



MG/IB 329 BUSINESS ETHICS
IES Abroad Vienna

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 in organizations
- Assess organizational structure and its relationship to business ethics
- Prepare students to implement and audit ethics programs

A case-study approach to business ethics gives students the opportunity to apply theory to practical business situations given Austria and Vienna with its headquarters of a number of important international organizations (OPEC; United Nations with UNIDO, UNDOC and IAEA; OSCE, House of Europe etc.) and more than 500 international business headquarters and financial holdings. 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 Austria and the European Union given Austria's active leadership role in the enlargement process of the European Union and in supporting the economic and institutional transition in former Eastern Europe. This course incorporates the strategic location of Austria in the heart of continental Europe as a member of the Eurozone, gateway from the West to the East and one of the leading direct investors in Eastern and South Eastern Europe by exploring 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: One course in any of the following areas:

- International Business
- Industrial Management
- Business Administration
- International Management
- Marketing
- Finance
- Economics
- Accounting
- International Law
- Psychology
- Philosophy



METHOD OF PRESENTATION:

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

REQUIRED WORK AND FORM OF ASSESSMENT:

- Class participation and discussions - 10%
- Project including case research, analysis, report, and student presentation - 30%
- Midterm exam, based on lectures and complementary reading - 25%
- Final exam, based on lectures and complementary reading - 35%

Project

Assignments of companies and due dates will be determined at the beginning of the term. With instructor guidance, students will select cases and will collect additional 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:

1. Draft table of contents / outline by student
2. Meeting and discussion with each student (15 minutes)
3. Draft executive summary by student, 2 pages as of assigned format
4. Adjustments and additions in accordance with the instructor, final written report as of assigned format
5. Power point presentation in class (20 minute presentation plus discussion)

Exams

Both midterm and final exam comprise 10 questions. Answers in short essay form.

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 and to understand the need for continuous improvement.
- Formulate, analyze, and defend decisions in ethical terms when confronted with ethical issues and problems in business.

ATTENDANCE POLICY:

IES Abroad Vienna requires attendance at all class sessions, including field study excursions, internship meetings, scheduled rehearsals, and exams. Attendance will be monitored and unexcused absences will affect the student's grade via the "Participation" component of each course's final grade.

Excused Absences

- Excused absences are permitted only when a student is ill, when class is held on a recognized religious holiday traditionally observed by the particular student, or in the case of a grave incident affecting family members.
- To be granted an excused absence, the student must write an email to his/her professor in a timely manner stating the reason for the absence (and, if appropriate, how long they expect to be away) with a cc to Center administrative staff. In an emergency, the student may call Student Services or the Front Desk. If the student is unable to send an email (too sick, no computer), he/she may call the Student Assistant at the front desk (01/512 2601-11) who will then write the email described above and send it to said parties as stated above, with a cc to the student.

- If a student is absent 3 consecutive days or more, he/she will need to obtain a doctor's note and then submit this to the Registrar's office.

CONTENT:

Week	Content	Readings
Week 1	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. The example of the energy business and ethical issues. The case of AIG and the Financial Contagion.	• Cavusgil 2012, pp. 154-175 and pp. 337-339
Week 2	Ethics, Corporate Social Responsibility and Sustainability • Corporate social responsibility, stakeholder orientation and sustainability reporting; stakeholders defining ethical issues; associated measures of corporate impacts; implementation of a stakeholder perspective. Topics on ethics and actual cases divided up between the students.	• Ferrell 2011, part 1m chapters 1-2, pp. 1-54 • Latest sustainability report: key performance indicators • Cavusgil 2012, pp. 171-172
Week 3	Classical Philosophy and Ethical Issues in Business • 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 and intellectual property; challenges of determining ethical issues in business.	• Ferrell 2011, part 1m chapters 1-2, pp. 1-54 • Latest sustainability report: key performance indicators • Cavusgil 2012, pp. 171-172
Week 4	The Institutionalization of Business Ethics • Ethical issues and the institutionalization of business ethics. Managing ethical risk through programs. Voluntary boundary, core practices, and mandated boundaries of ethical decisions. Requirements for legal compliance; trust and making business work properly; gatekeepers: accountants, lawyers, financial rating agencies, and financial services. Risk assessment.	• Ferrell 2011, part 1m chapters 1-2, pp. 1-54 • Latest sustainability report: key performance indicators • Cavusgil 2012, pp. 171-172

Week 5	Ethical Decision Making and Ethical Leadership - The process of business decision making. The framework for ethical decisions; the role of leadership; leadership styles and strong ethical leaders. - Midterm Exam	- Ferrell 2011, part 1m chapters 1-2, pp. 1-54 - Latest sustainability report: key performance indicators - Cavusgil 2012, pp. 171-172
Week 6	Moral Philosophies and Values Individual factors: moral philosophies and values. Applying moral philosophy to business ethics; virtues supporting business transactions.	- Ferrell 2011, part 1m chapters 1-2, pp. 1-54 - Latest sustainability report: key performance indicators - Cavusgil 2012, pp. 171-172
Week 7	Ethical Corporate Structure and Culture Organizational factors and the role of ethical culture; leaders influence on corporate culture and ethics; corporate culture ethics audit; motivating ethical behavior.	- Ferrell 2011, part 1m chapters 1-2, pp. 1-54 - Latest sustainability report: key performance indicators - Cavusgil 2012, pp. 171-172
Week 8	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 2011, part 4, chapter 8, pp. 213-239 - This week's case
Week 9	Implementing Ethics Programs and Ethics Audits Implementing and auditing ethics programs; the ethic audit and its benefits; challenges of measuring nonfinancial performance.	- Ferrell 2011, part 4, chapter 9, pp. 240-269 - This week's case
Week 10	Ethics in a Global Economy - Business ethics today; common values, goals, and business practices; sustainability and the practice of business ethics; the 4-way test as a standard for business ethics; the ethics difference - Final Exam	- Ferrell 2011, part 4, chapter 10, pp. 270-299 - This week's case

REQUIRED READINGS:

- Cavusgil, S. Tamer; Knight, Gary; Riesenberger, John R. (Cavusgil 2012): Ethics and International Business. Corruption at Siemens. AIG and Global Financial Contagion. In: Cavusgil, S. Tamer; Knight, Gary; Riesenberger, John R., International Business. Strategy, Management and the New Realities. Pearson Education, Pearson Prentice Hall, 2nd edition, 2012, pp. 154-175, pp. 171-172 and pp. 337-339.
- Ferrell, O. C.; Fraedrich, J.; Ferrell, L.: Business Ethics: Ethical Decision Making and Cases. South-Western Cengage Learning. 8th edition, 2011.
- Martin, K.; Scotto, M.: Bailouts and Bonuses on Wall Street. Business Roundtable Institute for Corporate Ethics. BRI-1007, 2010.
- Morris, T.: If Aristotle ran General Motors. The new soul of business. New York, 1997.



Selected sustainability reports as well as case studies by the Institute for Corporate Ethics and other sources.

EBSCO Database and other international research databases.

RECOMMENDED READINGS:

- Velasquez, M. G.: Business Ethics: Concepts and Cases. Pearson, 7/E 2012.