

**IESEG SCHOOL OF MANAGEMENT**  
**International Summer Academy 2018**  
1 – 27 July 2018

## **Business Ethics: Theory and Dilemmas**

**16 contact hours / 2 ECTS**

Paris, 9-13 July 2018

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### **Course overview**

The course introduces the main concepts of **business ethics** and their relevance for managerial decision-making. It provides a methodology for the identification, analysis and resolution of **ethical dilemmas** in business-related decisions (Kidder, 1995).

Business Ethics - and in particular **Stakeholder Theory** (Freeman et al., 2010) - offers a critical view on the purpose of business, traditionally seen as “to maximize shareholder value” (Friedman, 1970). Students will discuss critical approaches on the purpose of business through an introduction to the main **Normative ethical theories** (*deontology, utilitarianism and virtue ethics*), which are prescriptive theories indicating us what is the action that we *ought to do* (Donaldson & Werhane, 2002). Then, they will examine the role of **Descriptive ethical theories**, which are empirically based explanations of human behavior - what human beings *really do* (Crane & Matten, 2006; Banaji et al., 2003).

The following are some of the questions that will be addressed during the course:

- What is the purpose of the firm? *Shareholder or Stakeholder value creation?*
- What is a right vs. right ethical dilemma?
- What are the key concepts of deontology, utilitarianism and virtue ethics?
- What are the individual and situational factors that influence decision-making?
- How can we analyze and solve ethical dilemmas?

The 16-hour module will be based on a balance between **theory** (discussion of selected readings) and **practice** (team-work and case-studies). Students are expected to contribute to the overall learning through their active participation. In particular, students will work in teams to write, analyze and present a personal business ethics dilemma in class 4 of the course, with the continuous coaching of the instructor during the 4 days.

### **Learning objectives**

At the end of the course, students will be able to:

1. Display a basic understanding of the three main Normative Ethical theories (Deontology, Utilitarianism and Virtue Ethics)
2. Apply a range of appropriate ethical theories to analyze ethical issues in business
3. Give evidence of an in-depth ethical analysis of one particular business decision by completion of a Group project.

## SCHEDULE, TOPICS and ASSIGNMENTS

Class	Topic	Assignments
<b>Day #1</b>	<p style="text-align: center;"><b>INTRODUCTION TO BUSINESS ETHICS</b></p> <ul style="list-style-type: none"> <li>• <i>What is Business Ethics?</i></li> <li>• <i>What is the purpose of business?</i></li> <li>• <i>Does ethics matter in today's business?</i></li> <li>• <i>Key concepts of Stakeholder Theory</i></li> <li>• <b>EXAMPLES AND CLASS DISCUSSION</b></li> </ul>	<ul style="list-style-type: none"> <li>• TEAMWORK: Work in your Group to analyze and solve the dilemmas.</li> <li>• Initial brainstorming in groups to identify a personal dilemma</li> </ul>
	<p style="text-align: center;"><b>DILEMMA PARADIGMS</b></p> <ul style="list-style-type: none"> <li>• <i>Right vs. Wrong and R vs R dilemmas</i></li> <li>• <i>A Typology for Right v. Right dilemma</i></li> <li>• <b>TEAMWORK #1 (DILEMMA ANALYSIS):</b> <ul style="list-style-type: none"> <li>◦ <i>Tatiana's Tattoo</i></li> </ul> </li> <li>• <i>What is your dilemma?</i></li> </ul>	
<b>Day #2</b>	<p style="text-align: center;"><b>Normative ethical theories: DEONTOLOGY, UTILITARIANISM &amp; VIRTUE ETHICS</b></p> <ul style="list-style-type: none"> <li>• <i>Key concepts</i></li> <li>• <i>Critical issues</i></li> <li>• <i>Examples of application to current discussions</i></li> <li>• <b>TEAMWORK #2 (DILEMMA ANALYSIS):</b> <ul style="list-style-type: none"> <li>◦ <i>Khalid's CV</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• TEAMWORK: Work in your Group to analyze and solve the dilemma.</li> <li>• Groups continue developing their own dilemmas (in-class coaching).</li> <li>• <b>INDIVIDUAL ASSIGNMENT:</b> Please answer the questions on MOODLE <b><u>before today's class.</u></b></li> </ul>
	<p style="text-align: center;"><b>CASE STUDY on Ethical Awareness : "THE PARABLE OF THE SADHU"</b> VIDEO (10 min) and DISCUSSION</p>	
<b>Day #3</b> 2h	<p style="text-align: center;"><b>Descriptive ethical theories</b></p> <ul style="list-style-type: none"> <li>• <i>Situational factors (VIDEO)</i></li> <li>• <i>Individual factors</i></li> <li>• <i>The role of the vigilant manager</i></li> <li>• <b>TEAMWORK #3 (DILEMMA ANALYSIS):</b> <ul style="list-style-type: none"> <li>• <i>Two Birds With One Stone</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• TEAMWORK: Analysis and solution of two dilemmas</li> <li>• TEAMWORK: Finalize your Group presentation on "MyDilemma"</li> </ul>
<b>Day #4</b>	<p style="text-align: center;"><b>Dilemma Resolution</b></p> <ul style="list-style-type: none"> <li>• <i>Group presentations of their own "My Dilemma"</i></li> <li>• <i>Class discussion</i></li> <li>• <b>Course conclusions and wrap up</b></li> </ul>	<ul style="list-style-type: none"> <li>• TEAMWORK: Analysis and solution of two dilemmas</li> </ul>

## COURSE ASSESSMENT

<b>50%</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>INDIVIDUAL PARTICIPATION:</b> The key requirement for the overall success of this course is your individual contribution to class discussions and teamwork. This means that class attendance is necessary but is not enough to achieve a good class contribution grade. The <b>nature and the quality</b> (not the quantity) of <b><i>your contribution</i></b> to each class will be assessed.</li> <li><input type="checkbox"/> Good class contribution includes:             <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Professionalism:</b> Adopting appropriate behavior that support the overall learning environment of the classroom (e.g.: Being on time; Avoiding chatting while one other person is talking; Paying attention to others' comments; Avoiding using laptops and mobile phones during class, etc.) and showing personal responsibility for the whole learning process of the class (e.g. Contacting your instructor in case of issues with your group, or for any absence for more than one class, etc.);</li> <li><input type="checkbox"/> <b>Preparation:</b> Being prepared for class discussion by reading all required readings before each class. Being able to raise meaningful questions in class and offer your personal comments on the readings;</li> <li><input type="checkbox"/> <b>Critical Thinking:</b> Offering thoughtful contributions to class discussions that show your ability to analyze the core elements of an issue and articulate your understanding and personal view on it;</li> <li><input type="checkbox"/> <b>Responsible Engagement:</b> Actively contributing to team-work and class discussions, without imposing your 'voice' on your colleagues, showing respect for other's opinions (even if in disagreement), listening to others and avoid interrupting when one student is speaking in the classroom (or, worse, chatting with your neighbor while one colleague is speaking).</li> </ul> </li> </ul>
<b>50%</b>	<p><b>GROUP PROJECT: "My Dilemma"</b></p> <ul style="list-style-type: none"> <li>• This is a 4-5 slides PowerPoint presentation <b>with notes</b> that each group will present in the last class concerning an ethical dilemma directly or indirectly related to a personal experience of one group member (i.e. a complex choice you had to face in your role as a employee, intern, consumer, etc.). N.B. <u>You will have 10 minutes for presenting your dilemma plus 20 minutes for handling comments and questions, and discussing the group's final decision on the dilemma.</u> The Team grade will be based on the <i>relevance and clarity</i> of the dilemma formulation, on your <i>presentation skills</i> and on the groups' ability to demonstrate <i>ethical leadership</i> during the Q&amp;A session.</li> </ul>

## Recommended Readings (all available on IESEG-online)

1. “**Ethics, Stakeholders, Corporate Strategy, and Value Creation**” in Wicks, Freeman, Werhane & Martin (2010), *Business Ethics: A Managerial Approach*, Prentice Hall, Chapter 3: pages 68-86.
2. “**Introduction to ethical reasoning**”, by T. Donaldson & P. Werhane, in Donaldson, Werhane & Cording, *Ethical Issues in Business. A Philosophical Approach*, 7<sup>th</sup> Edition, Prentice Hall (2002), pages 1-12.
3. “**Dilemma Paradigms**”, R. Kidder (2001), In *How Good People Make Tough Choices*, Chapter 1, pp. 13-23.
4. “**Making decisions in business ethics: Descriptive ethical theories**”. In A. Crane and D. Matten, (eds.). (2010). *Business Ethics* (third ed.), Chapter 4. Oxford, UK: Oxford University Press, pages 139-176.
5. “**How (Un)ethical Are You?**”, Banaji, M., Bazerman, M. & Chugh, D. (2003), *Harvard Business Review*, December 2003 Issue, pages 56-64.