

## **BUSINESS ETHICS**

Ethical considerations are essential for individual growth, excellence, and organizational survival in the marketplace. Number of organizations around the globe have recognized, accepted the challenge and social responsibility is a prominent feature in their practices, products, and services. However, ethical dilemmas can arise in various situations as companies try to harmonize profit-making vs ethical responsibilities, to understand, analyze and respond to these changes needs a solid and careful understanding of business ethics. This course intends to introduce contemporary aspects of ethics in the business with a particular focus on the corporate world. This course discusses the foundations of business ethics, explains the concepts of moral philosophies, business ethics in the corporate settings, leaders, and managers' ethical responsibilities, and social and ecological business ethics. The challenges posed by ethical dilemmas in real-world situations will be encapsulated through the use of narratives and case studies.

### **Course Objectives**

- To develop an in-depth understanding of the moral philosophies, ethical issues and dilemmas, and corporate social responsibility.
- To understand barriers involved in ethical decision making at the organizational and individual level and moral dilemmas faced by the businesses about local and global operations.
- To understand how to integrate ethics into business practice, management and the marketplace and the role of virtues in leading organizations.
- To provide strong bases for moral judgment to anticipate, critically analyze, and appropriately respond to ethical challenges which leaders, managers, individuals, and corporates confront in the modern world.
- **Course learning Outcomes**

Upon successful completion of this course, students should be able to:

1. Understand the relationship between ethics, sustainability, virtues organization, and economic activities.
2. Understand the barriers involved in ethical decision making at the organizational and individual level and moral dilemmas faced by the businesses about local and global operations.

3. Formulate measures to integrate ethics into business practice and in management, in the marketplace, and the role of virtues in leading organizations.
4. Increase awareness of the challenges of corporate social responsibility/sustainability, their impact on the competitive advantages of the firm and society.
5. Skills to anticipate, identify, analyze, and appropriately respond to ethical challenges.

#### 6. Text and reference books

- Marianne M. Jennings, Business Ethics, Ninth Edition, Thomson Learning, 2018.
- Joseph W. Weiss, Business Ethics, Sixth Edition, Cengage Learning, 2016.
- Melé, D. Business Ethics in Action. Seeking Human Excellence in Organizations, Palgrave MacMillan, New York, 2009.
- Melé, D. Management Ethics: Placing Ethics at the Core of Good Management, Palgrave MacMillan, New York.
- **Supplementary Readings:**
- O.C. Ferrell, John Paul Fraedrich, Linda Ferrell, Business Ethics-Ethical Decision Making and Cases, Twelfth Edition, Cengage Learning 2019
- Manuel G. Velasquez, Business Ethics-Concepts and Cases, Seventh Edition, Prentice Hall 2018.
- Additional Readings and Case Studies from Harvard Business Review, Harvard Business School, Journal of Business Ethics.

| Week No. | Topic                                                                                                                                                                        | CLO |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 1        | <b>Foundations of Business Ethics</b> <ul style="list-style-type: none"> <li>▪ The role of ethics in the Modern Business?</li> </ul>                                         | 1   |
| 2        | <ul style="list-style-type: none"> <li>▪ Introduction to Moral Philosophy &amp; Reasoning</li> <li>▪ Consequentialist and Non-Consequentialist Theories of Ethics</li> </ul> | 1   |
| 3        | Bounded Ethicality<br><b>“Everyone’s a little bit biased (even physicians)”</b> (Cain & Detsky)<br>Is behaving ethically just a matter of wanting to?                        | 1,2 |
| 4        | <b>Is Business Ethics an Oxymoron?</b>                                                                                                                                       | 2   |

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|   | <p>Is the purpose of business maximizing shareholder value?</p> <ul style="list-style-type: none"> <li>▪ Friedman, M.: 1970, 'The Social Responsibility of Business is to Increase its Profits', New York Times Magazine (September 13).</li> <li>▪ Jensen, M. C. (2001). Value Maximization, Stakeholder Theory, and the Corporate Objective Function. European Financial Management, 7(3), 297-317</li> <li>▪ Bower, J. L. &amp; Paine, L. S. 2017. 'The Error at the Heart of Corporate Leadership.' Harvard Business Review, 95(3), 50-60.</li> </ul>                                                                                                                                                                                                            |     |
| 5 | <p>Rationalizing the purpose of Business Firms</p> <ul style="list-style-type: none"> <li>▪ Hollensbe, E., Wookey, C., Hickey, L., George, G. &amp; Nichols, C. V., 2014, 'Organizations with purpose'. Academy of Management Journal, 57(5), 1227–1234</li> <li>▪ de los Reyes Jr., G., Scholz, M. &amp; Smith, N. C. (2017). Beyond the "Win-Win": Creating Shared Value Requires Ethical Frameworks. California Management Review, 50(2), 142-167</li> <li>▪ Melé, D. (2012). The Firm as a "Community of Persons": A Pillar of Humanistic Business Ethos. Journal of Business Ethics, 106(1), 89-101.</li> <li>▪ Business Ethics in Action, Chap. 7. Market, Regulations and the Purpose of Business. Section B. The Purpose and Identity of Business</li> </ul> | 2,3 |
| 6 | <p>Rationalizing the purpose of Business Firms</p> <ul style="list-style-type: none"> <li>▪ Wetlaufer, S. 1999. 'Organizing by Empowerment: An Interview with Roger Sant and Dennis Bakker.' Harvard Business Review: February, 110-23.</li> <li>▪ Melé, D. (2003). Organizational Humanizing Cultures: Can They Create Social Capital? Journal of Business Ethics, 45(1), 3-14</li> <li>▪ Fontrodona, J., and Sanz, P. (2015). 'The Keys to a Positive Business Culture'. IESE Insight 27: 15-22</li> <li>▪ Discrimination, harassment, whistleblowing</li> </ul>                                                                                                                                                                                                   | 2,3 |
| 7 | <p><b>Integrating individuals within the parameters of an Ethical organization</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2,3 |

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|    | <p>Personal responsibility</p> <ul style="list-style-type: none"> <li>▪ The moral responsibility of the individual within the organization</li> <li>▪ 'Victims of Circumstances? A Defense of Virtue Ethics in Business', Business Ethics Quarterly</li> <li>▪ Melé, D. (2014). "Human Quality Treatment": Five Organizational Levels. Journal of Business Ethics, 120(4), 457-471</li> <li>▪ Business Ethics in Action, Labor Rights, Meaningful Work, and Development at the Workplace</li> </ul> |     |
| 8  | <p>Ethics in the decision Making</p> <ul style="list-style-type: none"> <li>▪ Individual moral judgments in the decision-making</li> <li>▪ Misbehaviors in Business: Individual Frequent misbehaviors in the business</li> </ul>                                                                                                                                                                                                                                                                    | 3   |
| 9  | <b>Mid Semester Exam</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |
| 10 | <p><b>Leadership and management considerations for Ethical Organization</b></p> <p>Virtuous leadership and responsible management</p> <ul style="list-style-type: none"> <li>▪ Hackett, R. D. &amp; Wang, G. (2012). 'Virtues and leadership. An integrating conceptual framework founded in Aristotelian and Confucian perspectives on virtues' Management Decision, 50(5), 868-899.</li> <li>▪ Business Ethics in Action, Moral Character of the Leader</li> </ul>                                | 2,3 |
| 11 | <p>Virtuous leadership and responsible management</p> <ul style="list-style-type: none"> <li>▪ Melé, D. 2003. 'The Challenge of Humanistic Management.' Journal of Business Ethics, 44(44), 77-88.</li> <li>▪ Business Ethics in Action, Ethics in the Manager's Work and in Corporate Governance</li> </ul>                                                                                                                                                                                        | 2,3 |
| 12 | <p><b>Ethics in the Market place</b></p> <ul style="list-style-type: none"> <li>▪ Valuing human life? "Managing Product Safety: The Ford Pinto"</li> <li>▪ Do firms' need to fix the product problem or recall the product?</li> <li>▪ Consumer Products and Ethical Marketing</li> <li>▪ "Repugnance as a Constraint on Markets" (Al Roth)</li> <li>▪ Gender Pricing</li> </ul>                                                                                                                    | 3,5 |
| 13 | <b>Societal and Ecological Business Ethics</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4   |

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|    | <p>Traditional vs Contemporary Views of Social Responsibility - Arguments for and against CSR</p> <p>Garriga, E. and D. Melé: 2004, 'Corporate Social Responsibility Theories: Mapping the Territory', <i>Journal of Business Ethics</i> 53 (1-2), 51-71.</p>                                                                                                    |           |
| 14 | <p>Societal and Ecological Business Ethics</p> <ul style="list-style-type: none"> <li>▪ Patagonia's Path to Carbon Neutrality by 2025, Harvard Business Review</li> <li>▪ Patagonia's Sustainability Strategy: Don't Buy Our Products, Harvard Business Review</li> <li>▪ Patagonia: Closing the Loop on Packaging Pollution, Harvard Business Review</li> </ul> | 4,5       |
| 15 | <p>Societal and Ecological Business Ethics</p> <ul style="list-style-type: none"> <li>• Business Ethics in Action, The Ecological Responsibility of Business</li> <li>• The Sustainable and Responsible Company in a Global World</li> </ul>                                                                                                                     | 4         |
| 16 | <b>Projects</b>                                                                                                                                                                                                                                                                                                                                                  | 1,2,3,4,5 |
| 17 | <b>Buffer Week</b>                                                                                                                                                                                                                                                                                                                                               |           |
| 18 | <b>End Semester Exam</b>                                                                                                                                                                                                                                                                                                                                         |           |