MGMT 504:
ETHICAL LEADERSHIP

Instructor: Terry Thomas
Email: trthomas@uw.edu
Office hours: Monday & Wednesdays, by appointment
Course Meeting Time:
Mondays & Wednesdays,
6:00-7:40 and 8:00-9:40
Paccar 392

INTRODUCTION
As work becomes more virtual, more connected, and more global, leaders must manage conflicting values, priorities, and perspectives at a rapid pace. We will examine the issues raised by this environment through the lens of business ethics.

The goal of this course is not to try to change you, to make you a better person, or to evangelize for ethical behavior. Rather, the goal is to equip you with the tools you need to spot ethics issues as or even before they happen, to understand their practical implications to you as a business person, and to devise strategies to deal with them in a careful and reasoned manner. We will begin with developing our skills for individuals, then will move to applications for managers and organizations.

Unlike business disciplines where the “correct” answer can be derived from numbers on a spreadsheet, examination of a business ethics issue often yields no definitive correct answer. Frequently, decision makers must choose a course of action that is most ethically correct, but still seriously disadvantages one or more stakeholders. Put another way, they must strike a morally defensible, yet practical balance that properly honors the interests of stakeholders who may be affected by their ethics decisions. It is an intricate, increasingly high-stakes endeavor with which all business people must deal. My goal is to prepare you to do just that.

A typical day in class will consist of discussion of ethics-related current events from the business world, lecture on the topic areas of the day, class discussion of readings, and/or group exercises. Later in the quarter, we will have guest speakers.

COURSE MATERIALS
Each class session will focus on a range of different issues. The course materials will provide a framework for analyzing and discussing these issues. You should come to class prepared to analyze the day’s readings and contribute to class discussions. Most of the readings come from the Harvard course pack, which you can purchase via the link below. The remaining readings can be downloaded directly from Canvas.
We will also be watching a movie, "The Big Short," which will serve as a touchstone for several of the issues we will be discussing throughout the quarter, so please pay close attention to the issues relating to subprime lending and the mortgage crisis. The movie is commercially available for purchase or rental at numerous outlets. Even if you have seen the movie before, please watch it again, as we will refer to it several times during the quarter. Please be sure to watch it before Class 3.

WORKLOAD AND GRADING

During the quarter you will have the opportunity to earn up to 100 points. In accordance with Foster policy the class median will be between 3.3 and 3.5. Your grade is determined by three individual components and two group components.

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<thead>
<tr>
<th>Graded Component</th>
<th>Individual/Group</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course engagement</td>
<td>Individual</td>
<td>10</td>
</tr>
<tr>
<td>Case Reflections</td>
<td>Individual</td>
<td>20</td>
</tr>
<tr>
<td>Group Projects</td>
<td>Group</td>
<td>40</td>
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<tr>
<td>Final Exam</td>
<td>Individual</td>
<td>30</td>
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1. **Course engagement (10 points)**

   Engagement does not mean just talking a lot. It involves being fully invested in the material and conversations we have each class. The engagement grade is based on three factors:

   - **Show up.** I can’t stress enough the importance of showing up to class. You simply can’t get everything out of an ethics class by doing the readings and assignments. **Missing class will have a direct negative impact on your grade, and missing more than 6 classes will make you ineligible for any points for participation.** If you have longstanding obligations that you expect to affect your attendance, please touch base with me at the beginning of the quarter.
   - **Prepare.** I expect that you will carefully read the background notes and cases before class. Otherwise, you simply won’t be able to fully engage with the material or contribute to your fellow students’ learning. Failure to prepare before class will also directly impact your grade.
   - **Join the conversation.** Ethics is a series of conversations about tough issues. We will have these conversations in a variety of formats, both in small groups and as an entire class. Being passive in an ethics class is like watching an exercise video on your couch – it just won’t be very effective.

At the end of the quarter you will be asked to provide self-evaluations of your participation, as well as peer evaluations of your teammates’ contributions to group assignments, both of which will be used at my discretion as factors in your final course engagement grade.
2. Case and Guest Speaker Reflections (20 points total; 2 points each)
On the days specified below, you will be required to submit a case or guest speaker reflection before 6:00/8:00 the day of class. The goal of the case reflections is to deepen and personalize your perspective on each ethical dilemma or presentation by the guest speaker through disciplined introspection. Submissions that demonstrate careful reading and thoughtful reflection will receive 2 points. Submissions that suggest limited reflection will receive 1 point. Reflections not uploaded before class will receive 0 points. Deliverables: Each reflection should be approximately 250 words. Reflection questions are provided on Canvas. Please submit your reflections directly in the Canvas word editor or upload your submission as a Word document.

<table>
<thead>
<tr>
<th>Case</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>Nisha Anderson</td>
<td>January 14</td>
</tr>
<tr>
<td>Chris and Alison Weston</td>
<td>January 16</td>
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<tr>
<td>Sherry Hunt (Whistleblower)</td>
<td>January 23</td>
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<tr>
<td>Against the Grain</td>
<td>January 28</td>
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<tr>
<td>Kathryn McNeil</td>
<td>February 4</td>
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<td>H&amp;R Block</td>
<td>February 11</td>
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<tr>
<td>Trek-ation</td>
<td>February 13</td>
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<tr>
<td>Miles &amp; Beale (Guest Speakers)</td>
<td>February 25</td>
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<tr>
<td>TBD (Guest Speaker)</td>
<td>TBD</td>
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<tr>
<td>The Parable of the Sadhu</td>
<td>March 13</td>
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3. Group Project (40 points)
Shortly after we begin the course, I will divide the class into 8 groups of 5-6 students, depending on class size. The groups will be assigned names by colors: blue, red, etc. Toward the end of the quarter, each group will then read two cases that describe ethics issues at various companies. Each group will then be assigned two tasks:

Task 1: Analyze assigned company per the question prompts and guidelines I will provide (25 points); and

Task 2: Critique another group’s analysis of a different company per the guidelines I provided to them (15 pts).

Deliverables: Each group will thus prepare and submit two papers, one for each task. The Task 1 paper should be approximately 2000 words in length, 12 pt. double-spaced, and the Task 2 paper should be approximately 1500 words, with the same specifications.

The chart below shows illustrates the assignments:
<table>
<thead>
<tr>
<th>Group</th>
<th>Task 1: Analyze (25 pts)</th>
<th>Task 2: Critique (15 pts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red</td>
<td>Company A</td>
<td>Company B analysis by Orange Group</td>
</tr>
<tr>
<td>Orange</td>
<td>Company B</td>
<td>Company C analysis by Yellow Group</td>
</tr>
<tr>
<td>Yellow</td>
<td>Company C</td>
<td>Company D analysis by Green Group</td>
</tr>
<tr>
<td>Green</td>
<td>Company D</td>
<td>Company E analysis by Blue Group</td>
</tr>
<tr>
<td>Blue</td>
<td>Company E</td>
<td>Company F analysis by Purple Group</td>
</tr>
<tr>
<td>Purple</td>
<td>Company F</td>
<td>Company G analysis by Silver Group</td>
</tr>
<tr>
<td>Silver</td>
<td>Company G</td>
<td>Company H analysis by Beige Group</td>
</tr>
<tr>
<td>Beige</td>
<td>Company H</td>
<td>Company A analysis by Red Group</td>
</tr>
</tbody>
</table>

*Example: As per the chart above, the Blue Group is required to analyze, for example, a sexual harassment problem at Company E, and to critique the Purple Group’s analysis of, for example a conflict of interest problem at Company F.*

Each group’s grade on the Group Project will be based 62.5% (25 points) upon their performance of Task 1, and 37.5% (15 points) on their performance of Task 2. Grades on Task 1 will be weighted 50% my own assessment, and 50% the reviewing group’s assessment. Grades on Task 2 will be based solely on my own assessment.

*Example: The Blue Group submits its written analysis of the sexual harassment at Company E (Task 1), plus its critique of Purple Group’s analysis of the conflict of interest problem at Company F (Task 2). The Green Group also critiques the Blue Group’s analysis of Company E. I give the Blue Group a grade of 20/25 on Task 1, but the Green Group only gives them a 18/25. I give the Blue Group a 13/15 on Task 2, their critique of the Purple Group’s analysis of Company F.*

The Blue Group’s overall project grade is calculated thusly:

**Task 1**
My grade on Blue Group’s analysis of Company E = 20/25
Green Group’s critique of Blue Group’s analysis of Company E = 18/25

\[
(50\% \times 20) + (50\% \times 18) = 19/25
\]

for Task 1.

**Task 2**
My grade on Blue Group’s critique of Company F analysis by Purple Group= 13/15 for Task 2.

**Combined Grade**
Combined grade = \(19 + 13 = 32/40\)
Task 1 for the group projects is due by 6:00/8:00 pm February 25.
Task 2 for the group projects is due by 6:00/8:00 pm March 6.
4. **Final Examination (30 points)**
The exam is closed book. You must take it alone and you cannot discuss the questions or answers with your fellow students. The exam will consist of a variety of short essay questions.

**Deliverable:** The final is due by 11:59pm March 18th.
I will post it on Canvas immediately after the last class on March 13th and close it at 11:59pm on March 18th. The exam is not timed, but you must take it in one sitting as you would take an in-class exam (e.g., you cannot work on it a little bit each day for three days). Most students finish the exam in about two hours.

**A Word About Grades**
The University of Washington’s MBA program is selective. Everyone in this class has the ability to do well. As with most things in business, however, your grade will depend somewhat on your innate talent, but it will probably depend more upon the amount of time and effort you choose to devote to it. We all do internal cost-benefit analyses whereby we choose the level of effort we devote to the many activities that place demands on our time: school, our jobs, our families, our leisure time activities, and more. Some of you may devote the amount of time to this class to excel, and some may prioritize your time differently. The choice is yours, and your grade will likely reflect the priorities you set. *It is important to understand, though, that your grade does not define you.* It does not reflect a value judgment on you or your business acumen, nor is it necessarily a predictor of how you will fare in the career ahead of you. Rather, it will accurately show how much time and effort you chose to expend on this class in your own personal cost-benefit analysis.

**OTHER POLICIES**

**Lecture Notes**
I will post the lecture slides on Canvas after each classroom session. Although having the slides during the lecture might seem like a good way to learn the material, experimental evidence indicates that this approach actually impairs learning by shifting you toward a more passive learning mindset. Taking notes in class is a terrific way to encode the class material. Passively flipping the page after every six slides is not. All of my slides are numbered in the lower corner. My advice is that you take notes during class tagged with these numbers, and then match them up with the slides when you download them after class.

**No Laptops or Cell Phones**
Laptop computers and tablets must be turned off and put away during class. Non-class-related work is simply too tempting for some to use them completely constructively. It is fun to surf the web and read e-mail the moment it arrives in your inbox, but it also does not create the ideal learning environment. If you prefer to keep notes on a computer, you will learn the material better if you take notes on paper during class and then quickly transcribe them afterward. All cell phones must also be turned off and put away during class. An exception to these rules is made on specific days of class, outlined in the syllabus, where a laptop will be needed to complete specific class exercises.
No Visual or Audio Recording
With rare exceptions, video or audio recording of the class is not allowed at any time. This rule is intended to create a safe and confidential environment for students to share their experiences and express their views on a variety of sensitive topics. If you will be out of town for class, one option for you is to skype into the class live. Otherwise, I will ask you to rely on your classmates to catch up with what you miss. You’re welcome to set up a meeting with me to cover any remaining questions as well.

Student Conduct
I employ the policies espoused by the Foster School of Business Honor Code to maintain academic integrity in the course. The Honor Code of the Foster School of Business expressly prohibits cheating, attempted cheating, plagiarism, and lying to administration or faculty as it pertains to academic work. Suspected violations will be referred to the Foster Honor Council.

THIS IS AN ETHICS CLASS. PLEASE DO NOT CHEAT. NO ONE WILL APPRECIATE THE IRONY.

Special Needs
If you have special needs due to a physical, emotional, or learning disability, please immediately contact me. I will accommodate students’ special needs to the best of my ability, but please notify me in advance. Students with disabilities should contact Disability Resources for Students to develop reasonable accommodations: 543-8924 (voice) or 543-8925 (TTY), or email uwdrs@uw.edu.