Syllabus

Ethical Leaders and Integrity

- **Instructor:** Davide Torsello (torsellod@ceu.edu), Office hours: Tuesday 11-13, N13 608
- **Credits:** 2 ECTS
- **Term:** 2017-2018
- **Course level:** [MA/MSc]
- **Prerequisites: none**

Course description

This is the key module aimed at discussing the importance of ethical behavior and the responsibility of modern corporations to society in the transnational business environment in which leaders and firms operate. Students will develop skills to link leadership issues to ethical problems and critically appraise the contributions and limitations of business to society. The course will help students to supplement their own analysis of the common business problems by ethical considerations, and arrive to conclusions more relevant to modern businesses in a globalized world. The course is based on a range of interactive teaching styles (lecture, seminar discussion, case study analysis, small team debating, and simulation games) to highlight the key issues. Case study analysis is the central part of the course work in order to facilitate appreciation and understanding of ethical issues within a specific and applied context.

Learning outcomes

Interpersonal Communication Skills	Students will be required to explain and interpret their viewpoints in a critical personal and small group environment.
Technology Skills	Students will hone their skills in making professional oral presentations
Cultural Sensitivity and Diversity	Students will have increased understanding and acceptance of ethical and integrity- related standpoints in ethical decision-making processes.
Quantitative Reasoning	In addition to qualitative case analyses, quantitative tools will be introduced to analyze cross-cultural data.
Critical Thinking	Students will be encouraged to question the applicability of theoretical models in particular with reference to ethical dilemmas, personal and organizational integrity questions.

Ethics and Responsibility	Students will be motivated to consider the ethical limitations of management in particular when dealing with lack of integrity or risk of corruption.
Management Knowledge and Skills	The course will develop a number of strategic leadership and management models by referring to integrity and ethical practices.

Reading list

Velasquez, M. G. *Business Ethics. Concepts and Cases* (7th Edition) 2012. London: Pearson, chapters 1-2.

Assessment

Active Course Participation (15%)

The course focuses on the development of socio-cultural sensitivity to management. In order to pursue this goal all topics will be first introduced with relevant state-of-the-art concepts and, afterwards, by applying such thinking to case studies and examples based on field research in both emerging and advanced markets.

<u>Criteria for assessing course participation</u>

1) During the course only <u>one </u>absence per student is allowed provided that certification or adequate explanation is given with 24 hours' notice to the instructor. **Two absences will lead to Academic Failure (AF).**

2) Students' participation will be evaluated on the basis of their active involvement in class discussion, communication strength, ability to engage with, summarize and analyze the topics being discussed.

Simulation Game (35%)

Student will be divided in groups and will participate in the development of a simulation game for the management of integrity in emerging markets. Further details will be provided during the class.

<u>Grading criteria for simulation game are:</u>

1) *True understanding of the issues*
2) *Clarity and persuasiveness of analysis*
3) *Originality of game*
4) *Good handling of questions and critiques*

5) Relevance of arguments for a comparative discussion of integrity in management

Individual writing assignment (50%)

Each student will, at the end of the course, develop a short case study (length: about 6 pages, figures and tabs excluded) in which he/she will indicate one issue, encountered in the course of his executive tasks, that is directly related to integrity and leadership. The theme of the assignment needs to be discussed in advance with the instructor.
Students are required to discuss the selected topic with the teacher before the submission deadline. The final deadline for the submission is the day of the last session of the course.

<u>**Grading criteria for individual assignment are presentation groups are:**</u>

1) Relevance of content
2) Originality of content
3) Clarity of exposition and analysis
4) Ability to produce a lesson for real-life cases

Course schedule and materials for each session

Session 1	**Course introduction: Why Integrity and Leadership?** **Topics:** theoretical foundations of business ethics, what is integrity in the philosophical tradition, what are the benefits of a leadership grounded in integrity, how to apply integrity to real life cases **Methods:** lecture, case **Readings:** Kellerman B. Thinking about ... leadership. Warts and all. Harvard
	Business Review [2004, 82(1):40-5, 112] **Case1**: U.S. Department of Justice. 2010. Panalpina World Transport paying bribes in Kazakhstan, Azerbaijan and Turkmenistan. http://www.justice.gov/opa/documents/panalpina-world-transport-dpa.pdf

Session 2	**Integrity and Competitiveness** **Topics**: the idea of efficiency, how to make integrity a instrument of market efficiency, sustainable business cases **Methods**: lecture, cases **Readings**: **Case 2**. Xiao Yu, Survey Of Integrity Marketing In Technology-based SMEs In Anhui, China **Case 3**. Hewlett-Packard. Responsible Business Conduct in an emerging market economy
Session 3	**Recognizing corruption** **Topics**: understanding the borders of integrity and corruption in management, grey areas, corporate values, "zero-tolerance" strategies **Methods**: lecture, guest speaker **Readings**: Corruption in International Business (A) Kennedy, Robert and E. Di Tella, Rafael. HBSCS 701129 **Case 4.** IMD Shell Nigeria
Session 4	**Business and politics: the risky connection** **Topics**: how the state controls business, globalization and state weakening, state capture, principal-agent theory **Methods**: lecture, simulation **Readings:** **Case 5**. McClintick, David. 2006. How Harvard lost Russia. *Institutional Investor Magazine*, January 13. http://www.institutionalinvestor.com/Article/1020662/How-Harvard-lost-Russia.html?ArticleId=1020662&single=true **Case 6:** The Shakedown: Should Customer Strategy Solutions Pay Off the Tax Officials? HBR 2005
Session 5	**Protecting Integrity: Legal frameworks** **Topics**: anti-bribery conventions across the world, their development and fields of operation
	Methods: lecture, case **Readings**: UK Bribery Act guidance published, 2010 D, H. Laufman, Managing Risk and Compliance under the FCPA

Session 6	**Compliance and risk in business environments** **Topics**: strategies and pillars, regional differences, in-house vs. contracted compliance, reporting systems, risk assessment and measurement **Methods**: lecture **Readings**: Evan A. Peterson, Compliance and Ethics Programs. Competitive Advantage through the Law D. Torsello. The bitter fruit of power. An ethnographic study of business compliance.
Session 7	**Social and cultural factors affecting integrity** **Topics**: how culture affects integrity, the social foundations of corruption: gift, exchange, reciprocity, hospitality **Methods**: lecture, team work assignment **Readings**: **Case 7**: "Vasili". Emerald Emerging Markets Cases Ledeneva, A. Blat and Guanxi: informal practices in Russia and China. *Comparative Studies in Society and History.*
Session 8	**Towards a positive leadership** **Topics**: set priorities for positive leadership in a simulation environment **Methods**: lecture, simulation game **Readings:** **Case 8**: Infosys in India: Building a software giant in a corrupt environment. HBSCS 9-707 030 **Case 9**: I Paid A Bribe (dot) com HBSCS 9-112-078