



## APPLIED BUSINESS ETHICS

<b>Course code</b>	GRAV003
<b>Course title</b>	<i>Applied Business Ethics</i>
<b>Type of course</b>	<i>Compulsory</i>
<b>Level of course</b>	<i>Graduate</i>
<b>Department in charge</b>	<i>Graduate school</i>
<b>Year of study</b>	<i>1<sup>st</sup></i>
<b>Semester</b>	<i>2<sup>nd</sup></i>
<b>Number of credits</b>	6 ECTS; 36 hours of class work, 124 hours of self-study, 2 hours of consultations (distant or direct form)
<b>Lecturer</b>	<i>Assoc. Prof. Dr. Maik Hüttinger</i>
<b>Email of the lecturer</b>	<i>maihue@ism.it</i>
<b>Date of the course</b>	<i>4<sup>th</sup> of April to 23<sup>th</sup> of May 2019 (excluding exam)</i>
<b>Prerequisites</b>	<i>Undergraduate studies in social science</i>
<b>Form of studies</b>	<i>Consecutive (evening)</i>
<b>Teaching language</b>	<i>English</i>

### ANNOTATION

The course will deal with the question of who is responsible for the ethical behavior in business. The dominance of US based literature, has suggested the concept of Corporate Social Responsibility as the main doctrine. However, considering the historical, economical and political context – the situation in Europe is fundamentally different. Unlike in the United States, the question of philanthropy plays only a minor role in Europe. On the other hand, the question of social, legal, environmental, and economic responsibility – within the context of a welfare state – dominates daily business life.

This course will be taught within the MSc in Financial Economics – however deals by nature more with philosophical issues. The first lectures will therefore deal with basic theories of Ethics and Capitalism and aim to serve as a review course for the basics of ethics in economics. The second part deals with Corporate Social Responsibility, Stakeholder Theory and the Creating Shared Value Theory - which became important issues in the Financial Industry. Last but not least, the course will cover various issues related to ethical issues in finance. In order to add more applied content – the seminars are covering various cases studies which are relevant in the world of finance.

### Course Aims and Objectives

The aim of the course is to raise awareness for the participants that corporations have a responsibility towards all stakeholders – not just towards increasing shareholder value. Moreover, it will deal with the question to what extent self-regulation and corporate responsibility can satisfy the idea of a more sustainable economy.

### Learning Outcomes

Course learning outcomes (CLO)	Study methods	Assessment methods
CLO1. To understand the forces which are driving ethical behavior in a European Context	Lectures, seminars, self study, group work	Participation, case analysis assessments, final exam
CLO2. To understand the impact of the government and the capitalistic system which drives the role of the corporation in a society	Lectures, seminars, self study, group work	Participation, case analysis assessments, final exam
CLO3. To understand the philosophical background of current ethical theories	Lectures, seminars, self study, group work	Participation, case analysis assessments, final exam
CLO4. To apply ethical concepts in practical business situations	Lectures, seminars, self study, group work	Participation, case analysis assessments, final exam
CLO5. To develop critical thinking and problem solving skills	Lectures, seminars, self study, group work	Participation, case analysis assessments, final exam



### Quality Assurance Measures

The lecturer will apply multiple teaching methods to keep the students engaged in the topic (case studies, videos illustrating innovation). Continuous student feedback will be encouraged and accommodated to continuously improve the class experience.

### Cheating Prevention

The course will apply a zero-tolerance policy towards plagiarism, following the rules of the University.

### Assessment methods

Assignment	Final grade, %
Participation	20%
Oral Presentation	30%
Final Exam	50%
<b>Total:</b>	<b>100%</b>

The final exam will account for 50% of the final grade:

1. The final exam will cover all topics of the lectures, as well as the listed cases.

20% of the final grade will be given for active participation in the seminars:

1. Students will be informed in advance, which cases have to be read (prepared) for the following case-study discussions. Reading the case studies for the class discussion is obligatory. Students not regularly participating in class/ case discussions will be graded with a "zero".

30% of the final grade will be given for an "oral presentation"

1. Students contribute to the content of the classes by presenting selected corporate scandals to the class. For that purpose, students will be grouped in teams and the members will prepare (outside of class) a presentation of the the assigned case.

### Learning methods

The course is designed to achieve its aims through a combination of lectures and interactive case-study sessions. The lectures are designed to encourage active participation, co-operative and creative work, interactive communication and critical thinking.

### Readings and cases

Students will be informed after each lecture, what parts are relevant for the exam. This includes case studies as well as course materials. Literature for this course is categorized the following:

- 'Obligatory literature' = Readings which are obligatory to read for the exam
- 'Supplementary literature' = Students should consider the recommended literature for a better understanding of the topics covered in the lecture
- 'Additional literature' = Materials merely used by the lecturer to prepare the lecture



## Course Content

NO	DATE	CONTENT
1	4 <sup>th</sup> April	A: Introduction to the course and aligning expectations B: <i>Movie Screening with discussion</i>
2	8 <sup>th</sup> April	A: Theoretical Foundations: Ethics & Philosophy B: <i>Case Session: Dieselgate – Heavy Fumes Exhausting the Volkswagen Group</i>
3	15 <sup>th</sup> of April	A: Theoretical Foundations: Capitalism and Ethics B: <i>Corruption at Siemens (A+B)</i>
4	25 <sup>th</sup> of April	A: Defining and Understanding of Corporate Social Responsibility B: <i>Case Session: Defining the Purpose for Borussia Dortmund GmbH &amp; Co. KGaA</i>
5	2 <sup>nd</sup> of May	A: Corporate Social Responsibility – nothing else than a Myth? B: <i>Case Session: The Norwegian Government Pension Fund: The Divestiture of Wal-Mart Stores Inc.</i>
6	9 <sup>th</sup> of May	A: Ethics and Finance I B: <i>Case Session: The Fall of Enron</i>
7	16 <sup>th</sup> of May	A: Ethics and Finance II B: <i>Case Session: Bad Apples or Sour Pickles? Behavioral Paradigms and Social Structure in the LIBOR Scandal</i>
8	23 <sup>rd</sup> of May	A: Presentation Session 1 - Oral presentation of a selected corporate scandal by students
9	24 <sup>th</sup> of May	A: Presentation Session 2 - Oral presentation of a selected corporate scandal by students

Remark: Depending on the development of the course, the lecturer might skip or include some of cases for discussion. Furthermore, students are asked to follow the in-class announcements (schedule changes) concerning the simulation game.

### REMARKS – IN ADDITION TO THE ISM REGULATIONS OF GRADUATE STUDIES

1. If final (cumulative) mark of the course, including final exam score, is insufficient, students will be allowed to exercise their right of retake. The retake exam will cover all lectures and case-discussion topics discussed in class during the course. It will be held during the last week of the exam session and will replace the 50% of the final exam grade. Acquired scores from all assignments will be summed up and the final (cumulative) grade will be given.
2. Students not participating within their assigned group (simulation game), will receive a significantly lower (group) grade.

### Required readings:

1. Crane, Andrew & Matten, Dirk; *Business Ethics* (4<sup>th</sup> ed.); Oxford University Press; 2016 (*ISM-Vilnius library*)
2. Crane, Andrea & Matten, Dirk & Spence, Laura (2<sup>nd</sup> ed); Routledge, 2014 (*ISM-Vilnius library*)
3. Hendry, John; *Ethics and Finance*, Cambridge University Press; 2013
4. Various papers will be provided to students during the course. The instructor will ensure that students will have access to them via e-learning.

### Optional readings:

1. Chryssides, George D. & Kaler, John H.; *An Introduction to Business Ethics*; Thomson Business Press; 1993 (*ISM-Vilnius library*)
2. Flemming, Peter & Jones, Marc; Sage; *The End of Corporate Social Responsibility - Crisis and Critique*; 2013

NB. Because the course deals with rather dynamic knowledge domain, a certain proportion of the lecture and seminar material for the course will be handed out in class or indicated for downloading from the ISM intranet or the Internet. This is to assure up to date actuality of the course topics. Class notes (slide handouts) and certain assignments will be prepared for each class and available for downloading AFTER the respective class session. The class notes are the intellectual property of teaching instructor. Students may not distribute/ duplicate these notes without his written consent.