

## A Can of Worms at Behemoth University

### Introduction

On an uncharacteristically gloomy morning in late April, Dean Felix Schmidt passed through the gated archway that separated the calm campus of Behemoth University Business School from the teeming streets of Metropolis. But it wasn't a damp ocean breeze that sent a chill down his spine; it was the realization that his email inbox still contained a disturbing note. "I should be celebrating the conclusion of a great first year," thought Schmidt, who had been appointed Dean of the business school the previous July. Much had been accomplished under his watch. Despite a severe budget crunch that put a freeze on faculty salaries and travel budgets, Felix had worked hard to ensure that faculty morale was reasonably good, even though everyone was working harder than ever. The school's rankings in *U.S. News and World Report* had not dropped, and admissions applications were up at the undergraduate level and stable at the MBA level. But now, with the commencement celebration coming up in a few weeks' time, Felix Schmidt was preoccupied with an unpleasant situation involving several faculty members.

### Email and Open Doors

The previous evening, Schmidt was reading and answering the day's emails when his secretary stepped in to remind him to head over to a reception being held to fete the recipients of the Faculty Scholar of the Year, Teacher of the Year, and Service awards. Schmidt took pride in being accessible to the business school faculty, and he felt that keeping up with his emails was a big part of his "open door" policy. He was nearly done; just one more email to read, from Anna Rice. "I'll wrap this up before I head over."

That email had opened a can of worms, in Schmidt's opinion the next morning. Recently, Rice had mentioned a situation in which several faculty members in her department had needed to select a teaching case on firm valuation for use in an MBA course final exam. They had picked an old case that was originally published by Hereford Business School. In order to ensure that students would not hunt for information that could give them an edge in answering the exam questions, the Behemoth faculty had given the case a new title and different names and dates. Most other aspects of the case remained unchanged. The Behemoth professors listed themselves as the authors of this "revised" case, and the original author and publisher were not acknowledged. Professor Rice told Dean Schmidt that when she became aware of this, she met with her teaching team to find out if they had gotten permission from either the original author or from Hereford. They had not. "The original author has retired," one professor had explained. "Why would he care?" Professor Rice had informed the team that their actions were a violation of copyright law and furthermore, Hereford owned the copyright and this could damage Behemoth's relationship with Hereford. She had suggested that if a new case on firm valuation was required, they had better go do some interviews at a similar business and prepare a new case. An untenured faculty member had reported a few days later that he was able to interview a manager of a local startup and was preparing a new case.

Dean Schmidt had been pleased at how Professor Rice handled this situation. Although he shared her concern about possible repercussions with Hereford U, privately Felix felt that Hereford was getting their just desserts in this situation. Felix held a doctorate from Hereford, and he spent his last sabbatical there as a research fellow. During both stints at Hereford, he had co-authored more than ten teaching cases, many of which Hereford still sold to MBA programs all over the world. Nearly 200,000 copies of his cases had been sold, in fact – yet Felix Schmidt never collected a penny of royalties, since he never quite fit Hereford's royalty criteria. To receive royalties, an author had to be a Hereford faculty member when

the case was approved, and also must have prepared a teaching note to accompany the case. Hereford required that every case include one author who was a member of the Hereford faculty. With one exception, Felix Schmidt's Hereford co-authors had made practically no contribution to the research or writing of the cases, beyond providing an initial contact person at the company. Each time he submitted a new case into the Hereford U. Publishing system, Felix signed a form which gave Hereford all copyrights. He was grateful that Hereford had underwritten the expenses that he incurred when doing the research for some of the cases, and at the time that had seemed like a fair deal. But later he discovered that several of his non-active co-authors received royalties for cases and teaching notes that he had written – because, of course, they had been members of the Hereford faculty when Schmidt wrote them!

Felix Schmidt had other reasons to be unhappy with his alma mater. Several times now, he had come across book chapters by one of his Hereford co-authors, containing many paragraphs of his own writing – with no attribution. That same co-author had recently updated some of the cases that he had written, and dropped Felix from the author list – even though pages and pages of material were retained from the original. Getting hot under the collar, Felix realized he had been dwelling a bit long on his feelings toward Hereford, and that Anna Rice's email indicated that the situation here at Behemoth was by no means resolved. She wrote:

*Some of our faculty has developed a cavalier attitude towards intellectual property. I came across a copy of the new firm valuation case (the one you and I discussed recently) the day that it was distributed to all 250 students in our first-year MBA class. The case is now set at a local startup, and it does read a little differently, but many passages from the original remain in this "new" case. It is a heavy number-crunching exam case, and the numbers are identical to those in the original case. I met with one of the authors to express my concern. I told him that if the original author or Hereford got wind of this, he'd be in deep trouble. His reply: "I can't believe you're giving me such a hard time about this." He doesn't seem to understand that he and his co-authors have committed plagiarism!*

In her email, Anna Rice mentioned several other vignettes that she felt illustrated a weak appreciation of intellectual property rights. She closed with a request that Dean Schmidt "build faculty awareness of the issue of faculty academic integrity. A directive from you to stop doing it, with a reminder that it could result in severe penalties, would be helpful." Schmidt had thought for a moment (mindful that the awards reception awaited him), then typed his response:

*Anna,  
I have been thinking about this matter. It seems that pronouncements from me will do little good. May I ask what you are doing about it at the departmental level, since these seem to be all cases from your department?*

Schmidt had not been fully satisfied with his answer; Anna's problem deserved further discussion, but he was late for the awards ceremony. He shut down his computer and headed over to the reception. He was impressed with the winners' accomplishments and thankful that many colleagues showed up to congratulate them. Pete Greiner, a professor in the marketing department, had received the Teacher of the Year award, Finance professor Susan Scholes got Scholar of the Year, and the Service award went to Pat Boesky for work on behalf of the Center for Ethics in the Enterprise. His spirits lifted, Schmidt had put that pesky email out of his mind – until this morning.

Anna Rice had been chairwoman of the finance department, the largest and most prestigious department in the business school, for three years. Professor Rice did have a tendency to be perhaps overly zealous in promoting new curricular and research initiatives, given Behemoth's current budget crunch. And, she pushed hard for higher faculty salaries and other resources for the finance department, even when Felix

Schmidt patiently explained the necessity to hold these expenses down. Still, at her performance evaluation in March, Schmidt had encouraged Rice to continue to serve in that capacity for another three year term. “You have the respect of your peers, and you work well with the administration,” he had said. “I’m glad you’re on the team.”

### **A Busy Agenda**

As Felix Schmidt strode through the Milken Center toward his office, he was so caught up in his thoughts that he nearly collided with his secretary, Shelly, who managed to keep her composure despite the two hot cups of coffee she was carrying. As she handed the dean a cup, Shelly reminded him of three important appointments that morning.

“Your first appointment is with Jan Ellsworth at 9:30. She wants to find out how to collect payments from students for a case that she wrote, which is required reading for MG340. She dropped by the office to make this appointment, and left a note. Here it is: she says, “Hereford U. charges \$5 a copy for cases. Would that be the right figure to charge our students for my case? And, how exactly do I collect that money? From 10 to noon you will meet with the Academic Integrity Board to discuss two cases of student cheating that were appealed to your office. The files are on your desk. One involves some sophomores who distributed copies of an exam, in advance of the exam. The other involves a senior who would like to attend graduation next week, despite evidence that his final project for an elective course was purchased from one of those online term-paper mills. You’re free for lunch, but at one you will meet with Mr. Mehta, who’s flown in from New Delhi. You will recall that he has made several substantial donations to Behemoth – and that his son, Shakir, was previously suspended for one year, due to poor grades. Shakir returned last fall, but has now been asked to leave Behemoth due to his unacceptable grade point average of – let’s see: 1.2. My, that’s certainly low!”

Schmidt glanced at his watch: 9:00. “Please ring up Professor Rice and ask her to drop by my office ASAP. Then hold my calls.”

### **Professor Rice’s Concerns**

His coffee was still warm when Professor Anna Rice arrived ten minutes later. “I want to talk with you about your email,” said Felix. “It deserves more than a quick two-line response.” Professor Rice thanked Dean Schmidt as she sat down, “Unfortunately, the incident I mentioned in my email may be just the tip of the iceberg,” she sighed. “There seems to be an epidemic of disrespect for intellectual property around here – and it involves at least five Behemoth U. B-School departments.” She had become aware of several other instances in which faculty members put their names on case revisions and deleted the names of the original authors. Often the original case was published by Hereford U. Anna observed that a common element in many situations was time pressure. “It seems to be a fairly common occurrence: somebody needs a particular type of teaching case, so they rewrite an old one to make it look new. Unfortunately, they rarely get permission to do this, and they often say that if they had more time, they would have done so.”

Felix asked, “Why don’t they just use the old teaching cases as is?” To which Anna replied, “In fact, some do – and that can be a problem, too. More than once I have observed a professor making Xerox copies of old Hereford cases for distribution in class or for use exams. If I call them on it, they usually explain that they don’t have time to order the case, or they want to control distribution of a case that is being used for an exam. I think it happens less nowadays, partly because of the warning signs posted near the copying machines about copyrighted materials. But mostly it is because when teachers use old cases,

students criticize them on the evaluations! Our students expect our teaching materials to be fresh and current. And, our students are impressed when cases list our own faculty members as the authors.”

“Nor is this problem confined to teaching cases,” she added. As one example, she described a research presentation in which Tom, a faculty member from the accounting department had displayed several charts that Rice recognized as having been published in a leading business journal. Neither the slide nor the presenter’s reference list contained a citation to that source. “I’m not saying he was deliberately hiding the source of the data,” Professor Rice hastened to note. “Perhaps Tom felt that citation rules don’t apply to Powerpoint presentations. But of course, they do.” Indeed, Dean Schmidt had seen several academic integrity complaints against students who had similarly placed material that was not their own in the Powerpoint files for their team project presentations. The Behemoth University student handbook listed this form of plagiarism as grounds for suspension or failing a course (however, Schmidt knew, students usually received milder penalties for this transgression – ranging from a stern warning to a grade reduction).

Powerpoint presentations seemed to be a problematic domain throughout the school; Anna Rice offered numerous examples. Five years ago, Anna, had designed a course around an innovative framework developed in her research on real options theory. When Anna became Finance department chair (with a reduction in her course load), a professor from the accounting department was asked to teach the course that she had created. This professor, Joe Wallace, took Anna’s course Powerpoints – with her permission - and used them for several semesters. Later, Anna was surprised to discover that Joe had put his name and copyright notice on the slides. She had made no mention of it to Joe at the time. Then, “just last week,” she told Felix,

“Joe complained to me that Carly Fiske had used some of his slides in an executive program, without acknowledging that they were his work. Here’s the funny part,” she said. “Those were the slides I had originally created! Joe totally forgot that he was not the originator of those ideas or those slides. As it happens, I had dated copies of the originals in my files, which I showed him. He was stunned – and appropriately apologetic. Joe’s a great guy; he just has a little memory problem,” added Anna.

“Another time, Pete Greiner, from the marketing department, asked for last-minute help on a lecture he was preparing for an executive program. Louisa Cardozo talked through the concepts and issues with him and gave him a Powerpoint presentation that she had created on real options theory. He thanked her with a check for \$500, which she was certainly not expecting. Then again, real options theory is certainly not Joe’s area of expertise! Of course, he’s probably pulled in \$18,000 for that particular program, which has run at least six times. (Behemoth paid its faculty up to \$3000 per day for teaching in executive education programs). Louisa has mentioned several times that she would love to teach in that program, but Pete always gets fantastic ratings from the participants and he is always asked back. I guess Pete doesn’t usually pay for the privilege of using other peoples’ work. Arnie Michner tells me that Pete borrows a lot of his Powerpoint presentations for a course that they both teach. Arnie tells me, ‘I put a lot of work into those presentations, and Pete never reciprocates – at least, he’s never offered anything suitable for use in the course. In this world, there are givers and takers. Pete is a taker!’ And, just the other day, Patty Morrissey came in to my office, furious. She had just discovered that a large set of her Powerpoints were posted on Pete’s Blackboard site for FI 203 – with ‘copyright 2004, P. Greiner’ on each one. There’s some irony in Patty’s fury: Patty is one of the authors of the ‘revised’ case I told you about!”

Felix Schmidt wondered whether the examples that Anna Rice described warranted an official response. “In many of these cases, there seems to be an element of jealousy,” he observed. “Isn’t it possible that

people are upset with Pete Greiner because he got the Teacher of the Year award and gets lots of executive education gigs?”

“I’m sure that envy is an element here,” replied Anna Rice. “But should Pete receive such lavish rewards for others’ work? As an academic institution, we don’t really want to reward people for merely being entertainers, do we?”

How many times had Felix Schmidt heard that theme played and replayed by disgruntled faculty – invariably, the ones who didn’t get stellar student evaluations? “Perhaps we’re veering off the point here,” he said to Professor Rice. “Are there other examples? That is, ones that don’t involve teaching cases or Powerpoint presentations?”

“Here’s another example,” offered Anna Rice. “It’s a bit complicated, but here goes:”  
 “Three professors collaborate on a research project. Person A claims he is the guy who initiated the study, which built on previous research he had done, and a theory he proposed in an earlier paper. We’ll call him The Intellect. Person B helped the team get access to one of his consulting clients; we’ll call him the Sponsor. A young faculty member collected most of the data for this project; we’ll call him The Gatherer. Unfortunately, the Intellect, the Sponsor, and the Gatherer are not very good writers, so a fourth contributor actually wrote up the study results in a paper that they submitted to a national conference. On this first paper, authorship order was a subject of some discussion within the team – and much private discussion with me. In the end, the order of authorship was: Gatherer, Writer, Sponsor, Intellect. Mr. Intellect was not happy about being listed last, but he explained to me that he understood that the Gatherer and the Writer needed first-authorship the most, since their tenure cases would be coming up soon. Fine.

Some months later, a second paper was published in a journal, based on the same data and the same theory – basically it’s a revision of the conference paper, which was submitted to a journal. This time, the Gatherer, Sponsor, and Writer decided to drop the Intellect from the authorship list. Boy, did I hear from the Intellect when he saw the paper in print! He acknowledged that he did not do much to help in the writing of this next version of the work, but he emphasized that he had done the initial literature review; his framework was still the ‘foundation’ for the paper. I chatted with the Sponsor about it; he felt that the Intellect’s contribution was ‘really not that significant.’

To make a long story short, this situation entailed several rounds of discussions with all of the affected parties. The negotiated settlement was that the other three authors agreed that the Intellect’s name would appear on the next publication. I wasn’t convinced that this was completely fair, so in addition I suggested to the Intellect that he get a letter from the Sponsor to put in his personnel file, acknowledging the Intellect’s pivotal role in both the initial conference paper and the paper which did not list him as an author.”

### **A Can of Worms**

Ann Rice told Felix Schmidt that the more she had looked into issues of intellectual property, the more examples she uncovered. But further discussion was cut off when Shelly informed Dean Schmidt that his next appointment was waiting. Felix Schmidt thanked Anna for bringing these matters to his attention, and promised to continue the conversation soon. Then he asked Shelly to tell Jan Ellsworth that he would see her in just a few minutes – he needed time to absorb the information he had just heard.

Felix Schmidt wasn’t sure what to make of his discussion with Anna Rice. Taken separately, many of the incidents she described did not seem particularly heinous. But taken collectively, they did seem to add up.

If Hereford University got wind of the many examples of illegal copying and updating of cases, Schmidt feared they could take legal action. As for the many examples of borrowed Powerpoints and arguments over authorship, he wasn't sure where to draw the line between acceptable collegiality and stolen property. Nor was he sure that this was a matter that needed his attention. Couldn't this be handled at the departmental level? Perhaps a brief discussion in this week's meeting with department chairs would be enough to bring this behavior under control.

**TEACHING NOTE:  
A Can of Worms at Behemoth University**

**Synopsis**

This disguised case, based on actual events, describes a sensitive situation facing Dean Felix Schmidt at Behemoth University. Dean Schmidt has just completed his first year as Dean when the chairwoman of the Finance department makes him aware that faculty may have developed a casual attitude towards the intellectual property rights of others. The first reported incident deals with revising a case for use as an exam. The authors have neglected to get the appropriate permissions (from either the author or the publisher).

Dean Schmidt's first reaction is that of disbelief. He thinks, perhaps this type of problem -- which the Finance chair believes represents a lack of respect for intellectual property -- is confined to her department. But, a later conversation indicates that these practices are widespread. Examples given by the Finance department chair include other faculty members making illegal copies of copyrighted cases, as well as professors using each others' Powerpoint slides without attribution, displaying sloppy citation discipline when reporting on others' research, and failing to list research contributors as co-authors on papers. As he considers each situation, Felix Schmidt thinks that many of them are relatively minor. But, taken together they form a disturbing pattern. As the case closes, Dean Schmidt must decide what steps he should take to change faculty members' attitudes and behaviors regarding intellectual property.

**Teaching Objectives**

The case can be used in a faculty seminar (such as a seminar on professional ethics or on teaching by the case method) or students (especially doctoral students, as they prepare to embark on their academic careers). The objectives are:

- Review three common theories/guidelines for ethical decision-making: Categorical Imperative, Utilitarianism, and Personal Virtue.
- Recognize situations that involve ethical issues and learn how to apply these theories to those situations.
- Explore approaches that managers can use to help insure that organizational members are sensitive to ethical issues within an organization.

**Suggested Background Reading**

Velasquez, Manuel G., *Business Ethics: Concepts and Cases*, Fifth Edition. Prentice-Hall, 2001.

**Suggested Study Questions**

1. The case describes several situations that involve ethical issues. Which of these involve decisions made at a personal level and which are at the organizational level?
2. Are the results of applying three principles for ethical decision-making (Categorical Imperative, Utilitarianism, Personal Virtue) to each scenario consistent? How should inconsistencies be resolved?
3. What should Finance department chairwoman Anna Rice have done as she became aware of the various situations?
4. What can Behemoth University Business School Dean Felix Schmidt do now to sensitize his organization to these ethical issues?

## Opportunities for Student Analysis and Discussion

*The case describes several situations that involve ethical issues. Which of these involve decisions made at a personal level and which are at the organizational level?*

The situations involving ethical issues at a personal level include:

- “Revising” a Hereford U. case without permission from the copyright holder.
- Replacing the names of the Hereford U. case authors.
- Accepting co-authorship for material when the person made no contribution to the research or writing.
- Accepting royalties for work done with others and not offering to share.
- Not attributing co-authors when updating material.
- Anna Rice pushing hard for resources for her department when the school is undergoing a budget crunch.
- Jan Ellsworth collecting money for her cases that are assigned as required reading by her.
- Sophomores distributing copies of an exam in advance.
- Senior purchasing projects from an on-line term paper mill.
- Professor making copies of old Hereford cases.
- Tom not citing sources for charts in his presentations.
- Joe and Carly using other’s slides without attribution.
- Pete paying for presentation outside his area of expertise and making money in executive education.
- Pete borrowing slides and never reciprocating.
- Pete attaching his copyright to the borrowed slides.
- Intellect being listed as the fourth author on work he proposed.
- Intellect being removed from paper submitted to journal.

The situations involving ethical issues at an organizational level include:

- Hereford U does not assign any royalties to faculty (such as Dean Felix Schmidt) that have no formal faculty appointment.
- Hereford does give royalties to co-authors that are members of the Hereford University Business School faculty, with no apparent concern for their level of contribution.
- Hereford does not control rewrites / updates of materials for authorship.
- Behemoth University apparently has no policy regarding the use and pricing of cases that are written by an instructor and then assigned to his/her class.
- Behemoth accepts donations from parents while their child is enrolled at Behemoth – possibly encouraging the parents to feel they can influence the school’s behavior toward their child.
- Executive Education at Behemoth uses faculty to teach outside their area of expertise.

*Are the results of applying the three common theories for ethical decision-making to each scenario consistent? How should inconsistencies be resolved?*

The three common theories described below are drawn from a longer list in Velasquez, (2001, op cit., Chapter 2):

- Categorical Imperative: “the requirement that I must act such that the maxim of my action could be made universal law” (Velasquez, 2001). Although not identical to Confucious’ Golden Rule (“do unto others as you would have them do unto you”), the two are similar enough that we use them interchangeably.

- Utilitarianism: “the view that actions are right when they produce the greatest net benefits or the lowest net costs” (Velasquez, 2001).
- Personal Virtue: “an acquired disposition that is valued as a part of the character of a morally good human being and that is exhibited in the person’s habitual behavior.” (Velasquez, 2001) you would not be ashamed to have the action reported widely.

Several of the situations described earlier would result in identical conclusions regardless of the theory being used. Below we discuss three issues to guide the instructor:

- A. Accepting royalties for work done with others and not offering to share. The case does not describe clearly how the royalties are computed. Assume the royalty paid per case was \$1.00. Hereford may say that if there are two authors the Hereford author would receive 50%, or \$0.50. Or, Hereford may pay the Hereford author the entire royalty amount. For this discussion, we assume that the Hereford co-author would receive \$0.50.

The stakeholders involved are the two case co-authors (one from Hereford and one from Behemoth). Among the options available to the Hereford U. co-author are:

1. Refuse the royalty and inform the co-author of this decision.
2. Accept the royalty and keep it.
3. Accept the \$0.50 royalty and split it with the co-author.

The Categorical Imperative would suggest option 3 – a willingness to share the profits of work done together. Utilitarianism would suggest option 2 – after all, the non Hereford co-author has not lost any money and the Hereford author has gained. Personal virtue might suggest either option 1 or option 3. Option 1 may be preferred if the Hereford co-author could not split the royalty because of tax or other bureaucratic complications.

- B. Pete Greiner paying another faculty member for presentation slides that cover material that is outside his area of expertise, then making money in executive education. In this case, the stakeholders involved are Pete Greiner, the executives who attend the Exec Ed program, and Louisa Cardozo, whose expertise Pete “borrowed” through the slides. When the opportunity came to Pete to teach real options theory he had several options that would be variations of those listed below:

1. Pass the Exec Ed opportunity on to Louisa Cardozo, the real options expert
2. Create his own slides after reading up on real options theory
3. Ask Louisa for her slides, modify them and use without attribution
4. Pay Louisa for the slides and modify them as necessary.
5. Share the money earned with Louisa.

The Categorical Imperative might suggest option 1 or 5. If Pete is a significantly better classroom instructor than Louisa (or if Louisa is unavailable to teach in the program), option 5 might be preferred. Utilitarianism might suggest option 3. After all, Louisa has created the slides anyway, and didn’t expect any monetary return. And, Pete and the executives benefit. Personal virtue would indicate 1 (unless Anna is not a good executive education teacher), 2 (unless that results in poor instruction to the executives), 4 (provided the amount paid is commensurate with the amount earned; that makes it similar to option 5).

- C. Hereford does not control rewrites / updates of materials for authorship. The stakeholders involved are Hereford University Business School Publishing (HUBSP) and all of the original authors (who receive credit for the publication and may or may not receive royalties). The

Hereford U. author may want to ensure that the material that they use in the classroom remains is current, and the non-Hereford author wants to ensure that they get proper credit for research that that conducted. When the need for an updated case is identified, Hereford U. has a number of options, including:

1. Request that all of the original authors update the case and issue it as a revision, with the authorship unchanged.
2. Request that those original authors who remain on the Hereford faculty update the case, and reissue it as a revision (listing all of the original authors) or as a re-write (in which case, those original authors who were not involved in this round would no longer be noted as authors) on the assumption that the majority of content in the revised case is now new.
3. Have another author re-write the case and note that it was based on the earlier case.

The Categorical Imperative would suggest that Hereford U. first implement option 1. If the original authors were not willing to update the case, then option 2 or option 3 might be viable (however note that our description here is ambiguous as to whether new research is undertaken to produce a revision. If the case is “updated” only by altering facts and dates to make the case sound more current, then Hereford would still need to consider whether the original authors should be listed). A Utilitarian might argue that option 1 requires Hereford to expend too much effort (to locate and contact all authors). So, a Utilitarian might try option 2 first and if that is not possible, option 3. The Personal Virtue principle would suggest a sequence similar to that obtained by using the Categorical Imperative.

These three examples (and there are others) underscores that decisions which resulting from using the three principles can suggest different courses of action. One approach to resolving these conflicts is to reflect on the different perspectives and continue to devise plans of action until one meets all three of the principles. A more practical approach is to select one principle and apply it in all situations. A third approach is to employ the principle that is deemed most appropriate for the particular situation. This contingent approach might suggest that the Categorical Imperative is most appropriate for situations in which an actor (individual or organization) is engaged in a continuing relationship involving a small group of people; The Utilitarian approach might be more appropriate when a large group of people are involved and Personal Virtue applies in short-term relationships.

*What should Anna Rice have done as she became aware of the various situations?*

Prior to the issue with the teaching case, Anna Rice had been aware of several situations involving questionable ethics such as:

- Professors copying old (and copyrighted) Hereford cases for distribution to students.
- Tom from the Accounting department failing to cite references in a presentation.
- Joe putting his name and copyright notice on slides that he had appropriated from another faculty member.
- Louisa Cardozo accepting payment from Pete Greiner for a real options theory presentation.

So, Anna Rice was aware of several situations yet she had done very little about it. Before she became department chair, in her role as a member of the faculty, perhaps she had less responsibility to try to enforce appropriate behavior. Now, in her role as an academic administrator she perhaps needed to be more forceful. For example, when she saw a person copying old cases, she should have enforced school policy. After all, the school had warned against copying copyrighted material and a sign was posted near the copying machine. She could have followed this up by distributing a note about the consequences of illegal copying to the rest of the department. When she saw Tom’s presentation, she could have talked to

him in private about the importance of citing all references appropriately. When she saw Joe copyrighting her slides she could have confronted him immediately. Instead, she waited until Joe complained about Carly Fiske. And, if she had an issue with Pete Greiner using Louisa Cardozo's real options slides she should have confronted him as well.

While some of these events occurred before she had an administrative role, it appears that Anna Rice has permitted several instances of unethical behavior. Since these behaviors were also evident in other departments, we can surmise that other administrators also failed to confront them. The "cavalier attitude towards intellectual property" appears, at least in part, to be due to weak enforcement of respect for intellectual property rights. Since the behavior seems to occur across several departments, it is likely that it has developed over time as the school's top administrators closed their eyes to it.

*What can Felix Schmidt do now to sensitize his organization to these ethical issues?*

Felix has only been in this job for a year. As a faculty member he, too, may have been aware of some these situations. Then, perhaps he felt he could close his eyes to the misdeeds of a few colleagues. Now, as the school's senior administrator, he needs to take action.

Two possible events could result in a serious blow to the school's reputation: Hereford could decide to sue for copyright infringement or a reporter might choose to write a story about the lack of academic integrity at Behemoth. A copyright infringement suit could be quite expensive, and negative publicity could lead to a reduction in admissions applications, a drop in the school's standing on lists such as that published by *U.S. News & World Report*, or a faculty exodus.

The issues described in the case represent (a) violation of copyrights, (b) sloppy attitude towards attributions and (c) a lack of respect for the intellectual contributions of colleagues. While several faculty members appear to be involved in the incidents, it is difficult to tell if the behavior is endemic.

Dean Schmidt can address explicit items such as copyrights and attributions by building awareness across campus of low tolerance for such behavior. Signs were already posted at copying machines. He could devote time at a faculty meeting to discuss these issues. He could instruct the department chairs to include it in their department meeting agendas. And, he could insist that the chairpersons strongly promote a zero tolerance approach.

Dealing with the low respect some faculty members have for the intellectual contributions of others requires an attitudinal change in behavior. This is more difficult to accomplish. As a first step, Felix could make this attitude more visible. Then, he might consider forming a task force to discuss ethical decision-making as it relates to intellectual property. The task force should be broadly representative of the faculty and should also include members who have expertise in business ethics and law (especially intellectual property law).

### **Suggested Teaching Plan**

Start by listing the questionable actions described in the case. As students generate these, categorize each as personal (within or outside Anna Rice's control) and organizational (within the control of Behemoth University or Hereford University). Once these are listed, ask students to identify those that are clearly unethical (or ask students to rank them by severity).

Break the class into small groups. Assign to each team a specific ethical principle. That is, one group would be asked to evaluate each situation on the basis of the Categorical Imperative, another on the basis of Utilitarianism, and the third on the basis of the Personal Virtue principle. Pick one or more of the three scenarios (A, B, C) described above – or another one from the case -- and ask each group to devise an

appropriate ethical action. For each decision they need to identify the stakeholders, brainstorm some alternatives (at most five), and apply the assigned ethical principle for selecting an ethical action.

When they return, have groups present their chosen ethical action. There will be disagreements. As the groups try to resolve these differences, it should become clear that under certain circumstances, it is not possible to come up with a decision that is assessed as ethical by all three principles. The question for the class is: how to select the appropriate ethical action? On which principle should it be based? It is unlikely that there will be a consensus. But, certain issues should become evident:

- Categorical Imperative: One person's opinion of what is right, fair and just may not conform to another's. So, while the one person is confident that s/he is behaving in an ethical manner, another person may judge him/her to be unethical.
- Utilitarianism: The measure that is to be maximized can be difficult to identify and evaluate.
- Personal Virtue: values are defined by one's community and culture, and may not conform to another person's.

From this discussion, it becomes clear that Behemoth University Business School would benefit if there were a commonly held set of values within the community. Shared values can then help lead the faculty to reach a broad agreement on which actions would be considered ethical or unethical.

Next, the instructor can focus the discussion on the actions to be taken at Behemoth. Is this solely Anna Rice's issue, as was implied by Felix Schmidt's hurried response to her email? The discussion described earlier should lead to the conclusion that this is a college-wide concern. Then, bring the discussion to steps Dean Felix Schmidt can take to build a common set of values. Felix must work on changing both explicit behaviors (such as violations of copyright) and underlying attitudes, such as the low respect for intellectual property that is implicit in many of the scenarios.

### **Case Wrap-up**

Philosophers offer several principles of ethical decision-making (we have chosen three) and individuals can gain insight into their own and others' behavior by applying those principles to a variety of situations.

Agreement on an ethical action is based on a common set of values. Building that set of values requires strong leadership from top management and buy-in from middle management who are required to reinforce those values daily.