MiM 2020-2021 Period 5
2 credits

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Business Ethics

Introduction

Management as a science focuses on driving results efficiently in organizations.

However, business organizations are human groups made of individuals with their own intentions and needs that are not purely instrumental. Besides, business organizations operate in a social context and within a natural environment. Ignoring the ethical dimension of management is morally corrupting and destroys social bonds, but also damages the social legitimacy of business, disrupting commitment by stakeholders, and ultimately harming the bottom line.

Our societies are growing more demanding on business about its impact on societies. Individuals seek more and more a sense of meaning in what they do at work. In addition, aside of those trends, human fulfilment is always at stake in our decisions, in our actions, and in the societies we give shape to. Business is of particular social importance as an efficient and creative generator of services and solutions, creating and distributing economic value. Furthermore, business is the activity where most people carry out their professional service to society--namely, their work.

Business Ethics deals both with the negative and the positive aspects of human behaviour, decision making and business activities. It is not only about corruption and fraud, but mainly about the good that individuals and organizations can do--about purpose, meaning and service. Business Ethics provides the intellectual skills to raise awareness about ethical issues, and to understand how ethics relates to other dimensions of business decision making (relational, financial, etc.). Moreover, it goes further, to define the role of business in society and build a sense of purpose in a spirit of service into your professional career.

Business Ethics is not only about dilemmas (difficult situations where theories clash on what is the right thing to do). Our approach is that of the reformer: how to make integrity and ethical commitments work as a sustainable business, engaging in a continuing process of incremental enhancement. We cannot lose our moral compass, but a purely idealist approach is not conducive to real life improvements.

This course addresses ethical challenges in business at three levels: individual, organizational and social, through case discussions, lectures and guest speakers. We will develop intellectual capacities, instrumental skills and tools, and reflection and –to the extent possible- commitment with moral principles and virtues.

This expanded approach to business problems, will enhance the participants' skills in diagnosing business problems, and widen their instrumental toolkit for addressing business challenges, preventing ethical problems within organizations and fostering a culture of excellence and sustainability that will contribute to social welfare and personal flourishing.

Objectives

- Awareness of the ethical dimension of business decisions.
- Addressing frequent ethical challenges in business.
- Designing organizations helpful to human excellence.
- Understanding how Business organizations contribute to human integral development
- Understanding the mutual relationship between financial, relational and ethical drivers in managerial decision making.
- Familiarity with tools and procedures to prevent, identify and resolve corporate fraud and corporate crises.
- Awareness of the impact that organizational policies and culture have on the behaviors of individuals.
- Understanding the relationship of business with their stakeholders and how to establish a lasting and constructive dialogue with them.
- Understanding the opportunities associated with the corporate social responsibility (CSR) movement and how to integrate CSR in organizational and strategic planning.
- Awareness about the ethical and social challenges of technological disruption and business innovation associated with it

Competences

Basic Competences
- CB7. The students know how to apply the knowledge acquired and their ability to solve problems in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study.
- CB8. The students can integrate knowledge and face the complexity of formulating judgments based on information that, being incomplete or limited, includes reflections on social and ethical responsibilities linked to the application of their knowledge and judgments.
- CB9. Students know how to communicate their conclusions and the knowledge and ultimate reasons that support them to specialized and non-specialized audiences in a clear and unambiguous way.
- CB10. Students possess the learning skills that allow them to continue studying in a way that will be largely self-directed or autonomous.

General Competences
- CG1 - Listen, understand, and contrast the points of view of others to make an objective composition of a business situation. Communicate in a structured and persuasive way. (Interpersonal communication).
- CG2 - Work effectively in multicultural teams, assuming the leadership of a project when required. Integrate the value of diversity in the decision process and teamwork. (Ability to work in multicultural teams).
- CG3 - Critically evaluate the information and the context of a business situation to reach its own conclusions for making prudential decisions. (Critical thinking).
- CG4 - Acquire the self-knowledge and self-control necessary to work effectively in professional environments under pressure, understanding the motivations of others and the culture of the company. (Emotional intelligence).

- CG5 - Apply proven ethical criteria in making business decisions, respecting the intrinsic dignity of each person and the achievement of the common good. (Integrity).
- CG6 - Develop a proactive and open mindset to organizational change in order to design and promote process improvement initiatives and facilitate one's ability to adapt to new organizational cultures. (Innovative spirit).

Specific Competences
- CE01 - Identify the relevant data to diagnose a business problem and generate sensible decision alternatives.
- CE03 - Analyze and design optimized customer-oriented operations and logistics systems, according to the principles and applicability of the Lean philosophy (eliminate what does not add value).
- CE08 - Identify the sources of competitive advantage of a company to make a judgment on its sustainability in the future based on the competitive structure of the industry, the expected response of competitors and the internal resources of the company itself.
- CE14 - Identify the mechanisms of team management that generate an environment of collaboration, communication, trust, and achievement of the common goal.

Content

This course consists in three parts:

In the first part, we will discuss cases focused on individuals dealing with morally ambiguous and corrupted environments, also introducing organizational perspectives and tools to deal successfully with fraud. We will also address issues about leadership and the need to manage oneself.

In the second part, we will focus on the relationship between individual character, organizational culture and formal rules, and the exercise of leadership in driving organizations towards higher levels of excellence. We will also deal with typical organizational problems such as harassment.

The third part introduces new instrumental tools for multiple-stakeholder management and a normative discussion on the mission and purpose of the business firm in society, in a context of increasing social demands towards businesses and technological disruption.

Evaluation

- 30% individual class participation
- 30% 3 brief tests at the end of each part (in class) and individual essay (10%)
- 30% final team assignment (a real life case)

The IESE Business School's Honor Code and Learning Partnership apply to all activities in this course. For individual assignments, unless explicitly stated, you should not interact with anyone else. For deliverables to be done in teams you should interact only with the members of your team.