



**IB 343 BUSINESS ETHICS IN AN INTERCULTURAL
FRAMEWORK**
IES Abroad Milan

DESCRIPTION: Business ethics do not deal with the question of what is legal, but rather with the application of moral standards to business decisions. The majority of moral standards relate to personal behavior that is not necessarily legislated and also varies according to cultural differences. We are taught that the primary purpose of a business is to earn a profit, however, the path towards achieving this goal can, in many instances, create dilemmas about justice, equality, and honesty. In this course we will study business ethical dilemmas within an intercultural framework and global perspective. We will address the issue of ethics from different points of view, including society, environment, individuals, and corporations.

CREDITS: 3 credits

CONTACT HOURS: 45

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: None

METHOD OF PRESENTATION:

- Lectures – Students are presented with content, motivated and challenged to reflect on issues. Issues are clarified and expanded upon.
- Class discussions and debates – Analysis of readings, videos, case studies exchange of ideas and cultural perspectives.
- Online Reader – Selection of reading material in different areas of business ethics.
- Case Studies – Opportunity to study real life situations and how the actors involved reacted.
- Movies – Documentaries and movies related to business ethics and Corporate Social Responsibility
- Student Presentations and debate leading – Students will have the opportunity to promote the debate and discussion of one of the ethical issues of the syllabus

REQUIRED WORK AND FORM OF ASSESSMENT:

The final grade will be determined as follows:

- Class preparation and participation: Based on attendance and quality participation defined as relevance, evidence, originality, implications and form using knowledge acquired through reading and analysis. **25%**
- Midterm exam: This Midterm exam will be based on lectures and complementary reading and will use different formats to assess students' progress towards the learning outcomes in the first half of the course. The question formats will include essay questions, multiple choice questions, short answer questions and justified True/False questions. **25%**
- Round table Discussion: Students will form teams of up to 5 students. During the second part of the course (after the midterm exam), we will watch a video/documentary that presents a global situation with ethical dimensions, and the following session one team will be responsible for facilitating a class roundtable discussion on the ethical issues and dilemmas exposed by the documentary. The facilitator team should therefore, analyze the content of the film based on more in depth research and course material, and prepare

a written document of their analysis that outlines and explains the issues and dilemmas they were able to define in their analysis. The outline should be uploaded to the course Moodle and handed in paper to the professor before the start of the round table. The facilitator team should promote class discussion and the results of the roundtable should be documented (note taking) and compared with the team’s outline. This comparative analysis should also be handed to the professor the next session and uploaded to Moodle. Grading will be based on the quality and in depth of the pre- and post analysis and on how well class discussion is promoted. **25%.**

Non-justified absences to the assigned round table as facilitator will convey a 50% grade penalty for this concept. Non-justified absences to any of the other three round tables as a class participant will convey a 5% reduction in the grade (for each absence) for this item.

- **Final exam:** The Final exam will be based on lectures and complementary reading and will use different formats to assess students’ progress towards the learning outcomes of the entire course. The question formats will include essay questions, multiple choice questions, short answer questions and justified True/False questions. **25%**

LEARNING OUTCOMES:

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

- Identify and state issues concerning business ethics.
- Summarize basic ethical theories and apply them to business issues.
- Discuss the concept of Corporate Social Responsibility and the concept of stakeholders.
- Describe different ways of managing business ethics in a global context.
- Recall case studies on issues related to business ethics around the world.

ATTENDANCE POLICY:

Regular class attendance is mandatory. IES Abroad Milano allows a maximum of THREE (3) excused absences per course before the final course grade is penalized. This margin is specifically intended to cover any absences arising from unavoidable and unexpected events or emergencies related to health, family, and religion. Each absence beyond the three excused ones will automatically result in a penalty of 2 points off (2/100) the final grade. SEVEN (7) absences per course will result in a failing grade (the three excused absences included).

Please note that this rule does not apply to exams: failure to attend your midterm and/or final exam will automatically result in an F grade on that exam. Absence on the date of other scheduled tests, presentations or quizzes does not entitle a student to recover/reschedule such tests. If using absences for travel, students must be aware that they may find themselves in a situation in which they have no excusable absences left in case of illness.

CONTENT:

Session	Content	Required Reading
Week 1	<p>Session 1: Introduction: Why Business Ethics? The objectives, methodology, content and organization of the work are presented in detail.</p> <p>Session 2: Individual responsibility: Peter Green’s first day (Case Study). Peter Green is a young salesman who recently joined a company.</p>	<ul style="list-style-type: none"> • Matthews, J. et al. (1991) “Peter Green’s First Day”. • Rupal, J. (2008) “Importance of Ethics in Business”. • Wicks, A. – Parmar, B. (2009) “An Introduction to Ethics. Framing and Key Themes in Business Ethics”, pp. 1-6.

	Welcome to the real world?	
Week 2	<p>Session 1: Philosophies of Ethics and Ethical Dilemmas. We will study the philosophical basis of ethics and will look at what are ethical dilemmas and how to we deal with them.</p> <p>Session 2: Historical perspectives. Classical philosophy and modern business; 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.</p>	<ul style="list-style-type: none"> • Donaldson, T. – Werhane, P. H (1983) “Introduction to Ethical Reasoning”. • Fieser, J. “Ethics”, Internet Encyclopedia of philosophy. • Ferrell et al. (2018), <i>Business Ethics. Ethical Decision Making and Cases</i>, Chapter 1, pp. 1-27.
Week 3	<p>Session 1: Business, economics, and ethics. We will analyze the relationships between ethics and economics from different perspectives.</p> <p>Session 2: Goals, Processes, Success: The Parable of the Sadhu. Through a case study depicting a Wall Street financial analyst facing a dilemma in mountaineering, we study how each of our behaviors combines a process and a goal.</p>	<ul style="list-style-type: none"> • Chee, S. J. (1998) “A Robinson Crusoe Allegory”. • Fernández, B. F. (2011) “Ethics vs. Finance? An analysis of the origins, problems and future perspectives of this relationship”. • Van Staveren, I. (2007) “Beyond Utilitarianism and Deontology: Ethics in Economics”. • McCoy, B. (1997) “The Parable of the Sadhu. Harvard Business Review”.
Week 4	<p>Session 1: Corporate social responsibility, stakeholder orientation, and sustainability reporting. Stakeholders defining ethical issues; associated measures of corporate impacts; implementation of a stakeholder perspective.</p> <p>Session 2: International Governance and Corporate Social Responsibility. The issue of international governance is addressed. At the legal level, the means and limits of international law are discussed. Beyond this relatively weak international framework, the rise of corporate social responsibility as a means for business to address its responsibilities is discussed.</p>	<ul style="list-style-type: none"> • Albala, N. (2003) “International law: justice as a commodity”. • Frankental, P. (2001) “Corporate social responsibility: a PR invention?”. • O’Neill, B. (2013). “The ethics of wistleblowing”. • Orr, D. (2013) “Governance in the long emergency”. • Ferrell et al. (2018), <i>Business Ethics. Ethical Decision Making and Cases</i>, Chapter 2, pp. 27-54 and pp. 396-406. • Freeman, E. R. (2017) “Managing for Stakeholders and the Purpose of Business”.

<p>Week 5</p>	<p>Session 1: Environmental Ethics: Global Dumping. The business of toxic waste exemplifies the possibility of creating business value at the expense of social and environmental values.</p> <p>Film: <i>Ghana: Digital Dumping Ground</i>.</p> <p>Session 2: Sustainability, garbage, and human waste.</p> <p>Turning recycling and waste reduction into a business. Zero waste strategy and enlightened business communities in Italy and the US (Capannori, Lucca, and San Francisco).</p>	<ul style="list-style-type: none"> • Clapp, J. (2002) “Seeping through Regulatory Cracks”. • Polgreen, L. – Simons, M. (2006) “Global Sludge End in Tragedy for Ivory Coast”. • Connett, P. (2013) <i>The Zero Waste Solution</i>, pp. 209-283.
<p>Week 6</p>	<p>Session 1: Globalization and Sustainable Development.</p> <p>Globalization of economies and societies has consequences in terms of human development and environmental problems. The issues and challenges of globalization and the concept of sustainable development are analyzed</p> <p>We will organize the teams and discuss how to go about doing the round table discussions.</p> <p>Session 2: Mid-term exam</p>	<ul style="list-style-type: none"> • “Johannesburg Declaration on Sustainable Development” (2002). • Assadourian, E. (2010) “The Rise and Fall of Consumer Cultures”. • Ferrell et al (2018), <i>Business Ethics. Ethical Decision Making and Cases</i>, part 4, Chapter 12, pp. 344-379.
<p>Week 7</p>	<p>Session 1: Team debate sessions begin. Each week, we will watch and comment a film or documentary that presents a global issue and the following session one team will be responsible for leading a class debate discussion on the issues presented by the film we viewed and the readings.</p> <p>Should water provision be free for all or a source for business?</p> <p>Film: <i>Blue gold</i>.</p> <p>Session 2: Debate discussion on the ethics of the water business.</p>	<ul style="list-style-type: none"> • Gleick, P. H. et al. (2002). “The New Economy of Water”.
<p>Week 8</p>	<p>Session 1: Financial Markets and Crisis. What caused the 2008 worldwide financial crisis? We will analyze the world of finance from an ethical perspective.</p> <p>Film: <i>Inside Jobs</i></p> <p>Session 2: Debate discussion on ethics and finance.</p>	<ul style="list-style-type: none"> • Katz, C. (2011) “Interpretations of the economic crisis”. • The Economist, “What went wrong?” (2009b) • The Economist, “Greed and Fear” (2009)

<p>Week 9</p>	<p>Session 1: Technological issues: Genetically Modified Organisms. Often, risks associated to technological advances are potentially high but not (yet) assessed. The public is less and less prone to take corporate discourses on absence of risks for granted, and international trade institutions are not adapted to implement the precautionary principle.</p> <p>Film: <i>Life running out of control</i></p> <p>Session 2: Debate discussion of Technological issues: Genetically Modified Organisms</p>	<ul style="list-style-type: none"> • Hoban, T. J. (2004) “Public Attitudes towards Agricultural Biotechnology”. • Meacher, M. (2003) “Are GM crops safe? Who can say? Not Blair”. • Sinaï, A. (2001) “New Monsanto and GMO Propaganda: Seeds of irreversible change”.
<p>Week 10</p>	<p>Session 1: Health and Ethics. We will look at ethical issues that arise from the business of health care.</p> <p>Film: <i>Big Pharma</i></p> <p>Session 2: Debate discussion on Health and Ethics.</p>	<ul style="list-style-type: none"> • Selick, K. (2011) “Nobody should profit from health care? Get real”. • Wenner Moyer, M. (2015) “Pharma Watch: Raising Awareness or Drumming Up Sales?” • Redfearn, S. (2010) “ProPublica report: big pharma paid hundreds of physicians over \$100,000 in speaking fees”. • Abramson, J. (2006) “Drug Profits Infect Medical Studies”.
<p>Week 11</p>	<p>Session 1: Developing and implementing effective ethics programs; the 4-way test as a standard for business ethics</p> <p>Session 2: Concluding session- summary of the key “take- away” messages of the course.</p>	<ul style="list-style-type: none"> • Ferrell et al (2018), <i>Business Ethics. Ethical Decision Making and Cases</i>, part 4, Chapters 8-9 (pp. 213-272)

REQUIRED READINGS:

- Abramson, John (2006) “Drug Profits Infect Medical Studies”, Los Angeles Times, Saturday, January 7, https://ahrp.org/unhealthy-medicine-wash-post_drug-profits-infect-medical-studies-la-times/
- Albala, Nuri. (2003) “International law: justice as a commodity”, Le Monde Diplomatique (December 2003), <https://www.globalpolicy.org/component/content/article/163/28263.html>
- Assadourian, Erik. “The Rise and Fall of Consumer Cultures”, State of the World 2010, Worldwatch Institute Report, New York: W.W. Norton, 2010, pp. 3-21, <http://www.worldwatch.org/files/pdf/Chapter%201.pdf>
- Chee Soon Juan. (1998) “A Robinson Crusoe Allegory”, To be free, Clayton: Monash Asia Institute, pp. 1-2.
- Clapp, J. (2002) “Seeping through Regulatory Cracks”, SAIS Review, vol. XXII no. 1, Winter-Spring 2002.
- Connett, Paul (2013) *The Zero Waste Solution. Unrashing the Planet One Community at a Time*, Chelsea Green Publishing, Vermont.
- Donaldson, Thomas – Werhane, Patricia H. (1983) “Introduction to Ethical Reasoning”, *Ethical Issues in Business. A Philosophical Approach*, Pearson.
- Fernández, Bruno Federico (2011) “Ethics vs. Finance? An analysis of the origins, problems and future perspectives of this relationship, Trust and Ethics in Finance Innovative ideas from the Robin Cosgrove Prize, Carol Cosgrove-Sacks – Paul H. Dembinski (eds.), http://www.ethicsinfinance.org/wp-content/uploads/Document/2011_Gl_Fernandez.pdf
- Ferrell, O.C., and Ferrell, Linda, and Fraederich, John (2018) *Business Ethics. Ethics Decision Making and*

Cases, Cengage Learning, Boston Mass, selected chapters.

- Fieser, James, “Ethics”, Internet Encyclopedia of philosophy, <http://www.iep.utm.edu/ethics/>
- Frankental, P. (2001) “Corporate social responsibility - a PR invention?”, Corporate Communications: An International Journal, 14 February 2001, vol. 6, no. 1, pp. 18-23(6).
- Freeman, R. Edward (2017) “Managing for Stakeholders and the Purpose of Business”, *Darden Case No. UVA-E-0415*, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3042721##
- Gleick, Peter H., Wolff, Gary; Chalecki, Elizabeth L., Reyes, Rachel. (2002) “The New Economy of Water”, Pacific Institute for Studies in Development, Environment, and Security, February 2002, https://pacinst.org/wp-content/uploads/2013/02/new_economy_of_water3.pdf
- Hoban, Thomas J. (2004) “Public Attitudes towards Agricultural Biotechnology”, ESA Working Paper 04-09, May 2004, <http://www.fao.org/3/ae064e/ae064e00.pdf>
- “Johannesburg Declaration on Sustainable Development”, World Summit on Sustainable Development, 4 September 2002, http://ec.europa.eu/environment/archives/wssd/documents/wssd_pol_declaration.pdf

- Katz, C. (2011) “Interpretations of the economic crisis. International Socialist Review”, Issue 75, January–February 2011.
- Matthews, John – Goodpaster, Kenneth – Nash, Laura (1991) “Peter Green’s First Day”, Policies and Persons: A Casebook in Business Ethics, New York: McGraw-Hill, 1991, pp. 11, 12.
- McCoy, Bowen (1997) “The Parable of the Sadhu”, Harvard Business Review, 75 N°3, May-June, pp. 54-61.
- Meacher, Michael (2003) “Are GM crops safe? Who can say? Not Blair”, The Independent, June 22.
- Meyers, C. (2004) “Wrongful Beneficence: Exploitation and Third World Sweatshops”, Journal of Social Philosophy, Vol. 35 No. 3, Fall 2004, pp. 319–333.
- O’Neill, Ben (2013). “The ethics of whistleblowing”. Ludwig von Mises Institute, <http://mises.org/daily/6474/>
- Orr, David (2013) “Governance in the long emergency”, Tate of the World 2013: Is sustainability still possible? Worldwatch Institute, http://library.uniteddiversity.coop/More_Books_and_Reports/State_of_the_World/State_of_the_World_2013-Is_Sustainability_Still_Possible.pdf
- Polgreen, Lydia – Simons, Marlise (2006) “Global Sludge End in Tragedy for Ivory Coast”, The New York Times, October 2.
- Redfearn, Suz (2010) “ProPublica report: big pharma paid hundreds of physicians over \$100,000 in speaking fees”, Center Watch News Online, November 8, <https://www.centerwatch.com/news-online/2010/11/08/propublica-report-big-pharma-paid-hundreds-of-physicians-over-100000-in-speaking-fees/>
- Rupal, Jain (2008) “Importance of Ethics in Business”, Atharva Institute of Management Studies, Mumbai, Ezine Articles: ezinearticles.com May 30, 2008, <https://ezinearticles.com/?Importance-of-Ethics-in-Business&id=1212419>
- Selick, Kareen (2001) “Nobody should profit from health care? Get real”, Globe and Mail, Wednesday, Nov. 10: <https://www.theglobeandmail.com/news/national/time-to-lead/nobody-should-profit-from-health-care-get-real/article1216451/>
- Sinaï, Agnès (2001) “New Monsanto and GMO Propaganda: Seeds of irreversible change”, Le Monde Diplomatique – English language edition, July.
- The Economist (2009) “Greed and Fear”, Jan 22nd 2009.
- The Economist (2009b) “What went wrong?” Mar 6th 2009.
- Van Staveren, Irene (2007) “Beyond Utilitarianism and Deontology: Ethics in Economics”, Review of Political Economy, Volume 19, Number 1, 21–35, January 2007.
- Wenner Moyer, Melinda (2015) Pharma Watch: Raising Awareness or Drumming Up Sales? Scientific American Mind Volume 26, Issue 5, <https://www.scientificamerican.com/article/pharma-watch-raising-awareness-or-drumming-up-sales/>

- Wicks, Andrew – Parmar, Bidhan (2009) “An Introduction to Ethics. Framing and Key Themes in Business Ethics”, *Darden Case No. UVA—0340*, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1417203

RECOMMENDED READINGS:

- Crane, Andrew and Matten, Dirk (2007) *Business Ethics, Managing Corporate Citizenship and Sustainability in the Age of Globalization*. Oxford University Press.
- Freeman, R. Edward (2001) “Stakeholder Theory of the Modern Corporation”, *Perspectives in Business Ethics*, 3/144, pp. 38-48, <http://academic.udayton.edu/LawrenceUlrich/Stakeholder%20Theory.pdf>
- Friedman, Milton (1970) “The Social Responsibility of Business is to Increase its Profit” *The New York Times Magazine*.
- The Economist (2005) “Issue on Corporate Social Responsibility”, January 20.
- Meacher, Michael. (2003) “The planet's polluters should be put in the dock”, *The Guardian*, October 25.
- Solomon, Stephen (1981) “The controversy over infant formula”, *The New York Times Magazine*, <https://www.nytimes.com/1981/12/06/magazine/the-controversy-over-infant-formula.html>