. How can your global firm best ensure that it is taking into account the perceptual differences that may exist as a result of diverse cultures, religions, ethnicities, and other factors when creating a worldwide marketing plan?

Refer students to the seminal case in this area, the Nestle infant formula case (Found at in the Multinational Monitor, April 1987, Volume 8, Number 4).

Students may also want to read:

—Ethnic Consumers Require Sensitive Marketing. July 7, 2005. Destination

You may also wish to encourage students to take a look at which encourages evaluation of marketing campaigns and the messages contained in them. Exploring the impact of and responsibility for messages communicated is a critical element of judgment and accountability.

- 7. Many people have blamed the global financial crisis of 2008-2009 on a single value or motive, namely greed. How would you define greed? How common do you think true greed is in the general population? Do you think it is more common on, say, Wall Street, than in the general population?
 - Review different ways people define greed. Ask students to provide real-world examples of decisions motivated by greed. How do the students think that the decision-maker justified the decision to him- or herself? Do they have a different perception of greed on Wall Street? Why or why not? Challenge students to imagine themselves in the position of a Wall Street actor who made decisions that contributed to the financial crisis, and to articulate a rationale for their decision-making.
- 8. As a class exercise, write a brief account of any unethical or ethically questionable experience you have witnessed in a work context. Read and discuss the examples in class, keeping the authors

anonymous. Consider how the organization allowed or encouraged such behavior and what might have been done to prevent it.

Review different ways people perceive and behave in situations. Anonymity is important here, but it is common to discover that many students have experienced unethical behaviors at work. Once again, asking students to role-play can encourage them to understand the situation from various points of view and therefore understand complexity.

9. Lisa is trying to raise funds to support the creation of a free clinic in a poor neighbourhood in her hometown. She has been trying very hard; but she has not been able to raise enough money to get the clinic up and running. One day, she gets a huge check from a high profile business executive whom she met at a fundraiser. She is ecstatic and finally sees her dream take shape. However, after a few days, the person who gave Lisa the money is arrested for fraud, money laundering and tax evasion. What should Lisa do? Should she still keep the money and look the other way? Does the source of the money matter or does the end justify the means?

Consider how different roles might impact judgment about an ethical dilemma. Students could refer back to the example of how judgment about the iPod might differ greatly if you knew that your friend had lost it, or if you were a teacher in the class, or if you were a member of the campus judicial board.

10. What values do you think motivated Bernard Madoff in carrying out his Ponzi scheme? How do you think his motivation may have evolved over the years that the scheme was in play? What do you think he would have said if asked, five years prior to being caught, to reflect on the values that inspired him in his work?

Ask students to consider Bernie Madoff's initial motivations in carrying out his Ponzi scheme. Students should consider if Madoff's initial financial success at the beginning of the Ponzi scheme may have contributed to the development of normative myopia that enabled the scheme's continuation. Challenge students to place themselves in Madoff's shoes at various points in the timeline of his growing criminal activities, and to reflect on whether the same motivations and values could explain his behavior in the earlier and later stages of the many years that he maintained his scheme. This discussion might stress the "slippery slope" character of unethical decision-making.

<u>Chapter 2 Readings</u> Summaries and Main Points

Reading 2-1

—The Parable of the Sadhul by Bowen (—Buzzl) **H. McCoy**

Main Points

McCoy uses a life-changing experience hiking in the Himalayas to question the limits of responsibility. How far is one expected to go out of her or his way to help a needy stranger? McCoy compares the situation on the mountain to a business situation in which a company must act quickly under stress.

Organizations that do not have a heritage of mutually accepted, shared values tend to become unhinged during stress, with each individual bailing out for her or himself. This group of strangers on the mountain did not have a process for developing consensus, nor did they have a plan or sense of purpose.

The lesson of the situation with the sadhu, McCoy believes, is that when people do not find such support in their organizations, they do not know how to act. They need the support of a culture and values that guide them to do the right thing.

Summary

McCoy's article details his experience hiking in the Himalayas while on sabbatical from his job at Morgan Stanley. While he and his friend were hiking, they, along with a group of other hikers, encountered a nearly dead sadhu who was barely clothed and barefoot, trying to make a dangerous journey across a pass. They helped the man get clothed, but then McCoy took off for the summit, leaving the sadhu, his friend Stephen, and several others behind. After reaching the summit, McCoy waited for his friend and upon his arrival, Stephen asked him, —How do you feel about contributing to the death of a fellow man? McCoy did not see things the same way. He felt that he had done his part since he and the others had given the sadhu clothing, fed him, and carried him down the mountain to within 500 feet of a hut. They each felt that they had done enough to help the man, who was an unexpected interruption to their goal of reaching the summit of the mountain. Stephen responded, —I feel that what happened with the sadhu is a good example of a breakdown between the individual ethic and the corporate ethic. No one person was willing to accept ultimate responsibility for the sadhu. Each was willing to do his bit just so long as it was not too inconvenient. When it got to be a bother, everyone just passed the buck to someone else and took off. McCoy considered this response, but asked about the limit of responsibility in this type of situation. He wondered, was his friend was actually saying that he should have given up his own goal and lost out on the experience of a lifetime, simply to help a stranger?

McCoy compares the situation on the mountain to a business situation in which a company must act quickly under stress. Organizations that do not have a heritage of mutually accepted, shared values tend to become unhinged during stress, with each individual bailing out for her or himself. The situation on the mountain parallels that unhinging process. The group of strangers did not have a process for developing consensus, nor did they have a plan or sense of purpose, so they each fended for themselves and left the sadhu to do the same. McCoy poses several questions about this scenario, such as: How much must we give of ourselves? Must we take care of every needy person we come across? What is our duty to others? Should we do everything in our power to help them? Or should we do what provides the greatest good for the greatest number? He asks a similar question about corporations, wondering how we prepare organizations so they will deal with crises appropriately. He sees the current interest in corporate culture and corporate value systems as a positive response to Stephen's pessimism about the declining role of the

individual in large corporations. He believes that in a complex corporate situation, the individual requires and deserves the support of the group, which is operating from a strong foundation of corporate values. The lesson of the situation with the sadhu, McCoy believes, is that when people do not find such support in their organizations, they do not know how to act. They need the support of a culture and values that guide them to do the right thing.

Reading 2-2

—Managing for Stakeholders|| by R. Edward Freeman

Main Points

The purpose of this essay is to outline an emerging view of business, —managing for stakeholders. I

Businesses, and the executives who manage them, actually do and should create value for customers, suppliers, employees, communities, and financiers (or shareholders).

The authors contend that it is vital to pay careful attention to how these relationships are managed and how value gets created for these stakeholders.

The dominant story or model of business that is deeply embedded in our culture is resistant to change, not consistent with the law, and for the most part, simply ignores matters of ethics.

Using _stakeholder' as a basic unit of analysis makes it more difficult to ignore matters of ethics. Managing for stakeholders is a new narrative about business that lets us improve the way we currently create value for each other.

Capitalism is a system of social cooperation and collaboration, rather than primarily a system of competition.

Summary

The modern business corporation has emerged during the 20th Century as one of the most important innovations in human history; yet, the changes that we are now experiencing call for its reinvention. Organizations in the past were quite simple and —doing business consisted of buying raw materials from suppliers, converting it to products, and selling it to customers. Many owner-entrepreneurs founded simple businesses and worked at the business along with family members. The development of new production processes, such as the assembly line, meant that jobs could be specialized and more work could be accomplished. Ownership of the business became more dispersed, as capital was raised from banks, stockholders, and other institutions.

During the last 50 years the "Managerial Model" has put "shareholders" at the center of the firm as the most important group for managers to worry about. Indeed, all of the recent scandals at Enron, Worldcom, Tyco, Arthur Anderson and others are in part due to executives trying to increase shareholder value, sometimes in opposition to accounting rules and law.

The Managerial View of business with shareholders at the center is inherently resistant to change. It puts shareholders' interests over and above the interests of customers, suppliers, employees, and others, as if these interests must conflict with each other. According to this view the only change that counts is change oriented toward shareholder value. If customers are unhappy, if accounting rules have been compromised, if product quality is bad, if environmental disaster looms, even if competitive forces threaten, the only interesting questions are whether and how these forces for change affect shareholder value, measured by the price of the stock every day. However, the law has evolved to put constraints on the kinds of tradeoffs that can be made. The doctrine of —privity of contract, the National Labor Relations Act, the Clean Air Act, and the Clean Water Act are all examples of such constraints mandated by law.

The Responsibility Principle states that most people, most of the time, want to, actually do, and should accept responsibility for the effects of their actions on others. Business can be understood as a set of relationships among groups that have a stake in the activities that make up the business. Furthermore, business is about how customers, suppliers, employees, financiers (stockholders, bondholders, banks, etc.), communities and managers interact and create value. While any business must consist of financiers, customers, suppliers, employees, and communities, it is possible to think about other stakeholder, too. If a group or individual can affect a business, then the executives must take that group into consideration in thinking about how to create value. Additionally, no stakeholder stands alone in the process of value creation. The stakes of each stakeholder group are multi-faceted, and inherently connected to each other.

First and foremost, we need to see stakeholder interests as joint, as inherently tied together. Serving all your stakeholders is the best way to produce long-term results and create a growing, prosperous company. There is no conflict between serving all your stakeholders and providing excellent returns for shareholders.

Most human beings are complicated. Most of us do what we do because we are self-interested and interested in others. Business works in part because of our urge to create things with others and for others. Once you say stakeholders are persons then the ideas of ethics are automatically applicable. However you interpret the idea of —stakeholders , you must pay attention to the effects of your actions on others. Finally, the main reason that the dominant model of managing for shareholders is a good idea is that it leads to the best consequences for all.

Reading 2-3

—What Stakeholder Theory is Not by Robert Phillips, Ed Freeman, and Andrew Wicks

Main Points

Not all corporate misdeeds are committed by bad people... a significant number of unethical acts in business are the likely result of foibles and failings rather than selfishness and greed; good people inadvertently do bad things.

Scripts are the procedures that experience tells us to use in specific situations...cognitive shortcuts that take the place of careful thinking. When we brush our teeth or congratulate a friend on the arrival of a new grandchild, we probably use scripts.

Repetitive jobs requiring vigilance to prevent ethical lapses can be found in quality control, customer service, and manufacturing...whenever there is repetition, there are likely to be scripts. Scripts allow people to avoid responsibility for the suffering of others in situations when providing help appears costly.

When concentrating on completing an involving task, most of us don't deal well with distractions. Inattention to what is happening on the periphery can result in ethical lapses.

A problem that brings out the worst in good people is the very human tendency to morally exclude certain persons or groups perceived as outside the boundary in which moral values and considerations of fairness apply, such as citizens of an enemy country during a war.

We owe it to ourselves to resist these pernicious influences (repetition, distractions, and our natural tendency to exclude) and we owe it to those in our work communities to help them to do the same.

Summary

The news is full of the exploits of corporate villains; yet, not all corporate misdeeds are committed by bad people. A significant number of unethical acts in business are the likely result of foibles and failings rather than selfishness and greed. Put in certain kinds of situations, good people inadvertently do bad things. Consequently, we must identify the situational factors that keep people from doing their best and eliminate them whenever we can.

One factor for why good people sometimes do unethical things is something psychologists call scripts. This term refers to the procedures that experience tells us to use in specific situations. When we brush our teeth or congratulate a friend on the arrival of a new grandchild, we probably use scripts. Unlike other forms of experience, scripts are stored in memory in a mechanical or rote fashion. When we encounter a very familiar situation, rather than actively think about it, we reserve our mental energy for other purposes and behave as though we are cruising on automatic pilot.

According to research at the University of Kansas, scripts allow people to avoid responsibility for the suffering of others in situations when providing help appears costly. Ford Motor Co.'s failure to recall the Pinto in the 1970s is an example of this. Whenever there is repetition, there are likely to be scripts. Accordingly, the best way to eliminate the potential of scripts to result in unethical behavior is to keep people out of highly repetitive situations. Technology can help with this.

A similar human tendency is our mindless treatment of distractions. In one experiment, divinity students were told that they had to deliver a lecture from prepared notes in a classroom across campus. Half the students were told they had to hurry to be on time, and the other half were told they had more than ample time. On the way, the students came across a person in distress (actually an actor), who sat slumped motionless in a doorway, coughing and groaning. Shockingly, only 16 of the 40 divinity students stopped to help, most of them from the group that had ample time. To those in a hurry, the man was a distraction,

a threat to their focus on giving a lecture. Ironically enough, half of them had been asked to discuss the parable of —The Good Samaritan.

A final problem that brings out the worst in good people is the very human tendency to morally exclude certain persons. This occurs when individuals or groups are perceived as outside the boundary in which moral values and considerations of fairness apply. Greater awareness and extensive training have reduced some of the exclusion women and people of color have historically experienced.

One way such exclusion shows up is in our use of pronouns. If we are in marketing and they are in production, the chances are that the distance may be great enough for us to be morally indifferent to what happens to them. Repetition, distractions, and our natural tendency to exclude those unfamiliar to us cloud our best thinking and forestall the expression of our virtues. We owe it to ourselves to resist these pernicious influences, and we owe it to those in our work communities to help them to do the same.

Reading 2-4

—What's Wrong—and What's Right—with Stakeholder Management by John R. Boatright

Main Points

The stakeholder concept has been expressed most often in the moral prescription that managers, in making decisions, ought to consider the interests of all stakeholders, as opposed to shareholders alone.

The dispute between stockholder and stakeholder management revolves around the question of how best to enable each stakeholder group or corporate constituency to benefit from the wealth-creating activity of business.

Stakeholder management fails to appreciate the extent by which the prevailing system of corporate governance serves the interests of all stakeholders.

Stakeholder management can be regarded as incompatible with and an alternative to the prevailing form of corporate governance, or as a managerial guide that can be followed within corporations as they are currently legally structured.

Stakeholder management goes wrong when it is developed as an alternative system of corporate governance. Stakeholder management as a guide for managers, on the other hand, constitutes a valuable corrective to common misunderstandings of the argument for stockholder management. The most suitable protection for the capital provided and risk borne by shareholders is control of the firm, and control by equity capital providers is in the best interests of the other stakeholders Viewed in terms of an economic approach to the firm, stakeholder management offers managerial decision making as a means for protecting and advancing stakeholder interests. The firm's management must ensure that the firm conducts its business in ways that benefit everyone. The fundamental mistake of stakeholder management is a failure to see that the needs of each stakeholder group are different and that different means best meet these needs. Management decision making is a relatively ineffective means for protecting the interests of non-shareholder stakeholders.

Corporate governance rules tell us very little about how managers should actually go about their task of managing a firm to the benefit of shareholders or anyone else. Stakeholder management addresses this matter of what managers and others need to do to create wealth. Stakeholder management, then, as a guide for managers rather than a form of corporate governance, provides a valuable corrective to managers who fail to appreciate how shareholder primacy benefits all stakeholders and use it a reason for disregarding other stakeholders.

Summary

This article addresses the benefits and shortcomings of the stakeholder management style, as opposed the prevailing system of management, also referred to as —stockholder management. The stakeholder concept has been expressed most often in the moral prescription that managers, in making decisions, ought to consider the interests of all stakeholders. This is contrasted with stockholder management, in which shareholder interests are primary. To advocates of stakeholder management, focusing attention on only one stakeholder, the shareholders, is morally unjustified. These advocates get one point right: the modern for-profit corporation should serve the interests of all stakeholder groups. On this point, there is no conflict with the argument for the current system of corporate governance. Stakeholder management goes wrong by failing to appreciate the extent by which the prevailing system of corporate governance serves the interests of all stakeholders, and by assuming that all stakeholders are best served by making this the task of management.

Boatright distinguishes two forms of stakeholder management. The main point of difference is whether stakeholder management is incompatible with and an alternative to the prevailing form of corporate governance, or whether it is a managerial guide that can be followed within corporations as they are currently legally structured. Instrumental stakeholder theory acknowledges that any successful corporation must manage its relations with all stakeholder groups, if for no other reason than to benefit the shareholders, and that managers also have obligations to treat each stakeholder group in accord with accepted ethical standards. Normative stakeholder theory modifies the prevailing system of corporate governance to these propositions: 1) all stakeholders have a right to participate in corporate decisions that affect them, 2) managers have a fiduciary duty to all stakeholders, and 3) the objective of the firm ought to be the promotion of all interests and not those of the shareholders alone. Stakeholder management goes wrong when it is developed as an alternative system of corporate governance. When used as a guide for managers, stakeholder management contains much that is helpful to managers and constitutes a valuable corrective to some common misunderstandings of the argument for stockholder management.

A firm requires many inputs, e.g. land, labor, and capital. Governance can be understood as the contractual agreements and legal rules that secure each input provider's claim for the return due on that input provider's contribution to the productive activity of a firm. The most prominent input providers are shareholders, who not only provide capital, but also assume much of the risk of a firm. The shareholders' willingness to bear this residual risk benefits all other input providers. The most suitable protection for this capital and risk is control of the firm, and is in the best interests of the other stakeholder groups as well. Usually non-shareholder groups are better served by safeguards other than control.

Viewed in terms of an economic approach to the firm, stakeholder management offers managerial decision making as a means for protecting and advancing stakeholder interests. Stakeholder management proposes that the firm's management treat all stakeholders like shareholders. The fundamental mistake of stakeholder management is a failure to see that the needs of each stakeholder group are different and that different means best meet these needs- management decision making is a relatively ineffective means for protecting the interests of non-shareholder stakeholders. Managers lack both the ability and legitimacy required to ensure that the wealth created by a firm is distributed in a fair way.

The prevailing system of corporate governance may obscure the benefits to all stakeholders by failing to emphasize that the objective of shareholder wealth maximization are merely means to an end. The stakeholder view makes it a task of management to ensure that the firm conducts economic activity in ways that benefit everyone. On the economic approach, mutual benefit is a result of the opportunity each group has to make mutually advantageous agreements. In practice, some stakeholders fail to benefit as they should from a firm's activity. In general, it is the responsibility of government to prevent or correct

for unfair practices, externalities, or third party effects, but managers might also be held to have some responsibility.

Traditional corporate governance is concerned with how business organizations should be legally structured and controlled. The prevailing provisions tell us very little about how managers should actually go about their task of managing a firm so as to create wealth for shareholders or anyone else. Stakeholder management addresses this matter of how managers and others should act to create wealth for shareholders or any other stakeholder. Stakeholder management, then, as a guide for managers rather than a form of corporate governance, provides a valuable corrective to managers who fail to appreciate how shareholder primacy benefits all stakeholders and use it a reason for disregarding other stakeholders. Indeed, a manager who fails to benefit every stakeholder group is not achieving the full potential of a firm.

Reading 2-5

—When Good People Do Bad Things at Work: Rote Behavior, Distractions, and Moral Exclusion Stymie Ethical Behavior on the Job, by Dennis J. Moberg

Main Points

The news is full of the exploits of corporate villains, but not all corporate misdeeds are committed by bad people.

Three main problems that might cause unethical behavior are: 1) following mental scripts, 2) mindless treatment of distractions, 3) morally excluding people who are unfamiliar to us. People in repetitive jobs are likely to follow scripts because over time they have learned to always do the same thing in similar situations. The Ford Pinto case in the 1970's provides an example of an error in judgment based on a script.

Mindlessness about distractions can cause ethical lapses because employees are not paying close attention to what is going on around them. This typically happens in workplaces where employees do not have a work-life balance.

Moral exclusion is a problem when employees treat others as if they are outside the boundary in which moral values and considerations of fairness apply. This can be seen when employees have a —well versus —theml mentality or when they operate based on stereotypical views of others. Moberg concludes that we owe it to ourselves and to our work communities to resist these three influences so that we can make the most ethical decisions possible in the workplace.

Summary:

The news is full of the exploits of corporate villains and the acts of such people are hard to forgive. However, all corporate misdeeds are committed by bad people. In fact, a significant number of unethical acts in business are the result of situational factors keeping people from doing their best. The three main problems that Moberg suggests might cause unethical behavior are 1) following mental scripts, 2) mindless treatment of distractions, and 3) morally excluding people who are unfamiliar to us.

People in repetitive jobs are likely to follow certain scripts because over time they have learned to always do the same thing in similar situations. One example was the Ford Pinto case in the 1970's, where the recall coordinator at the time admits that he had gotten used to dealing with (and dismissing) very similar reports of technical problems with other cars and he was making the same decisions automatically every day. He had trained himself to respond to prototypical cues and did not catch that the Pinto case did not fit that prototype. Mindlessness about distractions at work is another problem that can result in ethical lapses because employees are not paying close attention to what is going on around them. This type of behavior is most pronounced in situations where employees are encouraged to be focused and driven. Allowing for more work-life balance for employees can combat this. Moral exclusion occurs when people are perceived as outside the boundary in which moral values and considerations of fairness apply. This type of exclusion is often apparent in a —well versus —theyll mentality, or when stereotypes are used and enforced. One way to combat this problem is to activate human relationships between individuals and break down the stereotypes of boundaries so that no one is excluded. Moberg concludes that we owe it to ourselves and to our work communities to resist these three influences so that we can make the most ethical decisions possible in the workplace.

APPENDIX A

MISSION & LIFE GOALS ASSIGNMENT

The purpose of this assignment is to encourage you to manage your life and to become aware of the foundations of that management.

A. Mission Statement: Your assignment is to draft a mission statement for your personal interactions. This mission statement should articulate how you plan to treat others in any situation where you are in contact with another individual. The statement should identify who is your primary stakeholder, what values will dictate your actions and responses, and what are your primary objectives in your life. In drafting the statement, you may choose to look at some corporate mission statements. An example of a personal mission statement:

My personal objective is to enjoy each of my days to their fullest. In order to achieve this objective, I will place the needs of my family above those of my work. However, I will place my personal needs above those of my family since I must be happy in order to make others happy. The values that I will use in negotiating personal interactions are honesty and integrity, courage, trust and consideration.

You do not have to answer all of the following questions but, in drafting your mission statement, it might help to consider your responses to the following questions:

Self-image: If you could be exactly the kind of person you wanted what would your qualities be?

Tangibles: What material things would you like to own?

Home: What is your ideal living environment?

Health: What is your desire for health, fitness, athletics, and anything to do with your body? Relationships: What types of relationships would you like to have with friends, family, and others?

Work: What is your ideal professional or vocational situation? What impact would you like your efforts to have?

Personal pursuits: What would you like to create in the arena of individual learning, travel, reading, or other activities?

Community: What is your vision for the community or society you live in?

Other: What else, in any other arena of your life, would you like to create?

Life purpose: Imagine that your life has a unique purpose--fulfilled through what you do, your interrelationships, and the way you live. Describe that purpose, as another reflection of your aspirations.

- **B.** Goals. List five goals that you would like to achieve before you retire. It is helpful to think of where you would like to be at that time. Think both about material and near-material possessions (the amount of money that you would like to have, the level of position you would like to hold, the sort of vacations you would like to take) as well as non-material aims (your family life, community service, political actions).
- C. Next, list three personal traits that should be helpful in reaching your goal along with three personal traits that may tend to hinder your reaching that goal
- **D.** Norms. List five actions that you believe to be "right". Think about actions that you would ALWAYS approve if others did them, and that you would certainly be willing to do yourself. Yes, this is difficult but the effort is towards finding those particular things that you would always judge as acceptable. Then, list five actions that you believe to be "wrong." Here, think about actions that you

would ALWAYS condemn in others, and that you would not be willing to do yourself. Yes, difficult, as well.

- **E. Beliefs**. Think about why the actions listed above are "right" or "wrong" in your opinion; what is the basis for your conclusion that it is right or wrong?
- **F. Values**. The following is a list of twelve statements, each of which implies given goals (ends desired by the person), norms (acts approved by a person), and beliefs (ideas accepted by a person). Rank the statements in your order of preference or agreement (1 is the highest in your preference or agreement among them, 12 is the least preferred).

	1.	Increases in my wealth and the power, possessions and life style that go with money, are
	importa 2.	ant to me. Advancement in my company, and the authority and privileges that go with promotion,
	are imp	portant to me.
	3.	Performance in my job, and the security and respect that go with achievement, are
	import	ant to me.
	4.	Reputation within my community, and the political offices and social activities that go
	with re 5.	eputation, are important to me. Attention to my family, and the affection and companionship that go with family life, are
	importa 6.	ant to me. Devotion to my faith or spiritual community, and the sense of community and sharing
<u>—</u>	7.	e a part of a spiritual life, are important to me. Independence in my personal life, and the ability to achieve my own goals and follow my les (as long as I do not directly harm others) are important to me. Interdependence with my fellow citizens, and the opportunity to set social goals and
	9.	nutual rules (through representative government) are important to me. Protection of the poor, and the need to help others within our society who are less ate than I have been, are important to me. Equality among races, sexes, and ethnic groups, and the need to achieve courtesy/respect
	betwee	en peoples, are important to me. Preservation of the environment, and lack of exploitation of the earth's resources, are
	importa 12. to me.	ant to me. Peace between nations, and a lack of oppression of the earth's peoples, are both important

APPENDIX B

The following article ["WHY YOU SHOULD CARE ABOUT PRESS FREEDOM," by Mark Feldstein, published in the Chicago Tribune, April 23, 2006] has been modified by the authors to reflect the ways in which the original author of the article uses (intentionally or not) ethical theory to strengthen his arguments.

WHY YOU SHOULD CARE ABOUT PRESS FREEDOM Nation needs an unfettered press

By Mark Feldstein, director of the journalism program at George Washington University

Last month, as part of an ongoing criminal investigation, two FBI agents showed up at my home in suburban Washington, D.C., and waved their government-issued badges to demand access to decades-old historical archives that I have been reading.

Why? Because they say these documents may--or may not--shed light on alleged leaks to a dead investigative reporter that may--or may not--have occurred more than 20 years ago.

This inept fishing expedition would be laughable if it were not part of a larger and more serious government assault on freedom of the press, the most systematic attack on free expression and the public's right to know waged by any presidential administration since the infamous days of Richard Nixon.

Establishes free expression as a universal principle based on historical violations and the public's reaction to those violations.

In my case, the FBI claims it is entitled to rummage through the notes of columnist Jack Anderson, who donated his papers to my university before he died in December. The FBI agents who interviewed me said they want to confiscate any classified government documents that might be in the Anderson collection and prosecute whoever leaked them more than two decades ago. The agents even demanded the names of graduate students who might have looked at these records while helping with my research.

My university and the Anderson family are resisting this government intrusion into our files. Ultimately, the courts may have to decide the outcome.

Regardless, this heavy-handed action is troubling because the FBI has already violated the Justice Department's own guidelines that for the past three decades have set limits on such fishing expeditions into reporters' notes.

Addresses the violation as a violation of other, widely-accepted rules, such as the Justice Department's own guidelines. A violation of guidelines articulated by the one engaged in the violation is hypocritical, which would be against Universalism, though perhaps hypocrisy is justified when one looks only at ends, such as Utilitarianism.

The media as a target.

Worse still, it is just one of many efforts hatched by the Bush administration to target journalists who have criticized the government, and it would have the effect of criminalizing the kind of press leaks that have been a regular part of politics since the presidency of George Washington.

Looks to perhaps undesirable end results (criminalizing leaks) to persuade those who might not otherwise follow a Universalistic approach.

Media censorship always increases in wartime, in the U.S. and everywhere else. Abraham Lincoln shut down newspapers that sympathized with the Confederacy during the Civil War, and Woodrow Wilson did the same to leftist and German-American periodicals during World War I. In wartime, truth is notoriously the first casualty.

While we are now at war just as surely as we were then, our current enemy makes censorship more dubious and dangerous than it was in the past. America's battle against terrorism could well last decades and has no obvious end in sight. Are we to live under a kind of undeclared and unofficial martial law until all potential threats can be stamped out?

Strives toward a Universalist argument of whether this would be all right if it became a universal, consistent and prevailing occurrence. In addition, asks how we would feel if this restriction increased, supporting a Distributive Justice perspective.

That may sound like hyperbole, but the Bush administration is now dusting off the antiquated Espionage Law of 1917, designed to jail dissidents during World War I, as a way to prosecute journalists who disclose information that the government deems a threat to America's war on terror. The president's congressional allies are considering even more disturbing legislation that would further criminalize leaks of classified information to reporters, action that even Bush's conservative former attorney general, John Ashcroft, opposed.

In addition, the CIA director has testified that he hopes reporters will soon be forced to reveal under oath to criminal grand juries the identities of their confidential sources. Judith Miller is only the most prominent of several journalists jailed in the past few years because of government efforts to uncover anonymous sources.

Considering the end results of allowing these intrusions, arguing that we would not desire these end results so we should not accept the beginning of the erosion of this principle.

President Bush himself contributed to this climate of intimidation in December when he said whoever leaked the information to the press about the domestic spying operation was "helping the enemy" in "a shameful act."

In response to all of this, the international watchdog group Reporters Without Borders has rated the United States behind 43 countries when it comes to press freedom--just ahead of Bolivia and just behind Macedonia.

Explains that external parties believe this is not acceptable (works toward supporting a Universalist concept).

Thomas Jefferson and the other constitutional framers who enshrined press freedom in our 1st Amendment would not be proud.

A violation of press freedom would not be what a virtuous country would do.

Choking off information.

Unfortunately, the administration has not targeted only reporters. Equally important, federal officials are now trying to choke off the flow of information to the public right from the source.

As part of ongoing leak investigations, numerous government employees have had to undergo lie-detector tests. Although the polygraphs have not turned up any known cases of law-breaking, such harassment has undoubtedly discouraged politically embarrassing whistle-blowing.

Stakeholder perspective, Distributive Justice (trying to see how the various stakeholders in various roles might be impacted).

Other government investigators have been poring through university archives around the country as part of a larger effort to reclassify historical documents previously made public.

The Pentagon now is enforcing long-established restrictions that limit how close journalists can get to the funerals for American personnel killed in Iraq who are being buried at Arlington National Cemetery. Press photographs of coffins arriving at military bases are also prohibited for fear of undermining public support for the war.

All of this has led media outlets to censor themselves lest they run afoul of the administration. According to correspondent Christiane Amanpour, even the mighty CNN was intimidated by the administration's "climate of fear," leading to "self-censorship" in its coverage of the war in Iraq in 2003.

Asks whether we really want this end result. Consider the result and determine whether the good outweighs the bad – Utilitarianism.

Why does any of this matter?

Because a free society depends on democratic decision-making by an informed public. And an informed public depends on a free and independent press.

Justifies the Universal principle by explaining the consequences – Utilitarian, as well.

Ironically, dictatorships around the world are now using America's crackdown on journalists to justify their own repression.

As I learned all too clearly when the FBI came calling at my door, we cannot stifle freedom at home and have any hope of spreading it abroad