



IB/MG329 BUSINESS ETHICS
IES Abroad Berlin

DESCRIPTION:

This course enables students to understand the role of business ethics from an organizational and decision-making perspective. It is designed to demonstrate how to integrate ethics and responsibility into business decisions; to trace the historical foundations and evolution of business ethics; to examine the relationship between stakeholder orientation and corporate social responsibility; and to explore ethical business issues such as conflicts of interest, bribery, fraud, insider trading and intellectual property rights.

The course is designed to:

- Provide a comprehensive framework for ethical decision-making in business
- Introduce leadership styles that promote an ethical culture
- Explain how moral philosophies and values influence individual and group decisions
- Examine the influence of corporate culture on business ethics
- Determine how leadership, power, and motivation relate to ethical decision-making
- Assess organizational structure and its relationship to business ethics

A case-study approach to business ethics gives students the opportunity to apply theory to practical business situations. As the financial and economic crisis has led to world-wide political reactions based on macro-economic development on a global scale, students are invited in this course to examine one of the most challenging times of global business development and ethics. The course reflects new ideas and policies under development in the European Union and the US and explores the revival of humanistic management principles based on corporate eco-social business ethics and missions. We will use annual and sustainability reports and other actual company information to examine and evaluate global companies dealing with complex business ethics issues that are a priority in twenty-first-century companies.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: None. However, completion of some of these subjects is preferred before taking the class: Business Management, Leadership, Business Communication, Marketing, Strategic Management

ADDITIONAL COST: None

METHOD OF PRESENTATION:

- Lectures and videos
- Discussions and Role-playing games
- Group and single work
- Student presentations

REQUIRED WORK AND FORM OF ASSESSMENT:

- Class participation, case preparation and discussion - 20%
- Project including case research, analysis, report, and student 10-minute presentation - 30%
- Midterm assignment - 20%
- Final assignment - 30%

Regarding the Project: Assignments of companies and due dates will be determined at the beginning of the term. With instructor guidance, students working in groups of 2 or 3 will select a company and collect actual company information including sustainability reports. Then, students will analyze the company's ethics and report and present their findings in class. These reports are completed throughout the semester.

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MIDTERM EXAM

The midterm exam will take place in week 6 and comprise 5 short essay questions.

FINAL EXAM

The final exam will take place in week 12 and comprise 10 short essay questions.

LEARNING OUTCOMES:

By the end of the course, students will be able to:

- Relate the fundamental principles of business ethics
- Recognize ethical issues in business situations
- Apply the framework of ethical decision-making to complex business issues
- Examine the influence of leadership and corporate culture on business ethics
- Explain why businesses need to develop ethics programs
- Examine the ways that ethical standards are monitored, audited, and enforced
- Formulate, analyze, and defend decisions in ethical terms when confronted with ethical issues and problems in business

ATTENDANCE POLICY:

For our up-to-date attendance and exam policy, see: <https://moodle.iesabroad.org/mod/page/view.php?id=1004317>.

CONTENT:

Week	Content	Readings
Week 1	Sessions 1 & 2: Introduction and Overview • Introduction, structure, and organization of course. Ethics and business; importance and benefits of business ethics; a crisis in business ethics. The framework for studying business ethics. The ethical dilemma as conflict between moral imperatives. The use of actual cases presenting actual business situations and ethical dilemmas.	• Ferrell et al., 2019, Chapter 1, pp.1-26 • Crane & Matten, 2010, Chapter 1. pp. 4-37 • Harris, J.D., 2014, "Making Ethics Personal: Character and Your Personal Vision"
Week 2	Sessions 3 & 4: Moral Philosophies and Values. Ethical Decision Making • Individual factors: moral philosophies and values. Applying moral philosophy to business ethics; virtues supporting business transactions. The process of ethical business decision making. The framework for ethical decisions.	• Bazerman, M. H. & A. E. Tenbrunsel. "Ethical Breakdowns: Good People often Let Bad Things Happen. Why?", 2011 • Ferrell et al., 2019, chapters 5 and 6, pp. 113-162 • Harris, D. et al., "Ethics Beneath the Surface", 2015 • Rose, C. & N. Fisher: "Following Lance Armstrong: Excellence Corrupted." Harvard Business School Case 314-015, July 2013. (Revised October 2014.)

Week 3	Sessions 5 & 6: Stakeholder Relationships Ethics, and Corporate Governance Corporate social responsibility, stakeholder orientation and sustainability reporting; stakeholders defining ethical issues; associated measures of corporate impacts; implementation of a stakeholder perspective.	- Ferrell et al., 2019 chapter 2, pp. 27-50 "Starbucks' Mission: Social Responsibility and Brand Strength" in Ferrell et al, 2019, p. 396-406
Week 4	Sessions 7 & 8: Emerging Business Ethics Issues Historical perspectives; classical philosophy and modern business; building morale and productivity; recognizing ethical issues and business dilemmas; honesty, fairness, and integrity; bribery, fraud, financial misconduct, insider trading; challenges of determining ethical issues in business.	- Ferrell et al., 2019 chapter 3, pp. 55-83 - McCormick E., Foxley I., Smith N. C., "The Man in the Mirror", 2019
Week 5	Sessions 9 & 10: The Institutionalization of Business Ethics Ethical Leadership - Ethical issues and the institutionalization of business ethics. Laws protecting consumers and laws that encourage ethical Conduct. - The role of leadership; leadership styles and strong ethical leaders. Requirements for and benefits from effective ethical leadership. Leadership and organizational culture.	- Ferrell et al., 2019, chapter 4, pp. 84-108; chapter 7, pp. 163-192; chapter 11, pp.278-305 - Smith, N.C. & R. Crawford, "Rupert Murdoch and News Corp: The Phone Hacking Scandal", 2014 - Nohria, N. et al., "Ethical Analysis: Situation versus Character", 2015 (revised 2023)
Week 6	Sessions 11 & 12: Course-related Visit & Midterm Prep Session - Discovery Excursion (e.g. Nike Berlin or Ku'Damm Fur Stores) - Preparation/Revision for Mid-Term Exam	WGU. Ethical Dilemmas: How Scandals Damage Companies. Available: https://www.wgu.edu/blog/ethical-dilemmas-how-scandals-damage-companies1909.html#close
	Midterm Exam	
Week 7	Sessions 13 & 14: Formulation and Implementation of Effective Business Ethics. Developing effective ethics programs; responsibility of the corporation as moral agent; codes of conduct; systems monitoring and enforcing ethical standards.	- Ferrell 2019, chapters 8 and 9, pp.192-243 - Norton, M. I. and Avery, J. J., "The Pepsi Refresh Project: A Thirst for Change", 2011

Week 8	Sessions 15 & 16: Ethics Towards Employees The Role of Employees in Business Ethics. Ethical topics in employees' rights and duties. Ethical resource management. Sustainability for workplaces, working conditions.	- Crane & Matten, 2010, Ch. 7, pp. 287-338 - Sucher, S. J., et al., "Honeywell and the Great Recession", 2014
Week 9	Sessions 17 & 18: Ethics and the Supply Chain Suppliers and competitors as stakeholders in a firm. Ethical issues and problems in an organization's dealings with the supply chain. Globalization and business ethics concerns. Degree of responsibility for the ethics of their suppliers.	- Crane & Matten, 2010, Ch. 9, pp. 339-388 - Hoffmann, A. et al, "Axel Springer and the Quest for the Boundaries of Corporate Responsibility", 2014 - Kusyk, S., "Learning to Navigate the Rough Seas of Ethics", 2013
Week 10	Sessions 19 & 20: Sustainability CSR Communication How is sustainability related to ethical decision-making and social responsibility? Communication of CSR practices. CSR Reporting. Business responses to sustainability: green marketing vs. green washing.	- Ferrell 2019, ch. 12, pp 309-338 - Casadesus-Masanell, R. et al., "Patagonia", 2010 - Delmas, M. & Burbano, V., "The Drivers of Greenwashing", 2011
Week 11	Sessions 21 & 22: Crisis Management and CSR An Ethical Approach to Crisis Management. CSR as Risk Prevention.	- Robson, K. et al., "Abercrombie & #FitchTheHomeless", 2013 - Schwartz, M. & et al., "An Ethical Approach to Crisis Management: Cleaning Up Your Act", 2012
Week 12	Final Project Presentations. Summary and Conclusions.	
	Final Exam	

REQUIRED READINGS:

- Bazerman, Max H., and Ann E. Tenbrunsel. "Ethical Breakdowns: Good People often Let Bad Things Happen. Why?" Harvard Business Review 89, no. 4 (April 2011).
- Casadesus-Masanell, R., Hyunjin K., and F. L. Reinhardt. "Patagonia." Harvard Business School Case 711-020, August 2010. (Revised October 2010.)
- Crane, A. & Matten D: Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization. 3rd edition, 2010.
- Delmas, M. & Burbano, V., (2011). The Drivers of Greenwashing. California Management Review. 54.
- Ferrell, O. C.; Fraedrich, J.; Ferrell, L.: Business Ethics: Ethical Decision Making and Cases. South-Western Cengage Learning. 12th edition, 2019.
- Harris, J.D.: "Making Ethics Personal: Character and Your Personal Vision", Technical Note E-0393, Collection: Darden School of Business, 2014
- Harris, J. D. & et al., "Ethics Beneath the Surface", Darden Case No. UVA-E-0409, 2020
- Hoffmann, A., U. Mueller and C.B. Bhattacharya, "Axel Springer and the Quest for the Boundaries of Corporate Responsibility", 18 February 2014, ESMT European School of Management and Technology
- Kussyk, S. "Learning to navigate the rough seas of ethics." Harvard Business Review 5 (2010).
- McCormick E., Foxley I., Smith N. C., "The Man in the Mirror", 2019. Business Ethics: Ethical Decision Making and Cases (Asian Edition) (pp. 328-332). Cengage Learning.
- Nohria, N., S. Sucher, J. Badaracco, and B. Gurtler. "Ethical Analysis: Situation versus Character." Harvard Business School Background Note 316-078, September 2015. (Revised January 2023.)
- Norton, Michael I. and Avery, Jill J., The Pepsi Refresh Project: A Thirst for Change (November 14, 2011). Harvard Business School Marketing Unit Case No. 512-018.
- Robson, K., C. Campbell, J. Cohen, 2013, "Abercrombie & #FitchTheHomeless", Ivey Publishing
- Rose, C. & N. Fisher: "Following Lance Armstrong: Excellence Corrupted." Harvard Business School Case 314-015, July 2013. (Revised October 2014.)
- Schwartz, M.s & Cragg, Wesley & Hoffman, Michael. (2012). An Ethical Approach to Crisis Management: Cleaning Up Your Act. IESE Insight. Pp. 36-43.
- Smith, N.C. & R. Crawford, "Rupert Murdoch and News Corp: The Phone Hacking Scandal", 2014. INSEAD.
- Sucher, S. J., & S. J. Winterberg, "Honeywell and the Great Recession." Harvard Business School Case 315-022, October 2014.

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