

College of Management

Business Ethics

Lecturer: Dr. Raef Baraka

PMG 750

Introduction Lecture



Lecture

01

Course Overview



Business Ethics

Course Description

The course aims to equip students with the skills and knowledge necessary for effective ethical decision-making in business contexts.

- It **emphasizes** understanding ethical dilemmas from both individual and organizational perspectives, recognizing that ethical challenges often arise in complex group and team settings.
- The course **integrates** theoretical ethical reasoning with real-world applications, providing students with practical frameworks to analyze and resolve ethical issues.
- Through contemporary and updated case studies, it **fosters** critical thinking and the ability to navigate gray areas where ethical conduct may not be clear-cut.

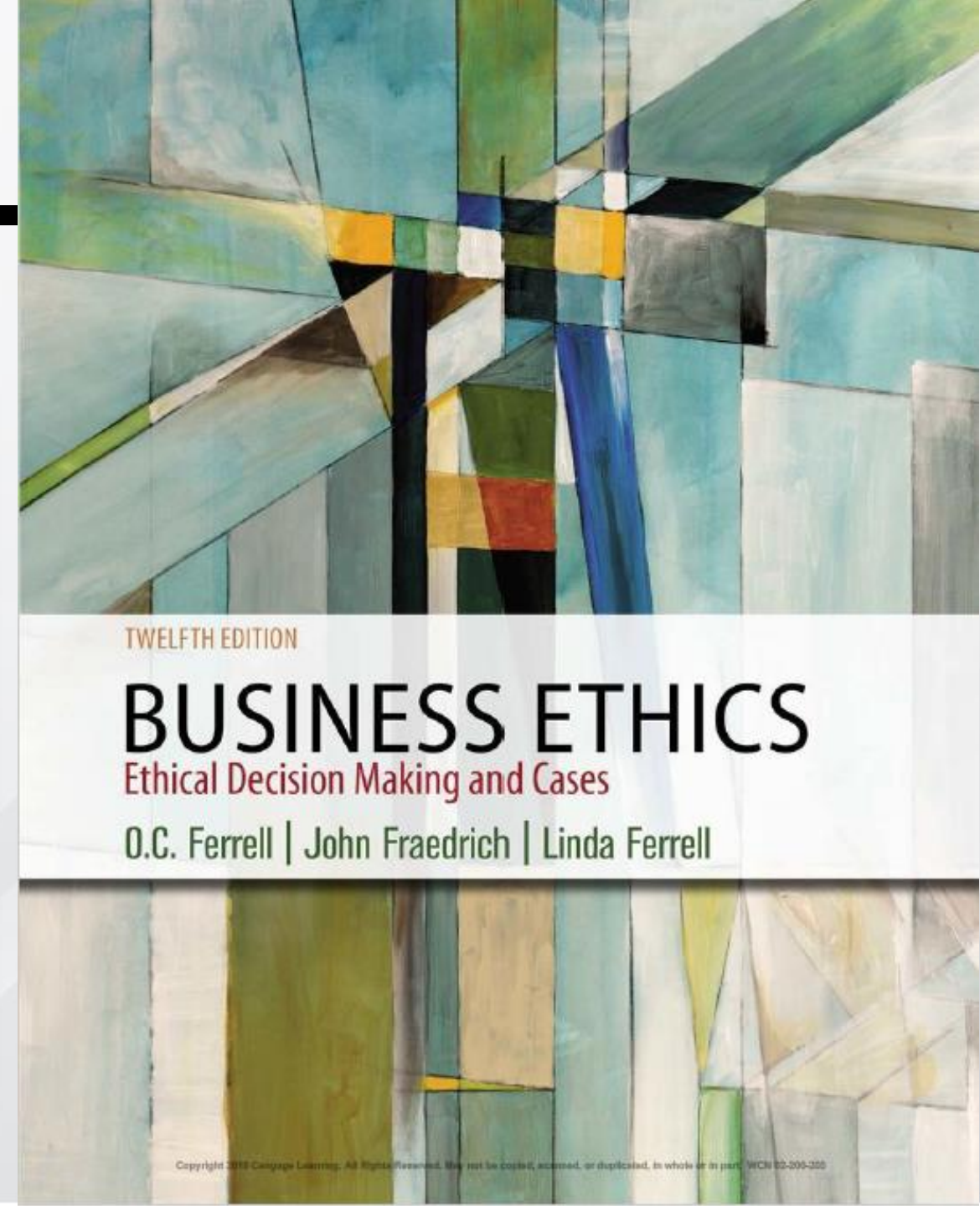
Business Ethics

Course Description

- The course also **highlights** the importance of integrating ethics into strategic business decisions, considering mandatory, core, and voluntary practices.
- Moreover, it **underscores** the role of organizational culture and interdependent relationships in shaping ethical behavior.
- **Ultimately, the course aims to develop students' awareness and competence to make responsible business decisions that contribute to sustainable and ethical business practices, reinforcing the significance of ethics for both organizational success and the broader economic system.**

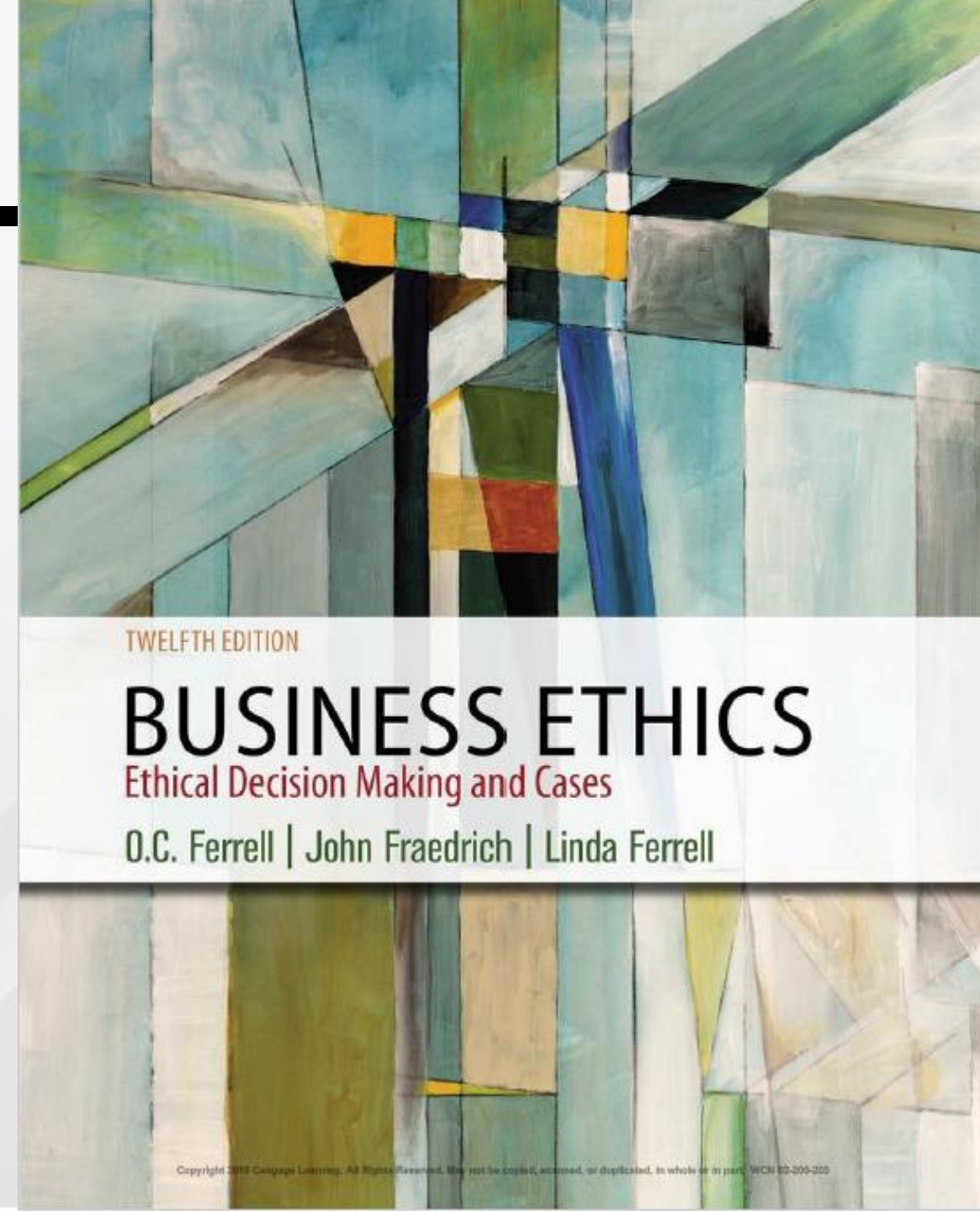
Reference Book:

- **Ch1:** The Importance of Business Ethics.
- **Ch2:** Stakeholder Relationships, Social Responsibility and Corporate Governance.
- **Ch3:** Emerging Business Ethics Issues.
- **Ch4:** The Institutionalization of Business Ethics.
- **Ch5:** Ethical Decision Making.
- **Ch6: Individual Factors:** Moral Philosophies and Values.



Reference Book:

- **Ch7: Organizational Factors:** The Role of Ethical Culture and Relationships.
- **Ch8:** Developing an Effective Ethics Program.
- **Ch9:** Managing and Controlling Ethics Programs.
- **Ch10:** Globalization of Ethical Decision Making.
- **Ch11:** Ethical Leadership.
- **Ch12:** Sustainability: Ethical and Social Responsibility Dimensions.



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Course Chapters



Chapter 1: THE IMPORTANCE OF BUSINESS ETHICS

CHAPTER OBJECTIVES:

- **Explore** conceptualizations of business ethics from an organizational perspective.
- **Examine** the historical foundations and evolution of business ethics.
- **Provide** evidence that ethical value systems support business performance.
- **Gain** insight into the extent of ethical misconduct in the workplace and the pressures for unethical behavior.



Chapter 2: STAKEHOLDER RELATIONSHIPS, SOCIAL RESPONSIBILITY, AND CORPORATE GOVERNANCE

CHAPTER OBJECTIVES:

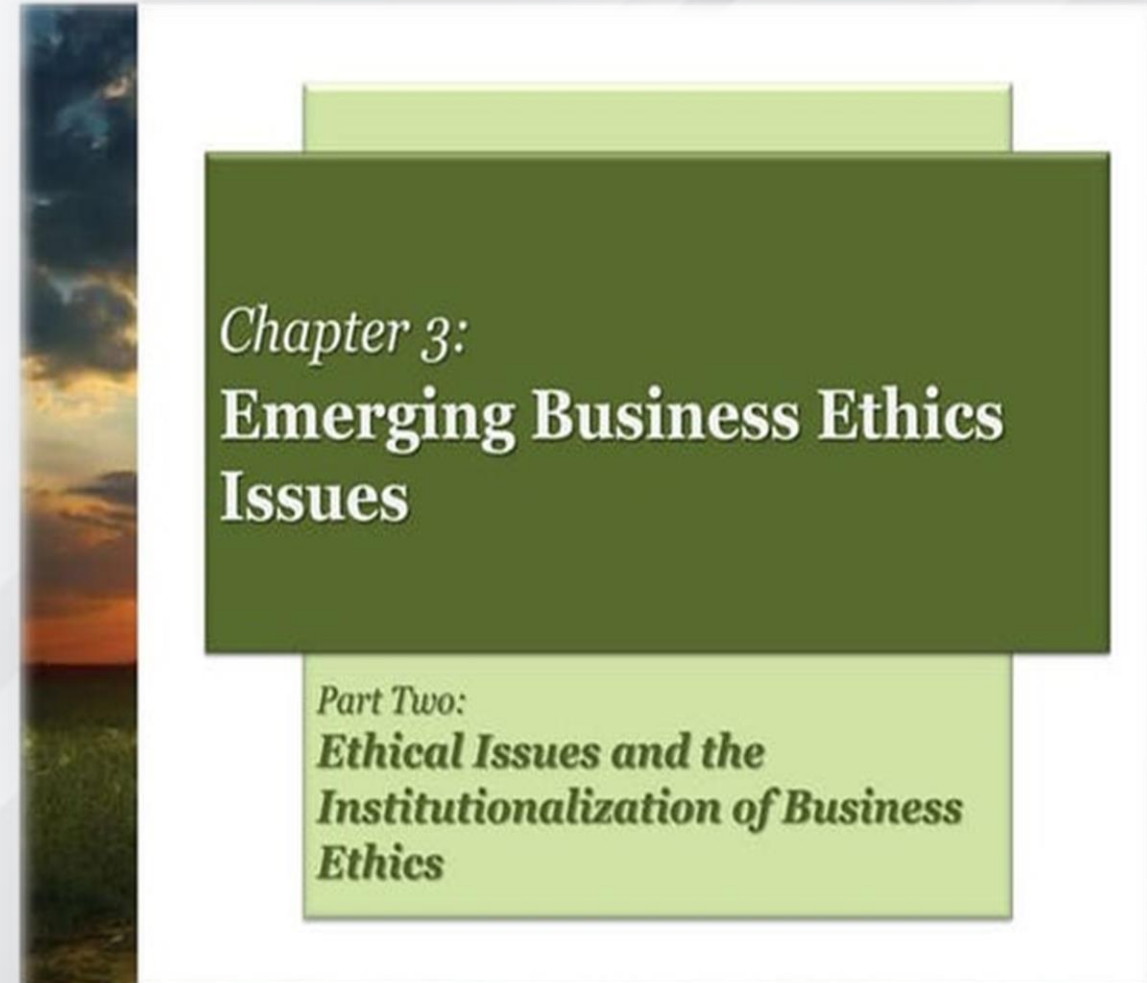
- **Identify** stakeholders' roles in business ethics.
- **Define** social responsibility.
- **Examine** the relationship between stakeholder orientation and social responsibility.
- **Delineate** a stakeholder orientation in creating corporate social responsibility.
- **Explore** the role of corporate governance in structuring ethics and social responsibility in business.
- **List** the steps involved in implementing a stakeholder perspective in social responsibility and business ethics.



Chapter 3: EMERGING BUSINESS ETHICS ISSUES

CHAPTER OBJECTIVES:

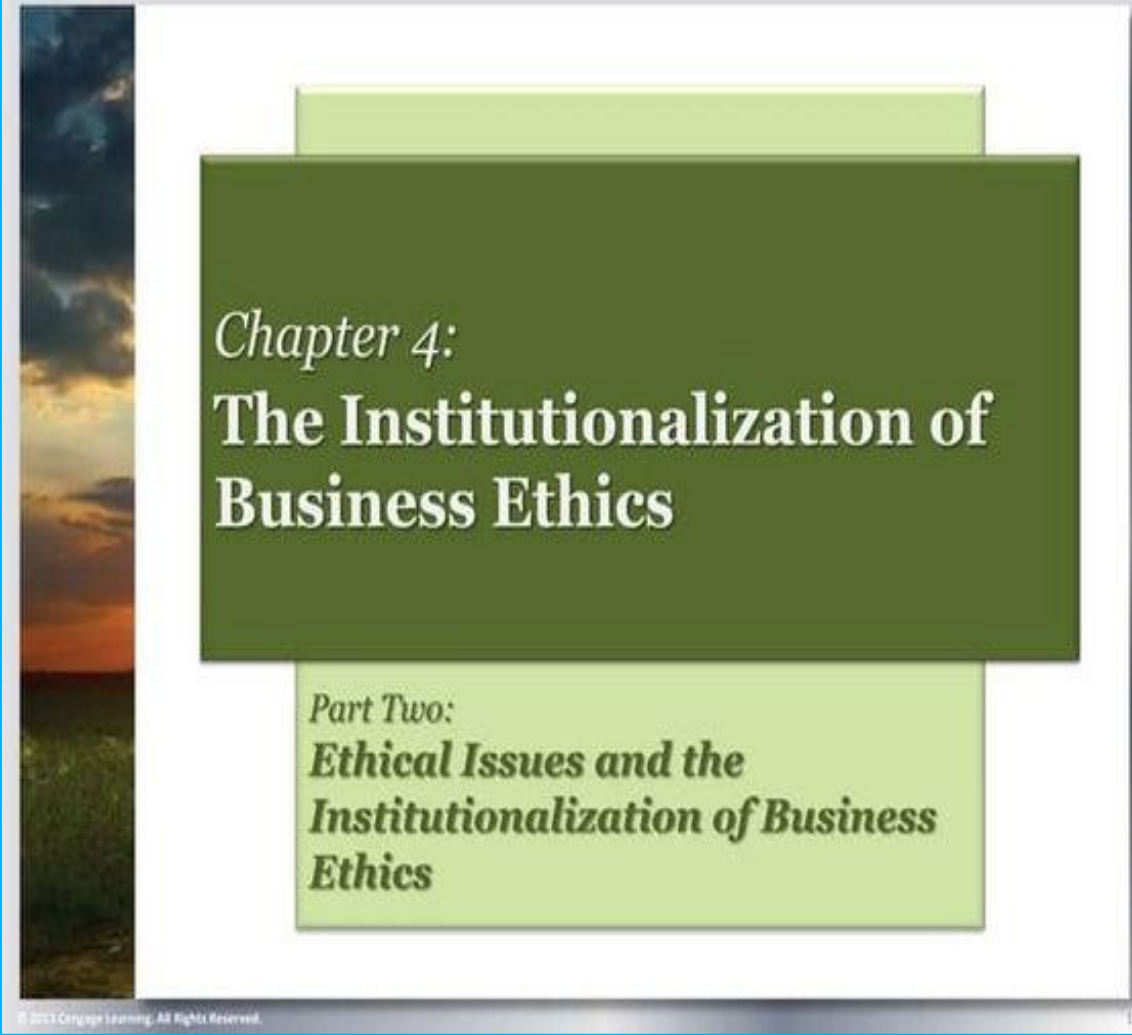
- **Define** ethical issues in the context of organizational ethics.
- **Examine** ethical issues as they relate to the basic values of honesty, fairness, and integrity.
- **Delineate** misuse of company resources, abusive and intimidating behavior, lying, conflicts of interest, bribery, corporate intelligence, discrimination, sexual harassment, fraud, financial misconduct, insider trading, intellectual property rights, and privacy as business ethics issues.
- **Examine** the challenge of determining an ethical issue in business.



Chapter 4: THE INSTITUTIONALIZATION OF BUSINESS ETHICS

CHAPTER OBJECTIVES:

- **Distinguish** between the voluntary and mandated boundaries of ethical conduct .. Provide specific mandated requirements for legal compliance in specific subject matter areas related to competition, consumers, and safety.
- **Provide** an overview of regulatory efforts that provide incentives for ethical behavior.



Chapter 4: THE INSTITUTIONALIZATION OF BUSINESS ETHICS

CHAPTER OBJECTIVES:

- **Provide** an overview of regulatory efforts that provide incentives for ethical behavior.
- **Provide** an overview of the recommendations and incentives for developing an ethical corporate culture.
- **Provide** an overview of highly appropriate core practices and their relationship to social responsibility.



Chapter 4: **The Institutionalization of Business Ethics**

Part Two:
***Ethical Issues and the
Institutionalization of Business
Ethics***

Chapter 5: ETHICAL DECISION MAKING

CHAPTER OBJECTIVES:

- **Provide** a comprehensive model for ethical decision making in business.
- **Examine** ethical issue intensity as an important element in the ethical decision-making process.
- **Introduce** individual factors that influence business ethical decision-making.
- **Introduce** organizational factors that influence business ethical decision-making.



Chapter 5: ETHICAL DECISION MAKING

CHAPTER OBJECTIVES:

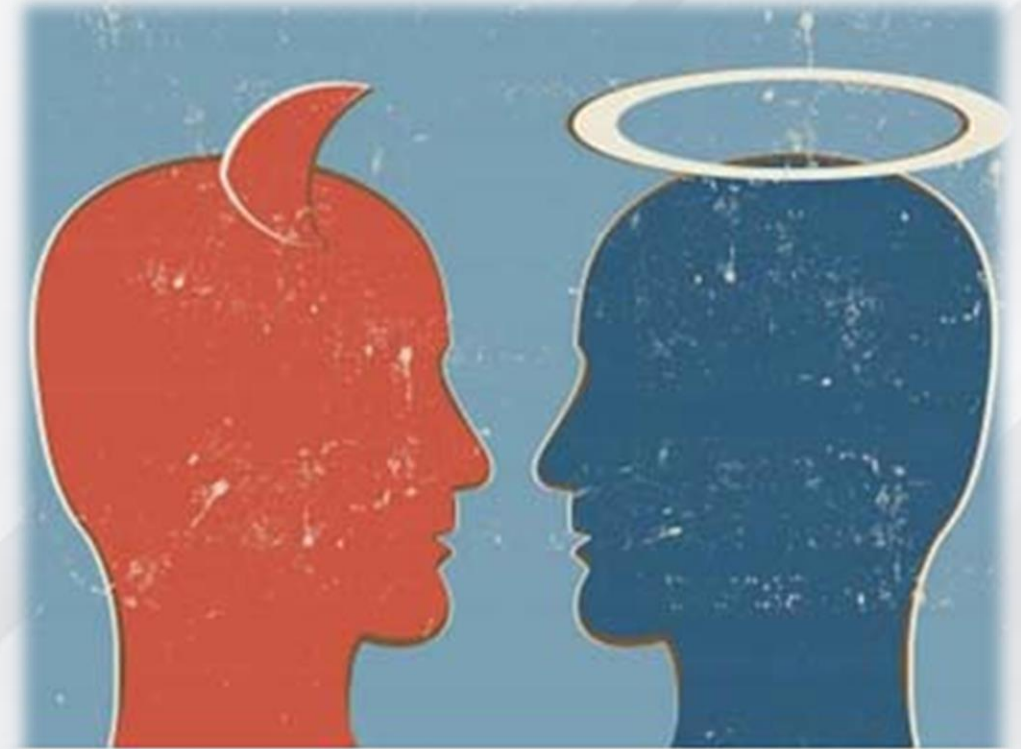
- **Explore** the role of opportunity in ethical decision-making in business.
- **Understand** normative considerations in ethical decision making.
- **Recognize** the role of institutions in normative decision making.
- **Examine** the importance of morals and values to ethical decision making.



Chapter 6: INDIVIDUAL FACTORS: MORAL PHILOSOPHIES AND VALUES

CHAPTER OBJECTIVES:

- **Understand** how moral philosophies and values influence individual and group ethical decision-making in business.
- **Compare** and contrast the teleological, deontological, virtue, and justice perspectives of moral philosophy.
- **Discuss** the impact of philosophies on business ethics.

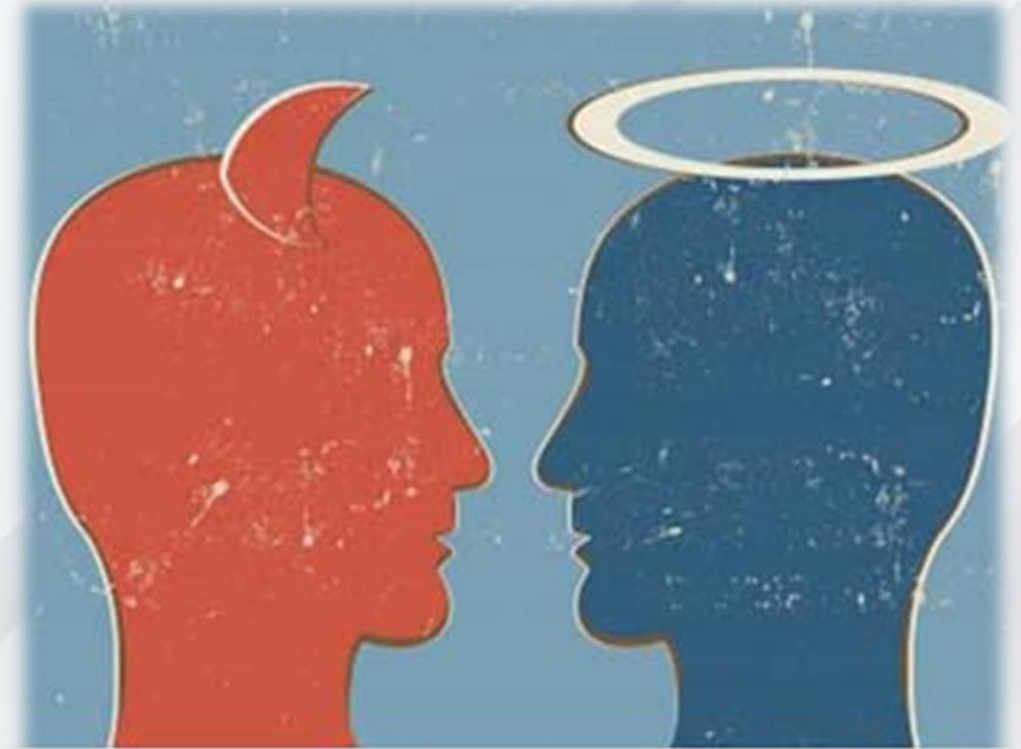


“Ethics is knowing the difference
between what you have a right to do
and what is right to do.”
—Potter Stewart, Justice of the Supreme Court

Chapter 6: INDIVIDUAL FACTORS: MORAL PHILOSOPHIES AND VALUES

CHAPTER OBJECTIVES:

- **Recognize** the stages of cognitive moral development and its shortcomings.
- **Introduce** white-collar crime as it relates to moral philosophies, values, and corporate culture.



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and what is right to do.”
—Potter Stewart, Justice of the Supreme Court

Chapter 7: ORGANIZATIONAL FACTORS: THE ROLE OF ETHICAL CULTURE AND RELATIONSHIPS

CHAPTER OBJECTIVES:

- **Understand** the concept of corporate culture.
- **Examine** the influence of corporate culture on business ethics.
- **Determine** how leadership, power, and motivation relate to ethical decision making in organizations.

ETHICAL CULTURE

Steps to Promote Good Ethics at Work



Chapter 7: ORGANIZATIONAL FACTORS: THE ROLE OF ETHICAL CULTURE AND RELATIONSHIPS

CHAPTER OBJECTIVES:

- **Assess** organizational structure and its relationship to business ethics.
- **Explore** how the work group influences ethical decisions.
- **Discuss** the relationship between individual and group ethical decision making.

ETHICAL CULTURE

Steps to Promote Good Ethics at Work



Chapter 8: DEVELOPING AN EFFECTIVE ETHICS PROGRAM

CHAPTER OBJECTIVES:

- **Understand** the responsibility of the corporation to stakeholders.
- **Understand** why businesses need ethics programs.
- **List** the minimum requirements for an ethics program.
- **Describe** the role of codes of ethics in identifying key corporate risk areas.
- **Identify** factors in successful ethics training, program types, and goals.
- **Examine** the ways ethical standards are monitored, audited, and enforced.

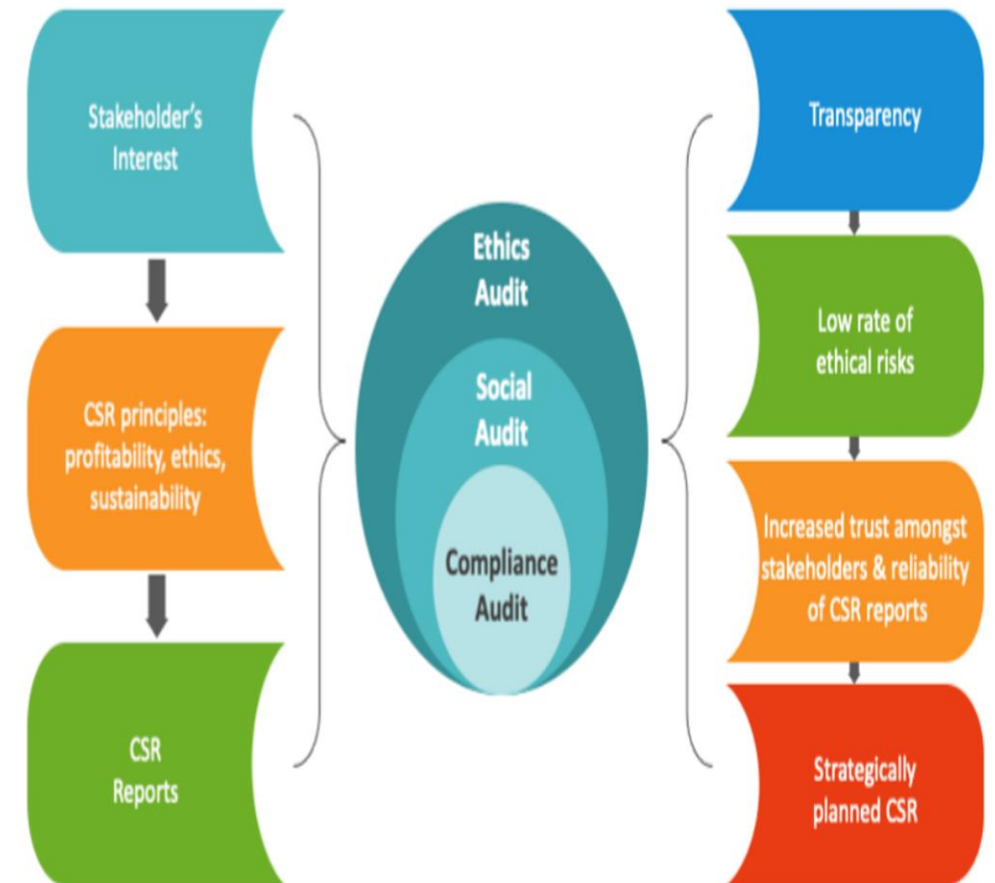


Chapter 9: MANAGING AND CONTROLLING ETHICS PROGRAMS

CHAPTER OBJECTIVES:

- **Define** ethics auditing.
- **Identify** the benefits and limitations of ethics auditing.
- **Examine** the challenges of measuring nonfinancial performance.
- **Explore** the stages of the ethics-auditing process.
- **Understand** the strategic role of the ethics audit.

ETHICS AUDIT

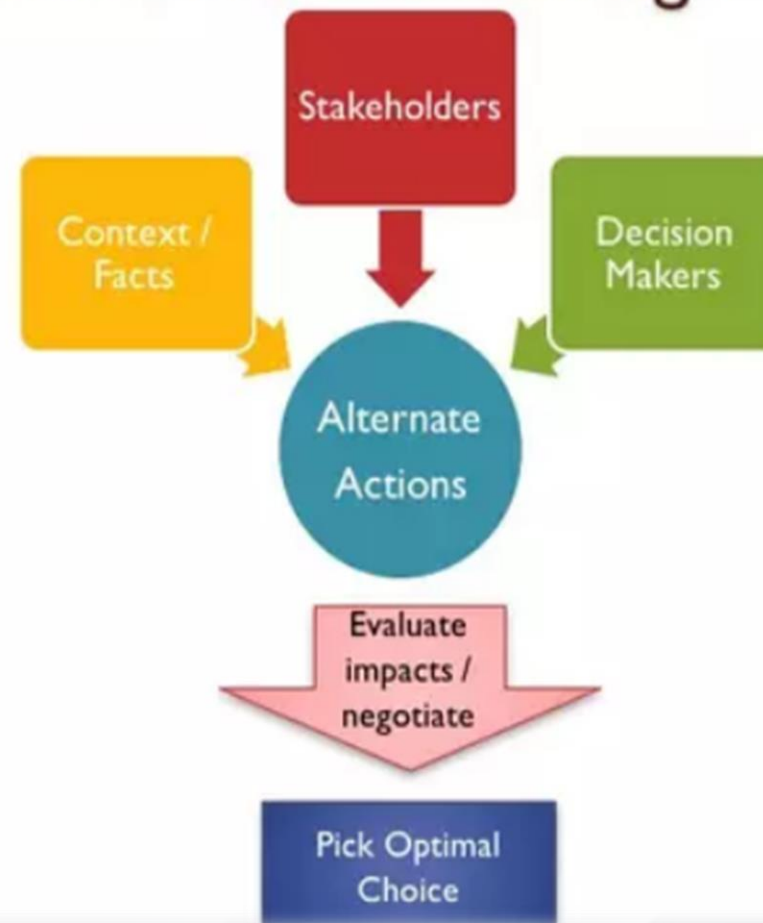


Chapter 10: GLOBALIZATION OF ETHICAL DECISION MAKING

CHAPTER OBJECTIVES:

- **Discuss** global values, goals, and business practices within ethics.
- **Understand** the role of capitalism and economics as factors in business ethics.
- **Assess** the role of multinational corporations in business ethics.
- **Assess** the role of the International Monetary Fund in business ethics.

Ethical Decision Making Model

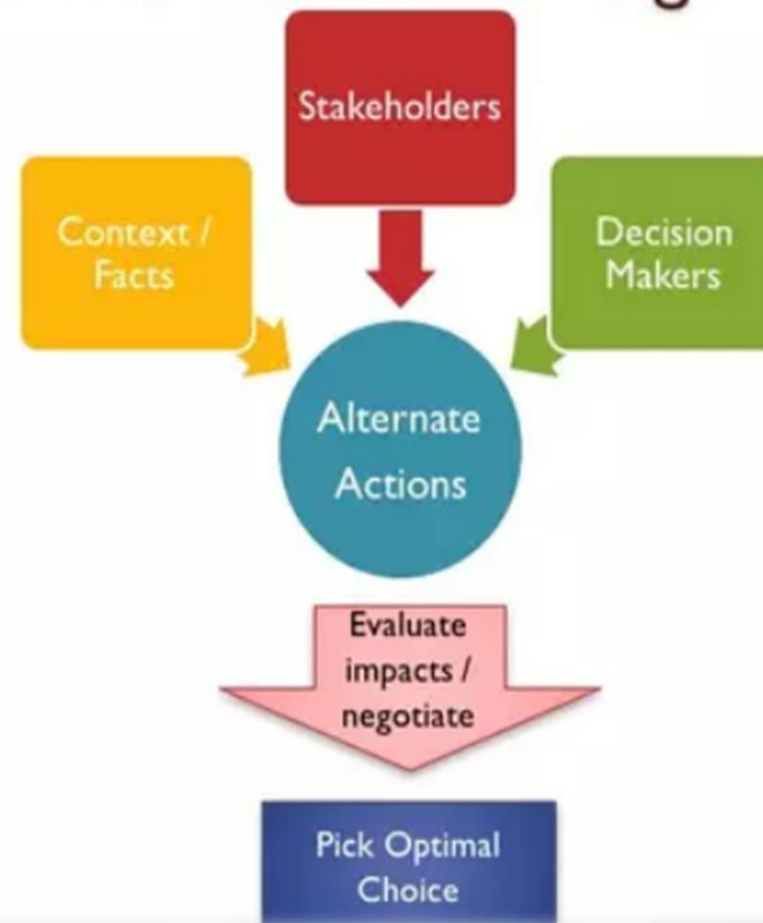


Chapter 10: GLOBALIZATION OF ETHICAL DECISION MAKING

CHAPTER OBJECTIVES:

- **Assess** the role of the United Nations Global Compact in business ethics.
- **Assess** the role of the World Trade Organization in business ethics.
- **Explore** and discuss common global business practices.
- **Gain** awareness of global ethical issues.

Ethical Decision Making Model



Chapter 11: ETHICAL LEADERSHIP

CHAPTER OBJECTIVES:

- **Define** ethical leadership.
- **Examine** requirements for ethical leadership.
- **Realize** the benefits that come from effective ethical leadership.
- **Understand** how ethical leadership impacts organizational culture.
- **Learn** about the different styles of conflict management.



Chapter 11: ETHICAL LEADERSHIP

CHAPTER OBJECTIVES:

- **Understand** how employees can be empowered to take on responsibilities in ethical leadership.
- **Examine** leader-follower relationships.
- **Learn** about leadership styles and how they influence ethical leadership.
- **Use** the RADAR model to determine how ethical leaders handle misconduct situations.



Chapter 12: SUSTAINABILITY: ETHICAL AND SOCIAL RESPONSIBILITY DIMENSIONS

CHAPTER OBJECTIVES:

- **Relate** sustainability to ethical decision making and social responsibility.
- **Examine** global environmental issues related to the atmosphere, water, and land.
- **Review** environmental legislation related to sustainability.

The Pyramid of Corporate Social Responsibility



Chapter 12: SUSTAINABILITY: ETHICAL AND SOCIAL RESPONSIBILITY DIMENSIONS

CHAPTER OBJECTIVES:

- **Compare** renewable energy sources that provide alternatives for sustainability.
- **Evaluate** business responses to sustainability related to green marketing and greenwashing.
- **Provide** strategic directions for the Implementation of sustainability.

The Pyramid of Corporate Social Responsibility



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Framework for Studying Business Ethics



TABLE 1-3 Our Framework for Studying Business Ethics

Chapter	Highlights
1. The Importance of Business Ethics	• Definitions
	• Reasons for studying business ethics
	• History
	• Benefits of business ethics
2. Stakeholder Relationships, Social Responsibility, and Corporate Governance	• Stakeholder relationships
	• Stakeholder influences in social responsibility
	• Corporate governance
3. Emerging Business Ethics Issues	• Recognizing an ethical issue
	• Honesty, fairness, and integrity
	• Ethical issues and dilemmas in business: abusive and disruptive behavior, lying, conflicts of interest, bribery, corporate intelligence, discrimination, sexual harassment, environmental issues, fraud, insider trading, intellectual property rights, and privacy
	• Determining an ethical issue in business

4. The Institutionalization of Business Ethics

- Mandatory requirements
- Voluntary requirements
- Core practices
- Federal Sentencing Guidelines for Organizations
- Sarbanes–Oxley Act

5. Ethical Decision Making

- Ethical issue intensity
- Individual factors in decision making
- Organizational factors in decision making
- Opportunity in decision making
- Business ethics evaluations and intentions
- Normative considerations in ethical decision making
- Role of institutions in normative decision making
- Importance of principles and core values to ethical decision making

6. Individual Factors: Moral Philosophies and Values

- Moral philosophies, including teleological development philosophies and cognitive moral deontological, relativist, virtue ethics, and justice philosophies

- Stages of cognitive moral development

7. Organizational Factors: The Role of Ethical Culture and Relationships

- Corporate culture

- Interpersonal relationships

- Whistle-blowing

- Opportunity and conflict

8. Developing an Effective Ethics Program

- Ethics programs

- Codes of ethics

- Program responsibility

- Communication of ethical standards

- Systems to monitor and enforce ethical standards

- Continuous improvement of ethics programs

9. Managing and Controlling Ethics Programs

- Implementation programs

- Ethics audits

10. Globalization of Ethical Decision Making

- Global culture and cultural relations

- Economic foundations of business ethics

- Multinational corporations

- Global cooperation

- Global ethics issues

11. Ethical Leadership

- Requirements for ethical leadership

- Managing ethical conflicts

- Ethical leadership communication

- Leader–follower relationships

12. Sustainability: Ethical and Social Responsibility Dimensions

- Sustainability and ethical decision making

- Global environmental issues

- Business response to sustainability issues

- Strategic implementation of environmental responsibility



Thank You