**Executive MBA Program
Term: Spring 2022**

**MGMT 905 –Ethics in Business**

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**Web:** SUCourse

**Office Hours:** By appointment, if online send e-mail

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| --- | --- | --- | --- |
| **Type** | **Time** | **Days** | **Where** |
| Class | 09:00 – 13:00  | Sat | Altunizade & Tuzla |
| Class | 19:00 – 22:00  | Fri | Altunizade & Tuzla |
| Class | 14:00 – 17:30 | Sat | Altunizade & Tuzla |

**Course Objective:**

The course is designed to equip students with three major capabilities simultaneously. First, a professional manager should be able to recognize moral issues when they present themselves. Moral issues regarding business decisions seldom present themselves; therefore, improving detection capabilities is crucial. Secondly, while detecting and in successive phases of ethical issues, a certain amount of knowledge that includes but not limited to frameworks, theories, and concepts is required. Hence, theories are important constituents of ethical decision making. Finally, professional managers are expected to develop managerial/organizational responses to ethical problems/dilemmas. In order to improve the skills of the students, case studies and group discussions regarding responses to ethical dilemmas are immensely important.

**Learning Outcomes:**Upon successful completion of the course, you should be able to:

1. Recognizeethical issues in a global context in business, develop an understanding of the relationship between ethical/responsible behavior and business performance.
2. Frame ethical issues, operationalize ethical choices and use ethical reasoning for decision making.
3. Develop awarenessof the influences on responsible/ethical decision-making, recognize situational and individual factors on behavior and understand your personal ethical profile.
4. Understand the notion of sustainability and corporate social responsibility and discuss the business response to society’s concerns about climate change, food security, diversity, water security, human rights and animal welfare on business.
5. Learn about ways of managing business ethics and stakeholder relations; develop perspectives on how managers and shareholders can influence corporate behavior through self-regulation.

**Course Material:**

Necessary materials will be delivered via either e-mail or SUCourse. In certain cases, I will personally deliver materials for the class. I am also very open to hearing your suggestions as the class develops. In addition, I would like you to develop the habit of reading the Turkish and international business press to contribute to class discussions (*Dünya* and *Financial Times are good choices).*

**Course Web:**

Course materials will be posted on SUCourse regularly before and after every session.

***Reference Films to watch:*** Try to watch them if you have not seen them before, at your leisure.

* **“Inside Job,”** this award-winning documentary film explores how policy changes and banking practices led to the financial crisis of 2008  [www.sonyclassics.com/insidejob/](http://www.sonyclassics.com/insidejob/)
* **“The Corporation**,**”** this award-winning documentary looks into the corporation as an artificial person and conclude that it behaves as a psychopath:

[www.thecorporation.com/](http://www.thecorporation.com/)

[www.youtube.com/watch?v=Z4ou9rOssPg](https://www.youtube.com/watch?v=Z4ou9rOssPg)

**Instructional Design:**

Each session will include a lecture component, class discussion and reflection session. You are expected to check your SU e-mail regularly and refer to SUCourse for additional study questions and resources.

**Grading**:

|  |  |
| --- | --- |
| Class Participation | : 25% |
| Project Proposal | : 5% |
| Reflection Paper | : 20% |
| Final AssignmentExam | : 20% : 30% |

**Requirements:**

**Class Participation** (25%)

You are expected to come prepared (and in time) to make helpful comments and ask questions that facilitate learning of the whole class.

If you would not be able to attend a class for any reason, you must inform me by an e-mail message **at least a day before** the class. **If you have missed the first class, please schedule a special class before the second one.** If you miss two classes, regardless of whether you have a valid reason or not, your participation grade will be affected.

Because of the measures taken for increasing social distancing, this class will be an online course that will be delivered via Zoom. It is clear that participating through an online channel is much more difficult and so your participation will be measured accordingly; which means of course you are more than welcome to ask questions and/or provide comments, but other than that I will be asking questions and expecting answers from each student throughout the course. Therefore, your effort for participating will be evaluated accordingly.

To make the participation more traceable on my side and transparent for all of us, I will ask you to write down **Session Reflection Notes** at the end of each session (except for the final session). In these notes I expect you to reflect on the material covered in the session in **no more than 100 words**. I will post the assignment (on SUCourse) at the end of each session and will expect you to complete in 15 minutes (I will allow you time at the end of the session). Remember you are asked to provide a note that explains **how the class material had an impact on you** or in other words **what the material made you think**, rather than providing a mere summary of the topics covered. These notes, at the end of each session, will be graded (Out of 5) and contribute to your participation grade.

Attendance is mandatory, and your attendance will be graded out of 5; considering we have 5 sessions in total (except for the final session), every session counts as 1 point.

In addition, I expect you to arrange meetings with me either as a group or individual to discuss anything that you think might be relevant for the discussions in the class. All you need to do is e-mailing me about the day and the time. I will be available as long as you want to have meetings. Multiple meetings are also welcome.

**Project Proposal** (5%)

You are required to develop a Corporate Social Responsibility (CSR) project. In order to fulfill this requirement, you are expected to:

i) make a thorough examination of your (or another of your choice) firms' stakeholders and varying interests of these stakeholders within and around the corporation

ii) evaluate the existing corporate social responsibility activities of the firm and make comments from a more critical stance

iii) discuss the contextuality of corporate activities especially in terms of the process of development and execution

iv) reflect on the broad conversation of corporate social responsibility from an ethical standpoint

v) recommend changes to your firm’s corporate social responsibility perspective and/or execution

vi) develop a realistic corporate social responsibility activity with specific goals and measurements

Your proposal should be around 2 single spaced pages, 12 fonts and providing short responses to the points raised above. For this class, you are only required to prepare the proposal, which then will turn into a full report (of about 8 pages) in your MGMT999 class. Therefore, you will be done with the outline of your CSR project once you are done with the proposal.

**Project Proposal Deadline: 26 June Sunday at 23:55**

**Reflection Paper** (20%)

You will write a reflection paper and submit electronically through SUCourse. You are given two choices for the topic.

**Choice 1**

* **Movie: The VW emissions scandal,** https://www.youtube.com/watch?v=SvokGhOaHGg
	+ Identify at least 3 points of ethical dilemmas, the individuals involved and situations that they are embedded.
	+ Put yourselves into shoes of one individual you identified. What would you do different and how your proposed action would change consequences?

**Choice 2**

* Reflect on your own progress in the class. Specifically,
	+ Compare your approach to ethical dilemmas; how did it change?
	+ Evaluate the use of methods of analyzing especially as they speak to you. Which methods of ethical reasoning, which ethical barriers seem more relevant/irrelevant to you? Why?
	+ Give a specific example from your own life, that you would act differently prior to taking this class.

Reflection papers are meant to be an opportunity for you to do just that, reflect on issues of importance to you that have been raised in class. This may be either through your reading of the material, or because you are now thinking more about what is going on in your company or the news. In this day of constant activity, assault by social media, hyper competition, managers have little time to reflect. The idea is to give you the space to do just that. And on issues that are of importance to you.

The papers are to be short (maximum of 2 single spaced pages), 12 fonts. Please note writing a short paper is more difficult than writing a long one.

**Final Assignment** (20%)

Your final assignment will be a complete report on one of the topics provided below. You are to prepare the report individually. Different that reflection paper or case responses, final assignment requires you to focus on and research one specific topic. Note that you are expected to prepare a report of around 4-5 pages (single spaced). You can use complementary material, visuals, references etc. (which are excluded from total number of pages).

**Final Assignment Topic Examples** (Preferred)

* Write a mini-case paper, drawing on an ethical dilemma you have faced (or perhaps are facing) in the workplace. You should: (1) describe the situation and nature of the dilemma; (2) outline the ethical issues in the case; (3) discuss how the situation was resolved (or what you think the alternatives are to addressing a current dilemma you face); (4) indicate the larger implications of your situation for others.
* Investigate some important ethical issue in your industry. How is your company approaching this question? Training, additional controls, etc. I would love for as many of you as possible to focus on your own companies. As I believe this will be the most useful to you.
* Emerging reputational risks associated with failure to manage social, environmental and economic impact of business in ........ industry (or sector), (How can companies in ....... industry (or sector) manage such risks? Give global examples and discuss applicability in Turkey.)
* Ethics of microfinance, drawbacks and critics.
* Investigations of why industrial accidents are so prevalent in Turkey (choose a sector and come up with realistic solutions to drastically improve the situation).
* How can banks make a positive impact on environment by adopting responsible lending practices in Turkey? (Discuss by customer/industry segments).
* What can Turkish banks do to provide ‘the poor’ with access to banking services and mitigate exclusion? (Discuss the international examples and the feasibility of their adoption in Turkey.)
* What can Turkish telecommunication companies do to provide ‘the poor’ with access to internet and mitigate exclusion? (Discuss the international examples and the feasibility of their adoption in Turkey.)
* Privatization of water, private ownership of water sources, ethical issues and best practices. Situation in Turkey.
* Negative screening and fiduciary duties of fund managers (exclusion of weapon manufacturers, tobacco companies etc. from investment portfolios). Trends and implications.
* Issues of sustainability in ....... industry/sector and international best practices. Where is Turkish ....... industry/sector?
* An assessment of ethical issues related with ‘donations’ made by publicly listed companies.
* Can there be a code of ethics for weapon manufacturers?
* Global warming and nuclear power, an ethical assessment of debates.

**Exam** (30%)

Your final exam will consist of 3 or 4 questions and a case that these questions are based on. You are expected to show an understanding of ethical issues and come up with various approaches that you have learned in class. Open ended questions will allow you to build your own perspective and show all your work. Grading of the final exam will be based on not your overall knowledge but on how you can apply your knowledge in a reasonable way.

**Academic Honesty:**

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one’s paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

**Classroom policies and conduct**

Sabancı Professionals MBA Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

* Come prepared to make helpful comments and ask questions that facilitate your own understanding and that of your classmates. This requires that you complete the assigned readings for each session before class starts.
* Listen to the person who has the floor.
* Come to class on time.

**Course Schedule:**

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| **Week 1** |  **Date:** | **30 April Saturday, 09:00 – 13:00 - Altunizade** |
| Topic: | **Understanding Corporation and Stakeholders**Setting the context of what we want to accomplish Discussing stakeholder approach to business organizations |
| Requirements: | **Reading:** Lawrence and Weber Ch.1, posted on SUCourse |
| **Week 2** |  **Date:** | **7 May Saturday, 09:00 – 13:00 - Tuzla** |
| Topic: | **Ethics and Ethical Reasoning**Defining ethics and business ethicsApproaches in ethical reasoning**Ethics and Personal Influences** Values and morality in decision makingDescribing and debating valuesOur values vs. others’? |
| Requirements: | **Reading:** Parable of the Sadhu by Bowen H. McCoy, HBR |
| **Week 3** |  **Date:** | **13 May Friday, 19:00 – 22:00 – Altunizade**  |
| Topic: | **Context of Business Ethics and Decision Making**Ethical decision making in business context |
| Requirements: | **Reading:** Ethical Breakdowns, Max H. Bazerman and Ann E. Tenbrunsel**Reading:** Psychology of Fraud: Why Good People Do Bad Things by Chana Joffe-Walt and Alix Spiegel |
| **Week 4** |  **Date:** | **14 May Saturday, 14:00 – 17:30 – Altunizade**  |
| Topic: | **Corporate Governance and Sustainability**What is corporate governance? Why is it important? |
| Requirements: | **Reading:** “About the Principles” section, and Section I; G20/OECD Principles of Corporate Governance**Watch documentary:** Apple’s Broken Promises by BBC (2015)<https://www.ign.com/videos/2015/7/22/apples-broken-promises-pcmag-gr>**Reading:** Why Sustainability is Now the Key Driver of Innovation, Nidumolu et al., HBR, September 2009**Reflection Paper deadline: 22 May Sunday at 23:55** |
| **Week 5** |  **Date:** | **20 May Friday– 19:00 – 22:00 – Tuzla**  |
| Topic: | **Government, Ethics and Legitimacy**Defining legitimacy, regulation and their relationGovernment as a stakeholder for businessCorruptionPerceptions, Victims and Turkey |
| Requirements: | **Reading: The GM Bailout** **Reflection Paper deadline: 22 May Sunday at 23:55** |
| **Week 6** |  **Date:** | **21 May Saturday, 14:00 – 17:30 – Tuzla**  |
| Topic: | **Ethics and Labor, Improving Ethical Behavior**Rhetoric and reality in HRMDiscrimination at workplace |
| Requirements: | **Reading:** Cortina 2008, Unseen Injustice: Incivility as Modern Discrimination in Organizations**Reading:** Narrowing the Gap: Interventions for Improving Ethical Behavior, Max H. Bazerman and Ann E. Tenbrunsel**Exam: Between 16:00 – 17:00 in class****Final Assignment deadline: 29 May Sunday at 23:55** |

**Useful Websites**

* Amnesty International Business Groups (www.amnesty.org.uk/business)
* Amnesty International Human Rights Principles for Companies
* (www.amnesty.org.uk/business/pubs/hrgc.shtml)
* Business & Human Rights Resource Centre (www.business-humanrights.org)
* Business for Social Responsibility (www.bsr.org)
* The Caux Round Table Principles for Business (www.cauxroundtable.org/index.html)
* The Danish Institute for Human Rights (www.humanright.dk)
* Dow Jones Sustainability Index (www.sustainability-index.com/)
* Ethical Trading Initiative (www.ethicaltrade.org/Z/home/index.shtml)
* Ethos Institute (www.ethos.org.br)
* Friends of the Earth (www.foe.org.uk)
* FTSE4Good (www.ftse.com/ftse4good/index.jsp)
* Fund for Peace Human Rights and Business Roundtable (www.fundforpeace.org/programs/hrbrt/hrbrt.php)
* Global Reporting Initiative (www.globalreporting.org)
* The Global Sullivan Principles (www.thesullivanfoundation.org/gsp/default.asp)
* Human Rights Compliance Assessment Tool (www.humanrightsbusiness.org)
* Human Rights Watch (hrw.org)
* International Chamber of Commerce (www.iccwbo.org)
* The International Federation of Free Trade Unions (www.icftu.org)
* International Labour Organization (www.ilo.ch)
* ILO’s Declaration on Fundamental Principles and Rights at Work
* (www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE)
* ISO Standard on CSR (www.iso.org/iso/en/ISOOnline.frontpage)
* Office of the United Nations High Commissioner for Human Rights (www.ohchr.org)
* Organisation for Economic Co-operation and Development (www.oecd.org)
* The OECD Guidelines for Multinational Enterprises (www.oecd.org)
* Social Accountability International (www.sa-intl.org)
* SA 8000 (www.sa-intl.org)
* Social Venture Network (www.svn.org)
* United Nations Development Programme (www.undp.org)
* UN Global Compact (www.unglobalcompact.org)
* Voluntary Principles on Security and Human Rights (www.voluntaryprinciples.org)
* World Business Council for Sustainable Development (www.wbcsd.org)
* World Health Organization
* **Enron – The Smartest Guys in the Room**
* **Global Compact Türkiye – The Way Forward -** <http://www.globalcompactturkiye.org/yayinlar/>
* **Financial Times Executive Appointments** – **Global Best Practice** <http://www.ft.com/recruitment/global-employers>
* **Inequality: Unbottled Gini -** <http://www.economist.com/node/17957381>
* **Schumpeter: Companies aren’t Charities -** <http://www.economist.com/node/17957381>
* **Yolsuzluk Sorunu Toplumsal Refah Sorunudur –** **Av. Gönenç Gürkaynak** <http://www.tusiad.org.tr/bilgi-merkezi/sureli-yayinlar/tusiad-gorus-dergisi/tusiad-gorus-dergisi-no--81/>
* **Why ‘good’ managers make bad ethical choices? – Saul W. Gellerman** <https://hbr.org/1986/07/why-good-managers-make-bad-ethical-choices>
* **Business for Peace – UN Global Compact -** <https://www.unglobalcompact.org/Issues/conflict_prevention/index.html>
* **Promoting Sustainable Development -** <http://cgft.sabanciuniv.edu/sites/cgft.sabanciuniv.edu/files/SU%20CGFT%20Sustainability%20Index%202014%20-%20Promoting%20Sustainable%20Development%20Report.pdf>
* **The MBA Oath -** <http://mbaoath.org/>
* **High Noon - J.F. Rischard -** <https://www.google.com.tr/books?hl=en&lr=&id=aefNcSTV9CkC&oi=fnd&pg=PR1&dq=rischard+high+noon&ots=s9mDQ5mt4b&sig=dHTOAfYlEeOVbVLX8jucbFZwtSU&redir_esc=y#v=onepage&q=rischard%20high%20noon&f=false>
* **Siemens Case, Textbook pg. 177 – 181, Chapter 4**
* **Ethical Breakdowns – Bazerman and Tenbrunsel, 2011 -** <https://hbr.org/2011/04/ethical-breakdowns>
* **How (Un) ethical Are You? – Bazerman and Chugh, 2011 -** <https://hbr.org/2003/12/how-unethical-are-you>
* **Moral Mazes:** **Bureaucracy and Managerial Work – Jackall, 1983 -** <https://hbr.org/1983/09/moral-mazes-bureaucracy-and-managerial-work>
* **Corruption and Revolt – Keefe, 2015 -** <http://www.newyorker.com/magazine/2015/01/19/corruption-revolt>

**Readings**

**Global Corporate Citizenship**

* Googins, B. K., Mirvis, P. H., & Rochlin, S. A. (2007). *Beyond Good Company: Next Generation Corporate Citizenship*. Macmillan.
* Csikszentmihalyi, M. (2004). *Good business: Leadership, flow, and the making of meaning*. Penguin.
* Wood, D. J., Logsdon, J. M., Lewellyn, P. G., Wood, D. J., & Davenport, K. (2006). *Global Business Citizenship: A Transformative Framework for Ethics and Sustainable Capitalism*. ME Sharpe.
* Doh, J. P., & Stumpf, S. A. (Eds.). (2005). *Handbook on Responsible Leadership and Governance in Global Business*. Edward Elgar Publishing.

**Corruption**

* Eicher, M. S. (Ed.). (2012). *Corruption in International Business: The Challenge of Cultural and Legal Diversity*. Gower Publishing, Ltd.

**Globalization, Equality, Poverty**

* Yunus, M. (2007). *Banker to the Poor*. Penguin Books India.
* Prahalad, C. K. (2006). *The Fortune at the Bottom of the Pyramid*. Pearson Education India.
* Stiglitz, J. E. (2002). *Globalization and its Discontents*. New York.
* Bhagwati, J. (2007). *In Defense of Globalization: With a New Afterword*. Oxford University Press.

**Global Problems, Sustainability**

* Rischard, J. F. (2003). *High Noon: Twenty Global Problems, Twenty Years to Solve Them*. Basic Books.
* Senge, P. M., Smith, B., Kruschwitz, N., Laur, J., & Schley, S. (2008). *The Necessary Revolution: How individuals and organizations are working together to create a sustainable world*. Crown Business.
* Laszlo, C., & Zhexembayeva, N. (2011). *Embedded Sustainability: The Next Big Competitive Advantage*. Greenleaf Publishing.
* The Coca-Cola Company. (2014). *Sustainability Review 2013/2014 – Eurasia & Africa*

**Case Studies**

* Beauchamp, T. L. (1983). *Case Studies in Business, Society, and Ethics*. Prentice Hall.

**Stakeholder Theory**

* Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). *Stakeholder Theory: The State of the Art*. Cambridge University Press.