



MG/IB 329 BUSINESS ETHICS
IES Abroad Paris BIA

COURSE 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 against the backdrop of one of the world's financial capitals. As the financial and economic crisis has led to worldwide political reactions based on macroeconomic 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 United States and explores the revival of humanistic management principles based on corporate eco-social business ethics and missions.

CREDITS: 3

CONTACT HOURS: 45

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: None

ADDITIONAL FEE: None

METHOD OF PRESENTATION:

Lectures, discussions, role-playing, group and individual work, student presentations

REQUIRED WORK AND FORM OF ASSESSMENT:

- Class participation, case preparation and discussion – 10%
- Project, including case research, analysis, report, and student presentation – 30%
- Mid-term exam – 30%
- Final exam – 30%

**Class participation:**

Students are expected to participate actively in class and to demonstrate that they have read the required readings and prepared for each class session. Students will be evaluated according to a participation rubric that will be made available on the first day of class.

Project:

Assignments of companies and due dates will be determined at the beginning of the class. 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 in stages:

- Draft table of contents / outline by group
- Meeting and discussion with each group
- Executive report, 2 pages
- Adjustments and additions in agreement with the instructor, final written report as per assigned format
- PowerPoint presentation in last class (20-minute presentation, plus discussion)

Mid-term and Final exams:

Both exams will be based on lectures and complementary readings and will be in short-essay format.

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 in which ethical standards are monitored, audited and enforced and 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:

Attendance is mandatory for all IES Abroad Paris BIA courses, including internship placements, course-related trips and/or field studies. Failure to adhere to these rules will negatively impact your final grade. Any exams, quizzes, tests, presentations, or other work missed due to student absences can only be rescheduled in cases of documented illness with a doctor's note. Medical documentation must be presented to the academic office within two days of your return to class. If not rescheduled, they will be graded as 0.

There will be no grade penalty for:

- 1 absence for 3 hour courses.

If you miss class in excess of what is outlined above, your final grade will be lowered by one third of a letter grade for each additional absence. For example: If you receive a final grade of an A- in a course meeting once a week (3-hour course), 2 absences = B+, 3 absences = B, ... etc.

Punctuality is very important in all IES Abroad Paris BIA courses and being tardy to class is disruptive for the faculty members as well as your fellow classmates. Being more than 15 minutes late repeatedly (4 times) will count as an absence.

Students who miss more than 25% of class time will receive a failing grade (F).

CONTENT:

Session	Content	Readings
Session 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 • A framework for studying business ethics • The ethical dilemma as conflict between moral imperatives • The use of cases presenting actual business situations and ethical dilemmas 	<ul style="list-style-type: none"> • Crane & Matten (2010), Chapter 1, pp. 4-37 (33 pages)
Session 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. A framework for ethical decisions 	<ul style="list-style-type: none"> • Ferrell et al. (2014), Chapters 5 and 6, pp. 126-175 (49 pages) • Crane & Matten (2010), Chapter 4, pp. 139-182 (43 pages)
Session 3	Stakeholder Relationship Ethics. 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. (2014), Chapter 2, pp. 29-51 (22 pages)
Session 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 and intellectual property; • Challenges of determining ethical issues in business 	<ul style="list-style-type: none"> • Ferrell et al. (2014), Chapter 3, pp. 59-91 (32 pages)
Session 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 of effective ethical leadership • Leadership and organizational culture 	<ul style="list-style-type: none"> • Ferrell et al. (2014), Chapter 4, pp. 92-125 (33 pages) and Chapter 11, pp. 308-340 (32 pages)

Session 6	Unethical Corporations <ul style="list-style-type: none"> The emergence and history of the legal status of the corporation. Should corporations pursue their own self-interests? Unethical business practices such as undercover marketing, advertising to children, etc. Mid-Term Exam	
Session 7	Formulation and Implementation of Effective Business Ethics. Ethics Audits <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 (2014), Chapters 8 and 9, pp. 213-271 (58 pages)
Session 8	Ethics towards 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), Chapter 7, pp. 287-338 (51 pages)
Session 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 suppliers 	<ul style="list-style-type: none"> Crane & Matten (2010), Chapter 9, pp. 339-388 (49 pages)
Session 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 Possible business responses to sustainability: green marketing vs. greenwashing 	<ul style="list-style-type: none"> Ferrell (2014), Chapter 12, pp. 344-373 (29 pages)
Session 11	Crisis Management and CSR Assigned Readings <ul style="list-style-type: none"> An ethical approach to crisis management CSR as risk prevention 	
Session 12	Final Project Presentations Summary and Conclusions	



REQUIRED READINGS:

- Ferrell, O.C., Fraedrich, J., and Ferrell, L. (2014). Business Ethics: Ethical Decision Making and Cases. South-Western Cengage Learning. 10th edition.
- Crane, A. and Matten, D. (2010). Business Ethics. 3rd edition.
- Selected sustainability reports, articles and case studies as described in the Appendix EBSCO Database and other international research databases.

RECOMMENDED READINGS:

- Morris, T. (1997). If Aristotle Ran General Motors. The New Soul of Business. New York.

OTHER RESOURCES:

Cases

- Week 2: Following Lance Armstrong: Excellence Corrupted. Harvard Business School, 9-314-015.
- Week 3: Starbucks' Mission: Social Responsibility and Brand Strength, Ferrell et al., 2014, pp. 396-406.
- Week 4: The Man in the Mirror (A), 06/2015-6073.
- Week 5: Rupert Murdoch and News Corp: The Phone Hacking Scandal, 04/2014-5947.
- Week 7: The Pepsi Refresh Project: A Thirst for Change, 9-512-018.
- Week 8: Honeywell and the Great Recession (A), 9-315-022.
- Week 9: Axel Springer and the Quest for the Boundaries of Corporate Responsibility, ESMT-714-0143-8.
- Week 10: Patagonia, 9-711-020.
- Week 11: Abercrombie and Fitch the Homeless, W13420.

Articles/Readings

- Week 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: 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.
- Week 3: Managing for Stakeholders, Freeman, 2013.
- Week 5: Note on Human Behavior: Situation versus Character, 9-316-078.
- Week 8: Layoffs: Effects on Key Stakeholders, 9-611-028.
- Week 9: Learning to Navigate the Rough Seas of Ethics, Kusyk, 2013.
- Week 10: The Drivers of Greenwashing, Delmas and Burbano, 2011.
- Week 11: An Ethical Approach to Crisis Management, Schwartz et al., 2012.