

## BUSINESS ETHICS

<b>Course code</b>	<i>MNG111</i>
<b>Course title</b>	<i>Business Ethics</i>
<b>Type of course</b>	<i>Main</i>
<b>Study level</b>	<i>1<sup>st</sup></i>
<b>Department</b>	<i>Bachelor Studies</i>
<b>Year of study</b>	<i>2<sup>nd</sup></i>
<b>Semester</b>	<i>Spring</i>
<b>Credits</b>	<i>6 ECTS 24 hrs. lectures, 24 hrs. practice, 112 hours of self-study, 2 hours of consultations</i>
<b>Lecturers</b>	<i>Assoc Prof. Dr. Maik Huettinger</i>
<b>Study form</b>	<i>Full-time</i>
<b>Courses to have prior this course</b>	<i>-</i>
<b>Course language</b>	<i>English</i>

### Aims of the course

The course aims to introduce students to the main concepts of law, ethics, corporate social responsibility and sustainable development. The recent Global Financial Crisis has increased the spotlight on ethical matters and has raised the question of how the economic and social environment have to be designed in order to contribute to the needs of the society. Whereby the idea of self-regulation and corporate social responsibility plays an important role in Anglo-Saxon Countries, regulation by the state is emphasized more in the European Context. Most business representatives prefer the idea of strengthening the concept of Corporate Social Responsibility (CSR) as it shifts decision-making power from the state towards corporations. On the other hand, NGOs and representatives by the society favour a more active role by the government. The course will not follow any ideology, but will discuss various approaches. Moreover, a focus will be put on the stakeholder theory – the role of employees, consumers and society in a globalized World. This course has a special section, which will introduce students to the ethical and professional standards set by the CFA Institute.

<b>Subject learning outcomes (SLO)</b>	<b>Study methods</b>	<b>Assessment methods</b>
SLO1. Introduce students to the core concepts of business ethics and social responsibility in practice	Lectures	Midterm test, coursework/ presentation
SLO2. Discuss and analyze issues within the area of ethics in economics and business	Lectures, seminars, solving exercises, self-study	Midterm test, final exam
SLO3. Assess and analyse ethical dilemmas	Lectures, seminars, solving exercises, self-study	Midterm test, final exam, Coursework/ presentation
SLO4. Develop a general orientation in social and moral business dilemmas of our times	Lectures, seminars, solving exercises, self-study	coursework/ presentation
SLO5. Understand ethics as a key of the soft skills elements in an international context	Lectures, seminars, solving exercises, self-study	Midterm test, final exam, Coursework/ presentation
SLO6. Apply critical thinking and problem-solving skills in a changing environment.	Lectures, seminars, solving exercises, self-study	Midterm test, final exam, Coursework/ presentation
SLO7. Demonstrate knowledge and ability to evaluate and assess ethical theories by appealing to realistic scenarios	Lectures, seminars, solving exercises, self-study	Midterm test, coursework/ presentation, final exam
SLO8. Explain the relevance of modern ethical theory towards business managers and economists as a tool that guarantees that business serves primarily the interests of society	Lectures, seminars, solving exercises, self-study	Midterm test, coursework/ presentation, final exam

### LEARNING METHODS

The course is entirely taught in English and designed to achieve its aims through a combination of lectures and interactive case-study sessions. Seminars and lectures are designed to encourage active participation, co-operative and creative work, interactive communication and critical thinking. The lecturer will use video-cases and digital materials. The lecture meetings are held for all students together but for practice sessions and presentations smaller groups will be formed.

DATE	TOPIC	IN-CLASS HOURS		READINGS
		Lecture	Seminar	
Week 1	<b>Introduction to the SRE Course</b> <i>(Basic definitions, module aims, structure, requirements, assessment criteria, reading list)</i>	2		-
Week 2	<b>Ethics: Its scope and purpose</b> <i>Ethical framework, globalization &amp; ethics</i>	2	2	Chryssides & Kaler: Chapter 1,2
Week 3	<b>Ethical Theory I</b> <i>Cognitivism, religious theories, consequentialism, egoism, virtue ethics, Introduction to utilitarian thinking</i>	2	2	Crane & Matten, Chapter: 3; Chryssides & Kaler: Chapter 3
Week 4	<b>Ethical Theory II</b> <i>Act vs. rule utilitarianism, utilitarianism and business, criticism on utilitarianism, an introduction to Kantianism, the influence of Kant on human values, postmodern ethical theories</i>	2	2	Crane & Matten, Chapter: 3; Chryssides & Kaler: Chapter 3
Week 5	<b>Capitalism &amp; Markets I</b> <i>An introduction to capitalism, noteworthy philosophers of capitalism, social market economy, market socialism, co-determination</i>	2	2	Chryssides & Kaler Chapter 4
Week 6	<b>Capitalism &amp; Markets II</b> <i>Types of capitalism, need and merit theories, justice and inequality</i>	2	2	Chryssides & Kaler Chapter 4
Week 6-7	<b>Mid-term</b> <i>Mid term exam &amp; exam review</i>		2	
Week 7	<b>Corporate Social Responsibility (CSR)</b> <i>Introduction to CSR Milton Friedman and CSR, stakeholder theory, corporate accountability, corporate citizenship</i>	2	2	Crane & Matten, Chapter: 2
Week 8	<b>An Introduction to the Economics of Sustainable Development</b> <i>Introduction to sustainable behaviour, Sustainable (economic) indicators, concepts of welfare, national resource accounting, genuine progress indicator, human development index</i>	2	2	Rogers, Jalal & Boyd, Chapter: 1
Week 9	<b>Ethics at The Workplace : Basic Issues and Today's Challenges</b> <i>An introduction to ethics and the workplace, employee privacy, hiring and dismissal, working conditions, fair wages, wider employment, re-humanized workplaces, work-life balance, discrimination at the workplace, employment equality, affirmative action, whistleblowing</i>	2	2	Crane & Matten, Chapter: 7; Chryssides & Kaler Chapter 6
Week 10	<b>CFA Session I: An Introduction to the CFA Institute Code of Ethics and Standards of Professional Conduct</b> <i>The role of a code of ethics in defining a profession</i>	2	2	CFA Volume 1
Week 11	<b>CFA Session II: Training on the Guidance for Standards (I-III)</b> <i>Professionalism; integrity of capital markets; duties to clients</i>	0	4	CFA Volume 1
Week 12	<b>CFA Session III: Training on the Guidance for Standards (IV-VI)</b> <i>Duties to employers; investment analysis; conflict of interest</i>	0	4	CFA Volume 1
	<b>Total hours (for each group):60</b>	<b>20</b>	<b>28</b>	

### COURSE REQUIREMENTS

1. The **final exam** will account for **40%** of the final grade. The final exam will cover the topics covered after mid-term exam.
2. The **mid-term test (40%)** will cover the content of the lectures/seminars given before the mid-term test.
3. **Presentation grade (20%)**. Students will be asked to present/ oppose on a given topic. This simulation will take place during the seminars. Students will be assessed according to various criteria that will be presented at the first lecture. Details about the grading and the presentation scope will be presented on the first day of the lectures. Students who are active during class discussions may receive bonus points for the presentation.

TYPE	TOTAL HOURS	EVALUATION, %
Presentation grade	32	20
Mid-term test	40	40
Final exam	40	40
<b>Total:</b>	<b>112</b>	<b>100</b>

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

- a. Students will be informed in advance, which cases have to be read (prepared) for the following case-study discussions. Students will have minimum 5 days time to prepare. Reading the case studies for the class discussion is obligatory. The lecturer will ensure that the students have access to all case studies. Attendance and participation in the seminars and lectures is strongly recommended.
- b. 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 80% of exams (mid-term and final)**. Acquired scores from all assignments will be summed up and the final (cumulative) grade will be given.
- c. Specific rules apply in the case of in-class presentations.
  - i. **Students are able to sign in for the presentation topics on the first lecture.** Students failing to register for the presentation - before the given deadline - will be grouped by the lecturer. In case of disregard, students will be graded with a 0 (zero).
  - ii. In case of serious reasons, students maybe be allowed to switch with a member of another group. Students are responsible for making the changes themselves and inform the lecturer.
  - iii. Individual group members not showing up for the presentation session will get a 0 (zero) for the individual assessment criteria.
  - iv. In exceptional cases, the lecturer will consider alternative forms of assessment for the group presentation grade.

#### LITERATURE

##### Obligatory readings:

1. Crane, Andrew & Matten, Dirk; Business Ethics (4<sup>th</sup> ed.); Oxford University Press; 2015 (*ISM-Vilnius library*)
2. Chryssides, George D. & Kaler, John H.; An Introduction to Business Ethics; Thomson Business Press; 1993 (*ISM-Vilnius library*)
3. Rogers, Peter; Jalal, Kazi; Boyd, John; An Introduction to Sustainable Development; Earthscan; 2007
4. CFA Volume 1: Ethical and Professional Standards: Study Session 1 (2017)

##### Optional readings:

1. Jennings Mariane M.; Business Ethics; Thomson; 2006
2. Shaw William H.; Business Ethics; Thomson Wadsworth; 2008
3. Velasquez, Manuel G.; Business Ethics – Concepts and Cases; Pearson Education; 2006

**NB.** Due to the dynamic nature of the content of the course additional material can be assigned during the course. In case of unforeseen events the schedule will be adapted. The lecturer is trying to include actual and relevant materiaö – therefore the reading list may differ. Slide handouts and readings will be prepared for each class and available for download. The slides are the intellectual property of teaching instructor and students may not distribute or duplicate these notes without written consent.