

## BUSINESS ETHICS

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### **Course description**

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The program will help students to understand key elements of business ethics in different corporate environments and its application in companies' codes of conduct. This will be illustrated with practical examples that will raise students' comprehension of the need to maintain and apply ethical principles in business.

The course pursues two main objectives. Firstly, students should get an understanding of what is meant by Business Ethics and the issues that are faced in the everyday work environment. Secondly, students should get an understanding of the practical methodologies and processes that companies and individual go through to deal with ethical issues.

The classes involve much interaction with students, and everyone is expected to contribute to the discussions.

### **Course requirements, grading, and attendance policies**

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During the course students will work on cases in small groups (4-5 people). One group on each case will be responsible for presenting their case solution in class. The other groups should challenge their opinion and discuss the offered solution or other possible solutions. In order to be prepared for the case discussion the groups will be provided with supporting materials (e.g., articles on the topic). They will have 15-20 minutes to study these materials and prepare for the discussion.

In addition, on the last day students will undertake a multiple-choice test covering some of the key issues covered over the course. Students will be given 60 minutes to undertake the test.

The final grade will be based on: expert judgment of the case solution presentation and class participation in the discussions (80%) and results achieved in the final test (20%).

Active class participation will significantly contribute to the grade (note that quality rather than quantity of your participation will count). Thus, full attendance to every session is required.

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## **Course contents**

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<b>Class</b>	<b>Topic</b>
<b>1 Introduction to the course</b>	
	<b>Understanding Business Ethics</b>
	<ul style="list-style-type: none"><li>• What are business ethics? Are ethics global?</li><li>• Why do companies need business ethics programs?</li><li>• Case study 1</li><li>• How can a company achieve an ethical stance?</li><li>• The pressures on companies to become more ethical. Do they apply globally?</li><li>• Case study 2</li><li>• Case Study 3</li><li>• Ethical standards in the finance industry</li></ul>
<b>2 Ethical Dilemmas</b>	
	<ul style="list-style-type: none"><li>• Ways of thinking about the topic</li><li>• Identifying and resolving ethical dilemmas</li><li>• Case study 4</li><li>• Case study 5</li></ul>
<b>3 Making Business Ethics Work</b>	
	<ul style="list-style-type: none"><li>• Why should companies have a code of business ethics?</li><li>• How might companies go about producing a code?</li><li>• How can you implement and make best use of a code of business ethics?</li><li>• Ethics as a leadership challenge</li><li>• Case study 6</li></ul>

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## **Description of course methodology**

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The course is primarily based upon discussion so the only preparation required is to read the materials beforehand. Listed below are some source reading for the course which you should read beforehand. Prior to each class, I will send you materials relevant to the specific class, including the applicable case study materials.

## **Course materials**

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### **Core Sources**

1. L. Zipparo, "Ethics: the Key to Good Management", NSW Independent Commission Against Corruption, 1998, 43 p.
2. S. Cohen, "Good Ethics is Good Business" – Revisited", 2007, 10 p.  
<http://www.accci.com.au/Cohen%20Paper.pdf>
3. J. Bowman, B. Armstrong, J. Grabulis, "Good Ethics is Good Business", Contract Management, 2003, p. 26-31.
4. J. Ciulla, "Ethics: The Heart of Leadership", from "Responsible Leadership" edited by T. Maak and N. Pless, Routledge, 2006, p. 17-33.
5. N. Gardberg, C. Fombrun, "Corporate Citizenship: Creating Intangible Assets Across Institutional Environments", Academy of Management Review, 2006, p. 329-346.  
<https://iri.hse.ru/data/992/481/1225/Oct%2028%20Naomi%20A.%20Gardberg%20and%20Charles%20Fombrun.pdf>
6. CFA Institute Code of Ethics and Standards of Professional Conduct  
<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n6.1>
7. CFA Institute Standards of Practice Handbook  
<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n4.1>

### **Supporting Sources**

1. J. Joseph, "Integrating Ethics and Compliance Programs: Next Steps for Successful Implementation and Change", Ethics Resource Center, 2001, 60 p.  
<http://www.ethics.org/download.asp?fid=87>
2. R. Leblanc, "Conflicts of Interest, Compliance and Governance in Financial Services", University Centre for Management Studies, 2000, 26 p.  
<http://www.fsco.gov.on.ca/english/insurance/leblanceng.pdf>
3. International Labour Office, "Tripartite Declaration of Principles – Concerning Multinational Enterprises and Social Policy", Geneva, 2006, 25 p.  
[http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_101234.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_101234.pdf)
4. Luigi Zingales, "Does Finance Benefit Society?" Harvard University, NBER, and CEPR January 2015  
<http://faculty.chicagobooth.edu/luigi.zingales/papers/research/finance.pdf>

### **Additional Sources for Potential After-Course Studying**

1. M. Velasquez, "Business Ethics – Concepts and Cases", Prentice Hall, New Jersey, 7th edition, 2012
2. L. Trevino, K. Nelson, "Managing Business Ethics: Straight Talk About How to do it Right", John Wiley & Sons, New York, 1999, 338 p.
3. R. Solomon, P. Singer, "A Companion to Ethics – Business Ethics", Blackwell, Oxford, 1993, p. 354-365.
4. L. Hoeklin, "Culture: What it is, What it is not, and How it Directs Organisational Behaviour", Chapter 2 from "Managing Cultural Differences", 1996, 26 p.
5. R. Hogarth, "Judgement and Choice – The Psychology of Decision Making", p. 155-180.
6. T. Price, "Explaining Ethical Failures of Leadership", The Leadership and Organization Development Journal, 2000, N<sup>o</sup> 21 (4), p. 177-184.

7. J. Ciulla, "Leadership Ethics: Mapping the Territory", *Business Ethics Quarterly*, 1995, № 5 (1), p. 5-28.
8. P. Godfrey, "The Relationship Between Corporate Philanthropy and Shareholder Wealth: A Risk Management Perspective", *Academy of Management Review*, 2005, Vol. 30, № 4, p. 777- 798.
9. IFAC, "Codifying Power and Control – Ethical Codes in Action", 1999, 79 p.

### **Academic integrity policy**

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Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.