
IB343 BUSINESS ETHICS IN AN INTERCULTURAL FRAMEWORK
IES Barcelona Syllabus – Last updated: April 24th, 2008

DESCRIPTION: Business ethics do not deal with what is legal, but to the application of moral standards to business decisions. The majority of moral standards relate to personal behavior, which is not necessarily legislated and varies according to cultural differences. We are taught that the primary purpose of a business is to earn a profit, however, the path towards achieving this goal can, in many instances; create dilemmas about justice, equity and honesty. In this course we will study business ethical dilemmas within an intercultural framework. We will address the issue of ethics from different points of view: society, environment, individual and corporative. (3 credits)

INSTRUCTOR: Anna Penn

METHOD OF PRESENTATION:

- Lectures – Students are presented with content, motivated and challenged to reflect on issues. Issues are clarified and expanded upon.
- Class discussions – Analysis of readings, case studies exchange of ideas and cultural perspectives.
- Reader – Selection of reading material in different areas of business ethics.
- Case Studies – Opportunity to study real life situations and how the actors involved reacted.
- Movies – Documentaries and movies related to business ethics and Corporate Social Responsibility
- Student Presentations – Students will have the opportunity to research and present to the class ethical issues in different business sectors.

LANGUAGE OF PRESENTATION: English

REQUIRED WORK AND FORM OF ASSESSMENT: The final grade will be determined as follows:

- Class preparation and participation: Based on attendance, and quality participation defined as relevance, evidence, originality, implications and form in participation. 20%
- Midterm: In-class essay test on basic ethical theories as applied to business case study, analysis of concepts and readings discussed in class. Graded according to how much evidence from readings and class discussions is used to answer the questions. Students are requested to write as clearly as possible. 25 %
- Group Oral Presentation: Group presentation on business ethics issue selected by group and approved by professor. Powerpoint presentation must be turned in in electronic version and hardcopy. Students will be graded on demonstrated command of individual portion of the presentation acquired through research, readings and analysis. Hardcopy must include bibliography. Group presentations will begin after the mid-term and will have 30 minute time limit. 30%
- Final exam: Take home essay exam analyzing case studies, identifying issues, actors and stating possible solutions. Questions will be emailed to students on April 16, 2008. An electronic version must be mailed to professor and a hard copy must be in professor's mail tray at ISE -1 anytime before 4 pm on April 23, 2008. Maximum 3750 words. 25%

IES ATTENDANCE POLICY: Attendance is mandatory for all IES classes, including field studies. Students are permitted 3 absences in IES area studies courses and 5 absences in IES Spanish language courses with no impact on the final grade. These include absences due to illness, delayed flights, interviews, family celebrations, or any other personal commitments. Beyond these absences, one half of a letter grade will be deducted from the final grade for each additional absence. If a student is absent more than 7 times for area studies courses or 10 times for language courses, the student will receive an F for the course.

LEARNING OUTCOMES: By the end of the course, the students are able to:

- identify and state issues concerning business ethics.
- summarize basic ethical theories and apply them to business issues.

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- discuss the concept of Corporate Social Responsibility and the concept of stakeholders.
- describe different ways of managing business ethics.
- recall case studies on issues related to business ethics around the world.

CONTENT:

Session 1:

Introduction: Why Business Ethics?

The objectives, methodology, content and organization of the work are presented in detail.

Required readings: none

Session 2: The individual responsibility: Peter Green's first day (Case Study) Peter Green is a young salesman who recently joined a company. Welcome to the real world?

Required readings:

Matthews, John, Goodpaster, Kenneth & Nash, Laura (1991). Peter Green's First Day. *Policies and Persons: A Casebook in Business Ethics*. New York: McGraw-Hill.

Session 3: Corporate Social Responsibility. What is CSR? A Different Point of View.

Required readings:

Friedman, Milton (1970). The Social Responsibility of Business is to Increase its Profit. *New York Times Magazine*.

Chandler, Sir Geoffrey, Chair. The Global Corporation: Provider or Parasite, Amnesty International UK Business Group.

Session 4: Managing a European point of view - Corporate Social Responsibility.

Required readings:

Crane, Andrew, Matten, Dirk (2007). McEurope: McDonald's responds to ethical criticism in Europe. *Business Ethics*, Oxford University Press. (Available in class)

Session 5: Goals, Processes, Success: The Parable of the Sadhu. Through a case study depicting a Wall Street financial analyst facing a dilemma in mountaineering, we study how each of our behaviors combines a process and a goal.

Film Viewing: Achbar, Mark, Abbott, Jennifer and Bakan, Joel (2003). *The Corporation*. Chapters 1 - 6.

Required readings:

McCoy, Bowen (1997). The Parable of the Sadhu. *Harvard Business Review*, (75 N°3). May-June 1997. pp. 54-61.

Session 6: Business Ethics Stakeholders. The behavior of stakeholders in a case of environmental ethics.

Required readings:

Clapp, J. (2002). Seeping through Regulatory Cracks. *SAIS Review*. XXII 1.

Polgreen, Lydia, and Simons, Marlise (October 2, 2006). Global Sludge End in Tragedy for Ivory Coast. *New York Times*.

Session 7: Globalization. The issues and challenges of globalization are analyzed.

Required readings:

Locke, Richard M. (2002). The Promise and Perils of Globalization: The Case of Nike. Case Study, Industrial Performance Center, Massachusetts Institute of Technology.

Session 8:

Sustainable Development. The concept of sustainable development is analyzed.

Film: "The Corporation" Chapters 7 - 12.

Required readings:

McGaw, Nancy (2006). The Value of Corporate Values. www.aspenbsp.org, Research and Resources, Speeches and Discussion Papers.

McGaw, Nancy (2006). Developing Leaders for a Sustainable Global Society. www.aspenbsp.org,
Research and Resources, Speeches and Discussion Papers.

Session 9: Field Study – Visit to Casa Asia for a talk on **Business culture in Asia**, followed by short tour of facilities.

Session 10: Global warming/Climate Change

Required readings:

Climate Change 2007: Impacts, Adaptation and Vulnerability, 2007. INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE, World Meteorological Organization, United Nations Environmental Program. (Available on Course Web Page)

Session 11: Marketing Practices: Global Marketing of Tobacco Companies. We address strategies that companies are implementing in the marketing of tobacco.

Film: "Making a Killing: Philip Morris, Kraft and Global Tobacco Addiction".

Required readings:

Yach, Derek & Bettcher Douglas (1999). Globalization of Tobacco Marketing, Research and Industry Influence: Perspectives, trends and impacts on human welfare. *Development*. (42), No. 4. pp. 25-30.

Session 12: Global Labour Markets: Exploitation or Development? The issues raised by competitiveness and businesses trying to cut costs.

Photos - <http://historyplace.com/unitedstates/childlabor/>

Required readings:

Siddiqi, F. and Patrinos, H.A. (2004). Child Labor: Issues, causes and interventions. HCO Working Papers.

Session 13: **Midterm exam**

Session 14: Financial Markets and Fraud: ZZZZ Best

Required readings:

Kapp, M (1993). ZZZ Best Company, Inc. *Contemporary Auditing Issues and Cases*. West Publishing. pp. 43-58.

Session 15: Values and Culture in Corporate Social Responsibility

Required readings:

Shafer, William E., Fukukawa, Kyoko, Meina Lee, Grace (2007). Values and the Perceived Importance of Ethics and Social Responsibility: The U.S. versus China. *The Journal of Business Ethics*: 70: 265 - 284.

Session 16: United Nations Global Compact

Presentations of group papers – 1

Required readings:

Ten Principles of the Global Compact, Available at <http://www.unglobalcompact.org>.

Film: "The Corporation" Chapters 13 - 18.

Session 17: ...

Session 18: Cultural Issues: Women in the Workplace

Presentations of group papers – 2

Required readings:

Valentine, Sean, Page, Karen. (2006). Nine to Five: Skepticism of Women's Employment and Ethical Reasoning. *The Journal of Business Ethics*: 63: 53 - 61.

Session 19: Social Impact Management

Presentations of group papers – 3

Required readings:

Social Impact Management: A Definition, The Aspen Institute, Business and Society Program.

www.aspenbsp.org**Session 20: Gender in Decision Making**

Presentations of group papers – 4

*Required readings:*Valentine, Sean, Rittenburg, Terri L. (2007). The Ethical Decision Making of Men and Women Executives in International Business Situations. *The Journal of Business Ethics*: 71: 125 - 134.**Session 21: Corruption: What can a manager do? The dilemma of managers** Presentations of group papers – 5*Required readings:*

McVea, John F. (2007). Constructing Good Decisions in Ethically

Charged Situations: The Role of Dramatic Rehearsal. *The Journal of Business Ethics*: 70: 375 - 390.Colero, Larry (1997). Five Questions that Corporate Directors Should Ask. *Crossroads Programs, Inc.*

Film: "The Corporation" Chapters 18 - 24.

Session 22: Perceptions of Appropriate Ethical Actions

Presentations of group papers – 6

*Required readings:*Arnold F. Donald, Bernardi A. Richard, Neidermeyer E. Presha, Schmee Josef, (2007). The Effect of Country and Culture on Perceptions of Appropriate Actions Prescribed by Codes of Conduct: A Western European Perspective among Accountants. *The Journal of Business Ethics*: 70: 327 – 340.**Session 23: Business Ethics in an intercultural setting**

Presentations of group papers – 7

*Required readings:*Donaldson, Thomas (September-October 1996). Values in Tension: Ethics Away from Home. *Harvard Business Review*. reprint number 96502.**Session 24: Presentations of group papers - 8**

Concluding session This session will summarize the key "take-away" messages of the course.

Final Exam**REQUIRED READING:**Arnold F. Donald, Bernardi A. Richard, Neidermeyer E. Presha, Schmee Josef, (2007). The Effect of Country and Culture on Perceptions of Appropriate Actions Prescribed by Codes of Conduct: A Western European Perspective among Accountants. *The Journal of Business Ethics*: 70: 327 – 340.Clapp, J. (2002). Seeping through Regulatory Cracks. *SAIS Review*. XXII no. 1, Winter-Spring.
Climate Change 2007: Impacts, Adaptation and Vulnerability, 2007. INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE, World Meteorological Organization, United Nations Environmental Program.Colero, Larry (1997). Five Questions that Corporate Directors Should Ask. *Crossroads Programs, Inc.*Crane, Andrew, Matten, Dirk (2007). McEurope: McDonald's responds to ethical criticism in Europe. *Business Ethics*, Oxford University Press.Friedman, Milton (1970). The Social Responsibility of Business is to Increase its Profit. *New York Times Magazine*.

Locke, Richard M. (2002). The Promise and Perils of Globalization: The Case of Nike. Case Study, Industrial Performance Center, Massachusetts Institute of Technology.

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- Matthews, John, Goodpaster, Kenneth & Nash, Laura (1991). Peter Green's First Day. *Policies and Persons: A Casebook in Business Ethics*. New York: McGraw-Hill.
- McCoy, Bowen (1997). The Parable of the Sadhu. *Harvard Business Review*, (75 N°3). May-June 1997. pp. 54-61.
- McVea, John F. (2007). Constructing Good Decisions in Ethically Charged Situations: The Role of Dramatic Rehearsal. *The Journal of Business Ethics*: 70: 375 - 390.
- Shafer, William E., Fukukawa, Kyoko, Meina Lee, Grace (2007). Values and the Perceived Importance of Ethics and Social Responsibility: The U.S. versus China. *The Journal of Business Ethics*: 70: 265 - 284.
- Siddiqi, F. and Patrinos, H.A. (2004). Child Labor: Issues, causes and interventions. HCO Working Papers.
- Ten Principles of the Global Compact, Available at <http://www.unglobalcompact.org>
- Valentine, Sean, Rittenburg, Terri L. (2007). The Ethical Decision Making of Men and Women Executives in International Business Situations. *The Journal of Business Ethics*: 71: 125 - 134.
- Valentine, Sean, Page, Karen. (2006). Nine to Five: Skepticism of Women's Employment and Ethical Reasoning. *The Journal of Business Ethics*: 63: 53 - 61.
- Yach, Derek & Bettcher Douglas. "Globalization of Tobacco Marketing,

RECOMMENDED READING:

- Crane, Andrew and Matten, Dirk (2007). *Business Ethics, Managing Corporate Citizenship and Sustainability in the Age of Globalization*. Oxford University Press.
- Issue on Corporate Social Responsibility (January 20, 2005). *The Economist*.