



Lahore University of Management Sciences

MGMT 242 – Business Ethics and Corporate Social Responsibility Fall Semester 2016

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COURSE BASICS

Credit Hours	3			
Lecture(s)	Nbr of Lec(s) Per Week	2	Duration	1h 15m
Recitation/Lab (per week)	Nbr of Lec(s) Per Week		Duration	
Tutorial (per week)	Nbr of Lec(s) Per Week		Duration	

COURSE DISTRIBUTION

Core	
Elective	
Open for Student Category	SDSB(Seniors & Juniors), Open for All in phase II
Closed for Student Category	

COURSE DESCRIPTION

This course provides an introduction to ethics and their application in the arena of business. It begins with an exploration of theoretical concepts and related contestations in the area of moral philosophy. Thereafter, descriptions and analyses of the problems and challenges posed by ethical dilemmas in real-world situations, using the lens of the conceptual frameworks, form a major part of this course. Issues on the levels of the individual, the organization and the system/society will be taken up as they relate to the internal and external stakeholders of businesses; furthermore, debates around the idea of corporate social responsibility and its use as a policy will be one of our focuses. Since the underpinnings of moral philosophy explored at the beginning of the course are primarily areligious, and since a broad perspective on ethics and morality should include the role of religion and culture, this becomes our point of departure for discussing the Islamic ethical philosophy and prescriptions for business.

This course is divided into the following six modules:

- Module 1: Foundations of Ethics: Introduction to Moral Philosophy
- Module 2: The Business System: Government and Markets
- Module 3: Ethical Issues in Business Settings: External Stakeholder Issues
- Module 4: Ethical Issues in Business Settings: Internal Stakeholder Issues
- Module 5: Ethics and Corporate Social Responsibility
- Module 6: Islamic Business Ethics

COURSE PREREQUISITE(S)

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COURSE LEARNING OBJECTIVES	
<ul style="list-style-type: none"> • • • 	<p>To develop an in-depth comprehension of the “three-pillars” of the discipline, viz. moral philosophy, ethical issues and dilemmas, and corporate social responsibility</p> <p>To strengthen students’ ability to anticipate, analyze, evaluate, and appropriately respond to some of the critical ethical challenges, which managers confront in the business world</p> <p>To enable students to appreciate the Islamic principles of ethical conduct in business</p>

LEARNING OUTCOMES	
<ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 	<p>Upon successful completion of this course, students should be able to:</p> <p>Demonstrate comprehension of principal ethical theories that can guide their thinking</p> <p>Apply the moral reasoning process through the lens of various ethical theories</p> <p>Appreciate the importance of ethical decision making and the difficulties inherent therein</p> <p>Evaluate ethical problems by navigating the terrain of external and internal stakeholders of businesses</p> <p>Understand the concept of CSR and the debates around it</p> <p>Comprehend and debate the role of religion and culture in analyzing ethical issues</p>

UNDERGRADUATE PROGRAM LEARNING GOALS & OBJECTIVES	
	<p><u>General Learning Goals & Objectives</u></p> <p>Goal 1 –Effective Written and Oral Communication Objective: Students will demonstrate effective writing and oral communication skills</p> <p>Goal 2 –Ethical Understanding and Reasoning Objective: Students will demonstrate that they are able to identify and address ethical issues in an organizational context.</p> <p>Goal 3 – Analytical Thinking and Problem Solving Skills Objective: Students will demonstrate that they are able to identify key problems and generate viable solutions.</p> <p>Goal 4 – Application of Information Technology Objective: Students will demonstrate that they are able to use current technologies in business and management context.</p> <p>Goal 5 – Teamwork in Diverse and Multicultural Environments Objective: Students will demonstrate that they are able to work effectively in diverse environments.</p> <p>Goal 6 – Understanding Organizational Ecosystems Objective: Students will demonstrate that they have an understanding of Economic, Political, Regulatory, Legal, Technological, and Social environment of organizations.</p> <p><u>Major Specific Learning Goals & Objectives</u></p> <p>Goal 7 (a) – Program Specific Knowledge and Understanding Objective: Students will demonstrate knowledge of key business disciplines and how they interact including application to real world situations.</p> <p>Goal 7 (b) – Understanding the “science” behind the decision-making process (for MGS Majors) Objective: Students will demonstrate ability to analyze a business problem, design and apply appropriate decision-support tools, interpret results and make meaningful recommendations to support the decision-maker</p>

PROGRAM LEARNING GOALS AND OBJECTIVES	COURSE LEARNING OBJECTIVES	COURSE ASSESSMENT ITEM
Goal 1 –Effective Written and Oral Communication	Speaking and writing skills are honed through articulation of well-formulated ideas during class discussion, and in assignments and exams	Class Participation, Assignment, Midterm, Final



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Goal 2 –Ethical Understanding and Reasoning	An in-depth understanding of moral philosophy, ethical dilemmas and CSR is developed	Quiz, Assignment, Midterm, Final
Goal 3 – Analytical Thinking and Problem Solving Skills	The ability to anticipate, analyze, evaluate and appropriately respond to critical ethical challenges is strengthened	Class Participation, Quiz, Assignment, Midterm, Final
Goal 4 – Application of Information Technology		
Goal 5 – Teamwork in Diverse and Multicultural Environments	Resolve differences of opinion while working in teams by collaboratively analyzing and evaluating ethical dilemmas	Assignment
Goal 6 – Understanding Organizational Ecosystems	Appreciate the criticality of the context in which organizations operate, particularly through the lens of CSR	Quiz, Final
Goal 7 (a) – Program Specific Knowledge and Understanding	Understand how and what moral issues arise in various functional areas of a business	Quiz, Assignment, Midterm, Final
Goal 7 (b) – Understanding the “science” behind the decision-making process	Understand the models of moral development and frameworks of ethical decision-making	Quiz, Assignment, Midterm, Final

GRADING BREAKUP AND POLICY

Assignment(s): 20%

- 2 assignments will be given through the course. The format and requirements will be specified by the instructor. For one of the assignments, students will have to present their work in groups.
- Assignments submitted after the deadline will not be accepted.

Class Participation: 7%

- CP is graded between 0-4 points each session for each student; points are given primarily on qualitative basis.
- Coming late to the class (after 5 minutes) causes you to lose 1 CP point for the session.

Attendance: 3%

- You can have up to 4 absences throughout the course without losing any attendance points.
- Coming late to the class (after 5 minutes) or being away from the class for more than 10 minutes gets you marked Late for the session. Two late markings equal one Absent marking.
- Please switch off your cell phones before entering the class. Anyone caught using the cell will not get CP points.

Quiz(s): 20%

- Quizzes will be fielded unannounced.
- Out of a total of five quizzes, one will be dropped. No make-up quizzes will be given.

Midterm Examination: 20%

Final Examination: 30%



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EXAMINATION DETAIL	
Midterm Exam	Yes/No: Yes Combine Separate: Duration: Preferred Date: Exam Specifications: Combination of multiple choice and subjective questions.
Final Exam	Yes/No: Yes Combine Separate: Duration: Exam Specifications: TBA

COURSE OVERVIEW			
WEEK/ LECTURE/ MODULE	TOPICS	RECOMMENDED READINGS	OBJECTIVES/ APPLICATION
Week 1	Introduction & Overview: Why Study Business Ethics? The Nature of Business Ethics Moral Reasoning	Chapter 1 (Velasquez, 2006)	Introduction and discussion on the importance of the subject Understand how moral reasoning works
Week 2, 3, 4 & 5	Module 1 Foundations of Ethics: Introduction to Moral Philosophy Consequentialist and Non-Consequentialist Theories Virtue Ethics	Chapter 2 (Velasquez, 2006)	Understand the four widely used bases for making ethical decisions in various business contexts
Week 6	Module 2 The Business System: Government and Markets	Chapter 3 (Velasquez, 2006)	Appreciate the arguments for and against markets and free trade
Week 7	Module 3 Ethical Issues in Business Settings: External Stakeholder Issues (Environment)	Chapter 5 (Velasquez, 2006)	Explore how certain business practices damage the environment, and the ethical responsibility of businesses
Week 8 & 9	Module 3 Ethical Issues in Business Settings: External Stakeholder Issues (Production and Marketing) Mid Term	Chapter 6 (Velasquez, 2006)	Discuss different theories of a firm's duties to consumers, and the ethical dimensions of advertising and consumer privacy
Week 10	Module 4 Ethical Issues in Business Settings: Internal Stakeholder Issues (Job Discrimination)	Chapter 7 (Velasquez, 2006)	Analyze the nature and extent of job discrimination along with the ethical dilemmas inherent in affirmative action



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Week 11 & 12	Module 4 Ethical Issues in Business Settings: Internal Stakeholder Issues (Employee's Rights and Obligations)	Chapter 8 (Velasquez, 2006)	Understand the employee's rights and responsibilities and a firm's duties to the employee
Week 13	Presentations		
Week 14	Module 5 Ethics and Corporate Social Responsibility: Arguments for and against CSR Principles of Social Responsibility in Business Schools of Thought on Social Responsibility	Reading: TBA	Discuss the varying views on CSR and evaluate the arguments for and against them
Week 14	Module 6 Islamic Business Ethics	Parts 1, 2, 3, 4 and 5 (Beekun, 1996) Reading: Khan, Kishwar, Aftab, Sarwat. <i>Consumer Protection in Islam</i> , Australian Economic Papers. 2000.	Understand the Islamic precepts of ethical business conduct and appreciate their relation with the Islamic Worldview

TEXTBOOK(S)/SUPPLEMENTARY READINGS

Velasquez, M. G. (2006). *Business Ethics: Concept and Cases*. Delhi: Pearson.

Beekun, R.I. (1996). *Islamic Business Ethics*. International Institute of Islamic Thought.

Ali. A.J. (2014). *Business Ethics in Islam*. Massachusetts: Edward Elgar