

LEARNING PLAN 5



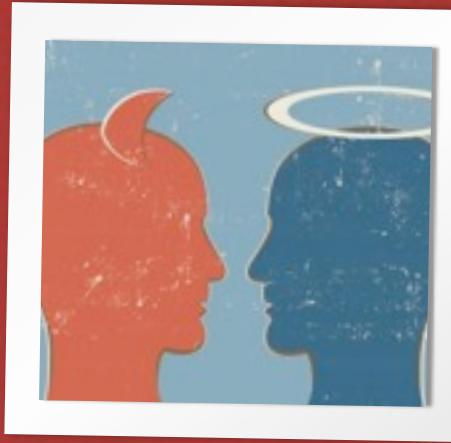
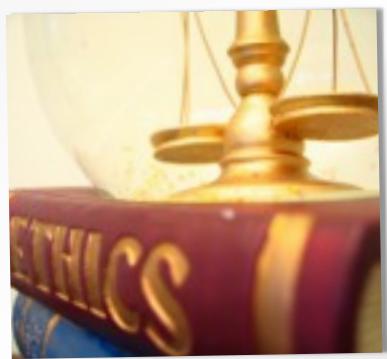
Ethics

As the behavior of Johnson & Johnson's, Dow Corning's, and Arthur Andersen's managers suggests, managers may interpret their responsibilities to their customers and to their organizations in very different ways. Johnson & Johnson moved immediately to protect the public even though there was little chance that any other supplies of Tylenol were contaminated. Dow Corning's managers

postponed action and, to safeguard the profits of their company, did not confront the fact that their product was defective and dangerous. As a result, women continued to receive silicon breast implants, and the potential for harm increased. Arthur Andersen's managers intentionally committed illegal actions to protect their own interests. Their sole goal was to hide evidence of

their wrongdoing at the expense of the public.

As the story of these companies suggests, an important ethical dimension is present in most kinds of business decision making. In this Learning Plan, we examine the nature of the obligations and responsibilities a business has to the people and society affected by the way it operates. nation.?



ETHICS & VIRAL MARKETING

When most people think of professionals whose "purpose is to serve the greater good," MBAs don't leap to mind. That's probably part of the reason authors of a new oath for MBAs, which uses those words in the opening sentence, set such modest goals for the project. Started by 33 second-year MBA students at Harvard Business School (Harvard Full-Time MBA Profile) as a way to bolster B-school ethics, the group originally hoped 100 of their classmates in the Harvard class of 2009 would sign up to "act with utmost integrity." At the time, it seemed like a stretch.

But something about the project struck a chord. Maybe it was the desire to distance themselves from B-school villains of the financial crisis, or an effort to get a head start on their future careers in the nonprofit world, or maybe it was genuine idealism. But whatever the cause, the oath has quickly taken on a life of its own. Within weeks, more than half of Harvard's class of 2009 had signed. Perhaps more interestingly, it didn't stop at Harvard Yard. MBAs around the world forwarded the oath to friends, gathering nearly 800 signatures to date. Max Anderson, the 2009 Harvard graduate who came up with the idea, said he received requests from people at more than 25 schools around the world about bringing it to their campuses. He still sounds a little awed: "Our inbox has just exploded."

So far, people from 115 countries representing 49 languages have visited the MBA Oath Web site, where visitors can also find links to some of the articles that helped to spread the word. While some campuses have asked for help adapting it, e-mails have been circulating independently at others. About 40 students at Northwestern University's Kellogg School of Management (Kellogg Full-Time MBA Profile) have signed on, along with more than 30 students at Oxford University's Saïd Business School (Saïd Full-Time MBA Profile). Anderson says the group plans to translate the code into

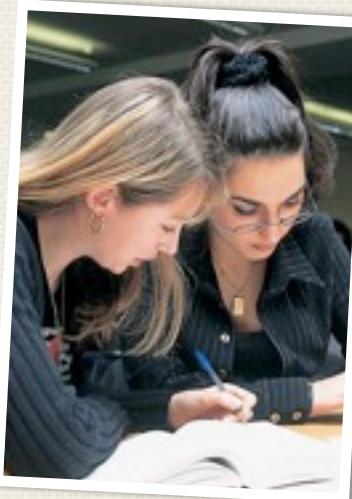


LEARNING ACTIVITIES

THE FOLLOWING ACTIVITIES ARE COMPLETED ONLINE

AT www.mhhe.com/ferrellm3e

1. VIEW ONE OF THE INTERACTIVE APPLICATIONS
2. COMPLETE THE QUIZ. DON'T SUBMIT THE RESULTS TO ME. THIS ACTIVITY IS FOR YOUR SELF-IMPROVEMENT.
3. VIEW THE ENRON VIDEO, YOU DO NOT HAVE TO DOWNLOAD THE VIDEO TO VIEW.



ASSESSMENT ACTIVITIES

1. READ CHAPTER 2
2. PLEASE COMPLETE THE LP5| CODE OF ETHICS ACTIVITY
3. COMPLETE THE LP5| DB ETHICS DISCUSSION FORUM
4. RESPOND TO YOUR CLASSMATES DISCUSSION POSTS

German, French, and Spanish because of multiple requests. And representatives of schools in Iceland and Norway have expressed interest in adapting it.

This isn't the first time the MBA industry has made a stab at establishing a code of morality, but it does seem to be the first effort that has the potential to catch on with a broader audience. Critics of the movement say that the oath is simply an effort by students to shield themselves from the populist rage at the role MBAs

played in the current financial crisis and that the ethics push will fade once the economy stabilizes. But some B-school leaders caution that such a conclusion underestimates the younger generation. There's a possibility, they say, the oath is only the tip of the iceberg, and that a bigger change—in student sentiment, business school programs, and what it means to be an MBA—is poised to hit the business education world.

<http://www.businessweek.com>