



IB/MG 329 – 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 specific German variation of corporate social responsibility will also be examined in this course, including business leadership on environmental sustainability.

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.

CREDITS: 3

CONTACT HOURS: 45

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: One course in any of the following areas:

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

ADDITIONAL COST: None

METHOD OF PRESENTATION:

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

REQUIRED WORK AND FORM OF ASSESSMENT:

- Course participation - 10%
- Project - 30%
- Midterm exam - 25%
- Final presentation - 35%

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Course Participation

Students must complete the assigned readings, participate in class discussions and engage with the assigned project. The IES grading rubric for participation is available on Moodle.

Project

Assignments of companies and due dates will be determined in week 1. With instructor guidance, students will select cases and collect additional 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,
2. meeting and discussion with instructor (15 minutes),
3. draft executive summary (2 pages),
4. adjustments and additions in accordance with the instructor, final written report,
5. presentation in class (20-minute presentation plus discussion).

Midterm Exam

The midterm exam will take place in week 5 and comprise 10 short essay questions.

Final Exam:

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

LEARNING OUTCOMES:

Upon completion of this course, the student 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:

Attendance and punctuality in all courses are mandatory. Absences can only be excused for valid reasons. Unexcused absences can affect students’ grades. Students who miss 25% or more of all class sessions will fail the course. Missed exams cannot be taken at another time except in case of documented illness. Late submission of term papers and other work will result in grade reduction unless an extension due to illness or an emergency is approved. Please consult the IES Abroad Berlin academics manual on Moodle for additional details.

ACADEMIC INTEGRITY:

Students are expected to abide by the IES Abroad Academic Integrity Code. Assignments need to be properly and amply footnoted where appropriate, with all sources attributed, including images. This not only applies to written assignments but also presentations by means of PowerPoint, Prezi or posters. Contributions may be checked with plagiarism-detecting software.

CONTENT:

Sessions	Content	Readings & Assignments
Week 1	Session 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	<ul style="list-style-type: none"> • Cavusgil, Knight & Riesenberger (2012): pp. 154-175 and pp. 337-339

	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.	
	<p>Session 2: 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. Topics on ethics and actual cases divided up between the students.</p>	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
Week 2	<p>Session 3: Ethics, Corporate Social Responsibility and Sustainability – Part 1 Corporate social responsibility, stakeholder orientation and sustainability reporting; stakeholders defining ethical issues; associated measures of corporate impacts; implementation of a stakeholder perspective.</p>	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
	<p>Session 4: Ethics, Corporate Social Responsibility and Sustainability – Part 2</p>	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
Week 3	<p>Session 5: Classical Philosophy and Ethical Issues in Business – Part 1 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.</p>	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
	<p>Session 6: Classical Philosophy and Ethical Issues in Business – Part 2</p>	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
Week 4	<p>Session 7: The Institutionalization of Business Ethics – Part 1 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;</p>	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators

	gatekeepers: accountants, lawyers, financial rating agencies, and financial services. Risk assessment.	
	Session 8: The Institutionalization of Business Ethics – Part 2	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
Week 5	Midterms	
Week 6	Session 9: Moral Philosophies and Values Individual factors: moral philosophies and values. Applying moral philosophy to business ethics; virtues supporting business transactions	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
	Session 10: 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.	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 1m chapters 1-2, pp. 1-54 • Cavusgil, Knight & Riesenberger (2012): pp. 171-172 • latest sustainability report: key performance indicators
Week 7	Session 11: Formulation and Implementation of Effective Business Ethics – Part 1 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, Fraedrich & Ferell (2011): part 4, chapter 8, pp. 213-239 • this week's case
	Session 12: Formulation and Implementation of Effective Business Ethics – Part 2	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 4, chapter 8, pp. 213-239 • this week's case
Week 8	Session 13: Implementing Ethics Programs and Ethics Audits – Part 1 Implementing and auditing ethics programs; the ethic audit and its benefits; challenges of measuring nonfinancial performance.	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 4, chapter 9, pp. 240-269 • this week's case
	Session 14: Implementing Ethics Programs and Ethics Audits – Part 2	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 4, chapter 9, pp. 240-269 • this week's case

Week 9	Session 15: Ethics in a Global Economy – Part 1 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.	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 4, chapter 10, pp. 270-299 • this week’s case
	Session 16: Ethics in a Global Economy – Part 2	<ul style="list-style-type: none"> • Ferrell, Fraedrich & Ferell (2011): part 4, chapter 10, pp. 270-299 • this week’s case
Week 10	Finals	

REQUIRED READINGS:

- Cavusgil, S. Tamer, Gary Knight, John R. Riesenberger (2012). Ethics and International Business. Corruption at Siemens. AIG and Global Financial Contagion. In International Business: Strategy, Management and the New Realities. Pearson Education, Pearson Prentice Hall, 2nd edition, pp. 154-175, pp. 171-172 and pp. 337-339.
- Ferrell, O. C., J. Fraedrich, L. Ferell (2011). Business Ethics: Ethical Decision Making and Cases. South-Western Cengage Learning. 8th edition.

Optional Readings

- Martin, K., M. Scotto (2010). Bailouts and Bonuses on Wall Street. Business Roundtable Institute for Corporate Ethics. BRI-1007.
- Morris, T. (1997). If Aristotle ran General Motors. The new soul of business. Henry Holt and Co. New York.
- Velasquez, M. G. (2012). Business Ethics: Concepts and Cases. Pearson, 7/E.