



IB/MG329 BUSINESS ETHICS
IES Abroad London

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
- 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 against the backdrop of one of the world's financial capitals. 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

For this subject, each class will be divided into two sections; the first section will be a lecture covering the main concepts and theories for each of the topics relating to Business Ethics. Followed by a tutorial during the second part of the class, in which practical exercises will be done in order to apply what was learned in the lecture. Activities for the tutorials will be directly related to the content of the lecture and the aim is to provide a practical application to the theories and concepts studied in class. More commonly, the tutorial will focus on class discussion on a pre-prepared case study, relevant to the corresponding week's theory. Additionally, students are expected from time to time to conduct a presentation on practical business examples or on research journal articles (see appendix). This exercise aims at exposing the students to firsthand scientific research in the field of Business Ethics.

**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 exam, based on lectures and complementary readings. 2 hours long - 20%
- Final exam, based on lectures and complementary readings. 2 hours long - 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.

All Case studies need to be read before class. Students are required not only to briefly read each case study but also come prepared to discuss and answer critical questions regarding each week's topic. Case studies' discussions and h/w assignments contribute towards students' class participation grade. A participation rubric will be given in class so that students know what is expected from them.

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:

Regular class attendance is mandatory. Irregular attendance may result in a lower grade in the course, and/or disciplinary action. The IES Abroad London class attendance policy does not allow for unexcused absences, and grades will be docked one-half letter grade for each such absence. Rare exceptions will be made for the following reasons:

- The student is too sick to attend class. In this instance, the student must call the IES Abroad Centre before class to notify any of the IES Abroad staff. It is not sufficient either to email, send a message with a friend or call the Centre after the class has started.
- A serious illness or death in the immediate family requiring a student to travel home. This requires written approval from the Centre Director before departure.

Arriving more than 10 minutes late to class may count as an unexcused absence. Immigration laws in the UK are extremely strict, and we jeopardize our legal status in hosting students who do not regularly attend class. Students who do not attend class regularly will be reported to the appropriate officials and risk dismissal from the program and deportation from the UK. If a student incurs absences representing 25% of the total class hours, they will be contacted by the Academic Programme Manager (APM) and Centre Director (CD). If these absences are made up exclusively of unexcused non-attendance, this will trigger a disciplinary review. If these absences are made up of excused non-attendance, a meeting will be held to discuss the underlying reasons for lack of attendance, and to discuss ways it can be maintained for the duration of the term. If the 25% threshold is reached due to a mixture of excused and unexcused absences, students will also be asked to attend a meeting to discuss.

CONTENT:

Week	Content	Assignments
Week 1	Introduction and Overview <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Ferrell et al., 2019, chapter 1. Pp.1-26 Crane & Matten (2010) Chapter 1. pp. 4-37 Reading 1: Making Ethics Personal: Character and Your Personal Vision, Harris, 2014 Introduction to Ethics: The Language of Ethics for Managers, Wicks et al., 2016
Week 2	Moral Philosophies and Values. Ethical Decision Making <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Ferrell et al., 2019, chapters 5 and 6, pp. 113-162 Case 1: Following Lance Armstrong: Excellence Corrupted. Harvard Business School, 9-314-015 Reading 2: Ethics Beneath the Surface, Harris et al., 2015 Ethical Breakdowns: Good people often let bad things happen. Why? Harvard Business Review, Bazerman and Tenbrunse, 2011 Extra H/W: Read Slippery Slope article by Welsh et al, 2015 and present assigned study in class
Week 3	Stakeholder Relationships Ethics, and Corporate Governance <ul style="list-style-type: none"> Corporate social responsibility, stakeholder orientation and sustainability reporting; stakeholders defining ethical issues; associated measures of corporate impacts; implementation of a stakeholder perspective. 	<ul style="list-style-type: none"> Ferrell et al., 2019 chapter 2: pp. 27-50 Case 2: Starbucks' Mission: Social Responsibility and Brand Strength, Ferrell et al, 2014, p. 396-406 Reading 3: Managing for Stakeholders, Freeman, 2013 Extra H/W: Select two firms in the same industry (e.g., Coke/Pepsi) and find their mission statement. Reflect what it says about each company
Week 4	Emerging Business Ethics Issues <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Ferrell et al., 2019 chapter 3, pp. 55-83 Case 3: The Man in the Mirror (A) 06/2015-6073
Week 5	The Institutionalization of Business Ethics Ethical Leadership <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Ferrell et al., 2019, chapter 4 pp. 84-108, chapter 7 (163-192) and chapter 11: pp.278-305 Case 4: Rupert Murdoch and News Corp: The Phone Hacking Scandal 04/2014-5947 Reading 5: Note on Human Behavior: Situation versus Character. 9-316-078

Week	Content	Assignments
Week 6	Field Visit <ul style="list-style-type: none"> Visit the 'Museum of Brands' and prepare a report on either a) Gender in Advertising, b) Ethical Marketing or c) Sustainability 	<ul style="list-style-type: none"> H/W Prepare a Report on this week's visit to the Museum of Brands. Preparation/Revision for Mid-Term Exam
	Midterm Exam	
Week 7	Formulation and Implementation of Effective Business Ethics. <ul style="list-style-type: none"> Developing effective ethics programs; responsibility of the corporation as moral agent; codes of conduct; systems monitoring and enforcing ethical standards. 	<ul style="list-style-type: none"> Ferrell 2019, chapters 8 and 9. pp.192-243 Case 6: The Pepsi Refresh Project: A Thirst for Change, 9-512-018
Week 8	Ethics towards the Employees <ul style="list-style-type: none"> The Role of Employees in Business Ethics. Ethical Topics in employees' rights and duties. Ethical Resource management. Sustainability for workplaces, working conditions. 	<ul style="list-style-type: none"> Crane & Matten, 2010, ch. 7 pp. 287-338 Case 7: Honeywell and the Great Recession (A)9-315-022 Reading 8: Layoffs: Effects on Key Stakeholders. 9-611-028 Extra h/w: Select a product that you own and research its suppliers' information and ethical dimensions
Week 9	Ethics and the Supply Chain <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Crane & Matten, 2010, Ch. 9 pp. 339-388 Case 8: Axel Springer and the quest for the boundaries of corporate responsibility, ESMT-714-0143-8 Reading 9: Learning to Navigate the Rough Seas of Ethics. Kusiak, 2013
Week 10	Sustainability CSR Communication <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Ferrell 2019, ch. 12, pp 309-338 Case 9: Patagonia, 9-711-020 Reading 10: The Drivers of Greenwashing. Delmas and Burbano, 2011
Week 11	Crisis Management and CSR <ul style="list-style-type: none"> An Ethical Approach to Crisis Management. CSR as Risk Prevention. 	<ul style="list-style-type: none"> Case 10: Abercrombie and #Fitchthehomeless W13420 Reading 11: An Ethical Approach to Crisis Management, Schwartz et al., 2012
Week 12	Final Project Presentations. Summary and Conclusions.	

REQUIRED READINGS:

- Ferrell, O. C.; Fraedrich, J.; Ferrell, L.: Business Ethics: Ethical Decision Making and Cases. South-Western Cengage Learning. 12th edition, 2019.

RECOMMENDED READINGS:

- Morris, T.: If Aristotle ran General Motors. The new soul of business. New York, 1997.

- Business Ethics. Andrew Crane and Dirk Matten, 3rd edition, 2010
- Selected sustainability reports and journal articles as assigned or discussed in class. Indicatively:
 - Paine, L. S., Deshpande, R., & Margolis, J. (2011). A global leader's guide to managing business conduct. September issue of the Harvard Business Review.
 - Kusck, S. "Learning to navigate the rough seas of ethics." Harvard Business Review 5 (2010).
 - Delmas, Magali A., and Vanessa Cuerel Burbano. "The drivers of greenwashing." California Management Review 54, no. 1 (2011): 64-87.
 - Hess, Megan F., and Earnest Broughton. "Fostering an ethical organization from the bottom up and the outside in." Business Horizons 57, no. 4 (2014): 541-549.
 - Kish-Gephart, Jennifer J., David A. Harrison, and Linda Klebe Treviño. "Bad apples, bad cases, and bad barrels: Meta-analytic evidence about sources of unethical decisions at work." Journal of applied psychology 95, no. 1 (2010): 1