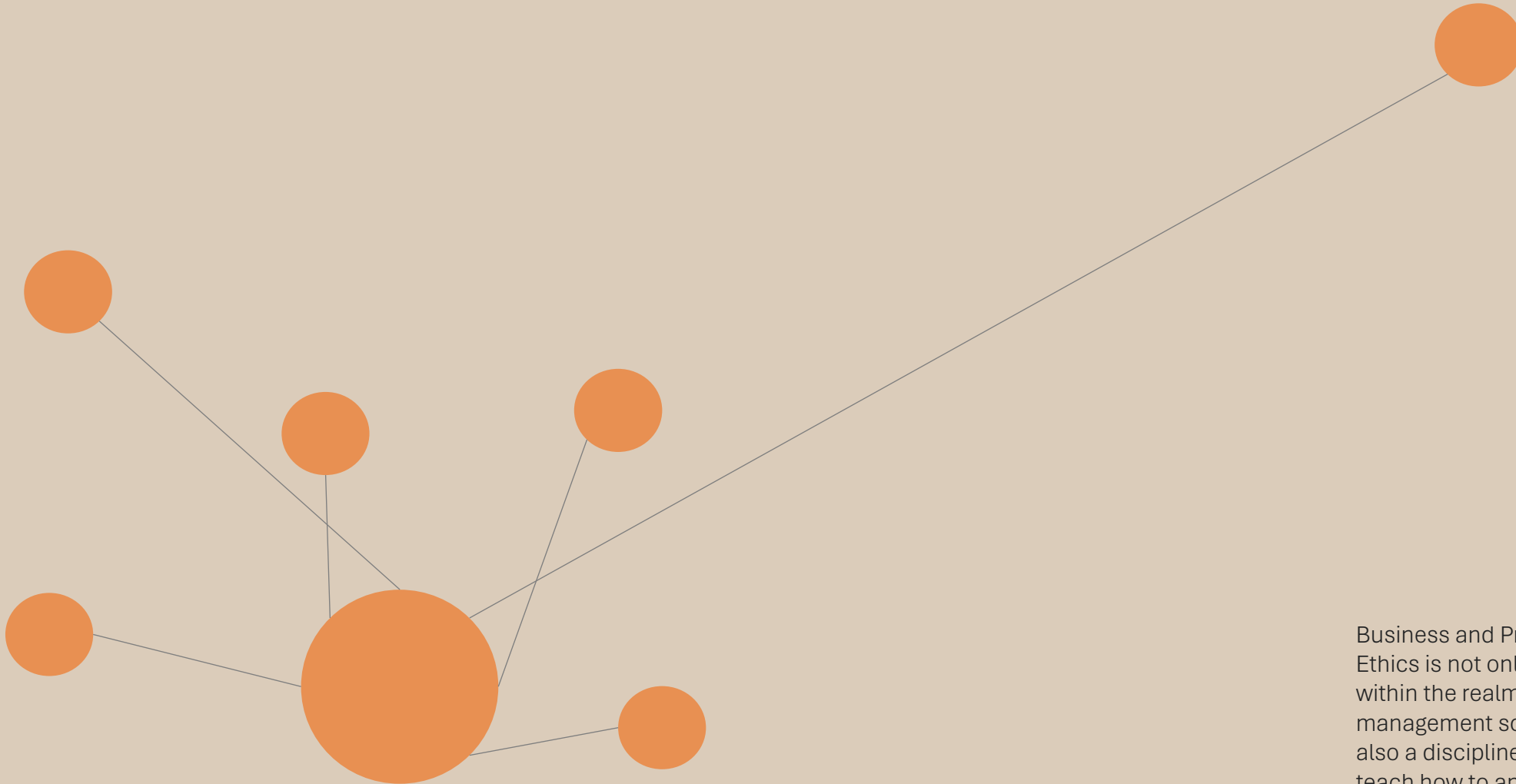


TEACHING **BUSINESS &** **PROFESSIONAL** **ETHICS**

USING CASE METHOD AND STRATEGIC ASSESSMENT

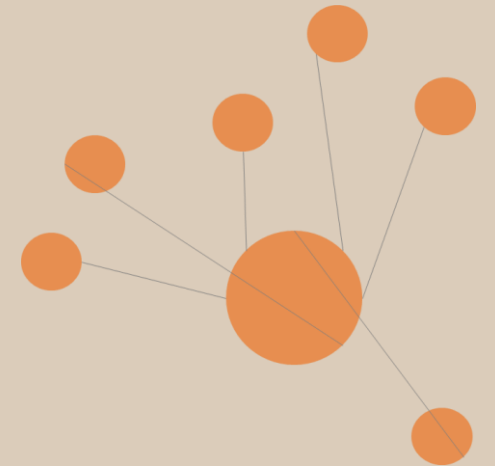


Business and Professional Ethics is not only a theory within the realm of management sciences but also a discipline that should teach how to analyze specific business situations (cases); all this in the manner of a five-step strategic analysis.

This critical analysis, when built from case studies, is an ordered inductive process that allows presenting decision-making analyses with normative criteria, that is, the development of qualitative strategies for the company, work, and the market.

The analysis structure in Business Ethics is built based on the following conceptual areas:

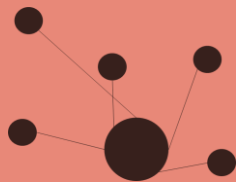
1. 'WHAT' or Critical Analysis
2. 'WHERE' or Normative Analysis
3. 'TO WHAT EXTENT' or Qualitative Analysis
4. 'WHICH' or Decisional Analysis
5. 'HOW' or Resolution



CASE METHOD

1. WHAT
2. WHERE
3. TO WHAT EXTENT
4. WHICH
5. HOW

- (critical analysis) What is happening or what situation do we see in the case? What is the underlying issue?
- (normative analysis) What areas (fields, topics, and matters) of business ethics are related to the case? Which of them would be in conflict?
- (qualitative analysis) How fair is what is being done so far or proposed to be done? What needs to change to progress in justice and/or responsibility?
- (decisional analysis) 4.1. If the situation is unjust or minimally just, what alternatives do I have to correct or improve it?
4.2. If the situation is already just, should I and can I improve it in any way? What alternatives do I have?
- (resolution) How can I evaluate my decision?
5.1. EXPERIENCES & ADVICE
5.2. CAUTION & RISK MANAGEMENT
5.3. MANAGEMENT SCIENCE
5.4. BUSINESS INTELLIGENCE
5.5. INNOVATION & WITTEDNESS



WHAT

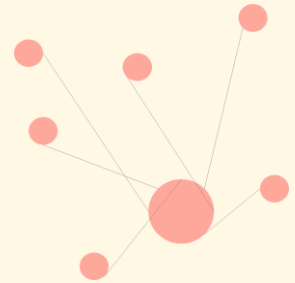
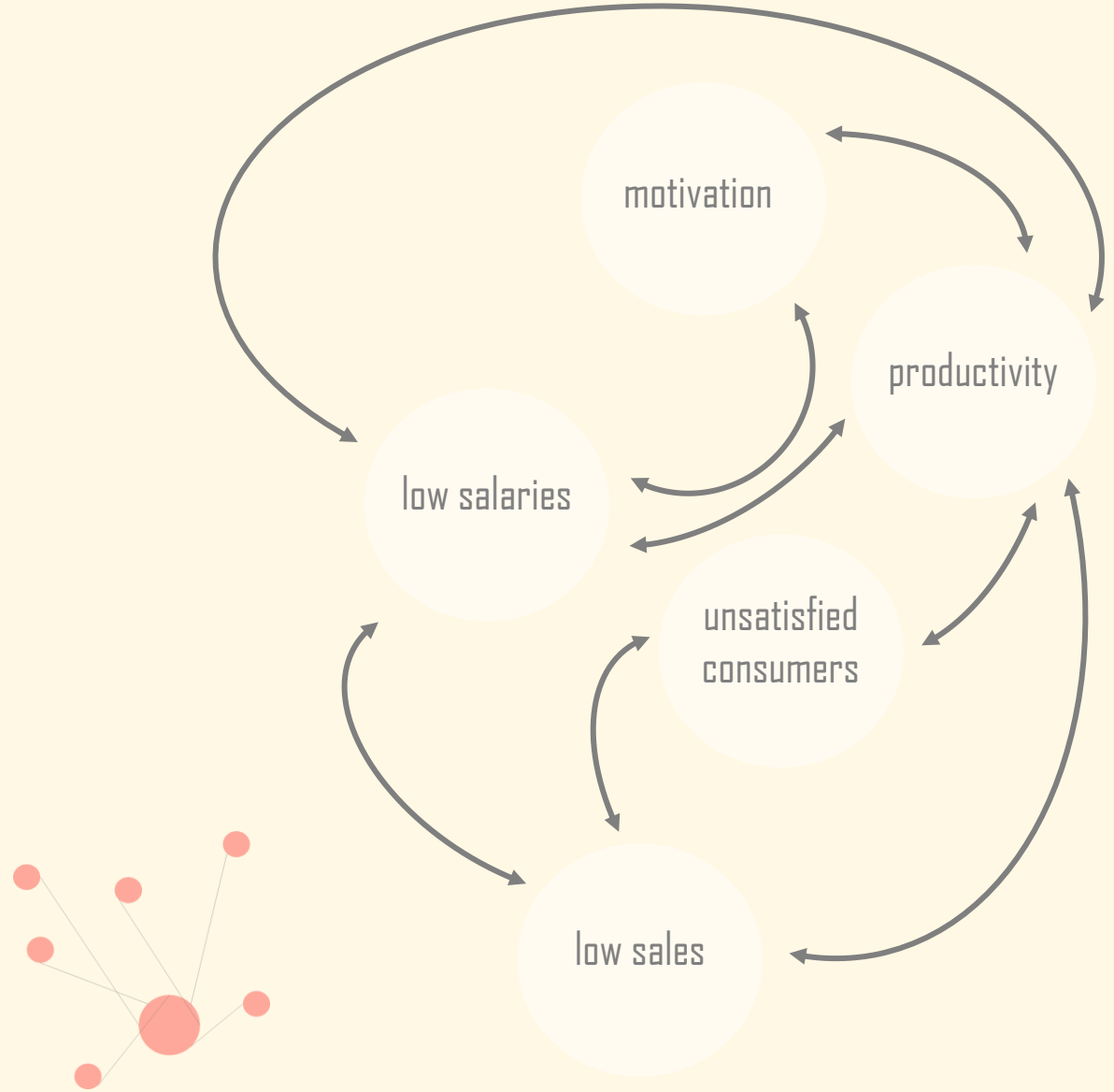
a. FUNCTIONAL OVERVIEW

How can you describe briefly the many relationships of causality in the case?

Initially, the case must be approached through a critical analysis, that is, from a systemic or organizational perspective. For this, it is essential to describe the positive aspects or conflicts in what is called a comprehensive causality relationship (flow that demonstrates causal relationships in the organization showing involved groups, causes of the problems, and impacts). In other words, this means that there are aspects or dimensions of the activity that mutually or integrally affect each other in the company and that this has triggered a conflict situation or, in other cases, has allowed a qualitative improvement of the business activity.

For example, mistreatment of an employee reduces motivation; motivation, productivity; and productivity, leads to poor product quality; which in turn affects customer satisfaction. This causality relationship is not necessarily linear, and more than one factor can affect a singular aspect (illness and mistreatment simultaneously decrease a worker's productivity).

Thus, it is essential to ask what the relevant issue is and, moreover, what are the conditions that positively or negatively affect it. Therefore, we say, for example, 'this is a productivity case' (the issue) and the factors that affect it are 'worker health and poor working atmosphere'. In summary, a good description answers the question about the substantial problem (i.e., its relationship with normative aspects) and then identifies the factors that affect it systemically.

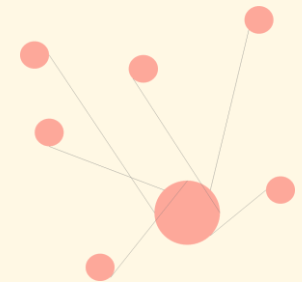


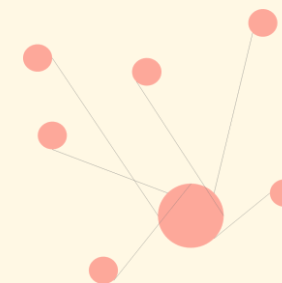
b. THE CASE PROBLEM

What is happening, or what situation of conflict we see in the case?

After a critical analysis allowing me to elucidate the issue at hand, a case study can showcase a positive situation as well as a conflict. In this regard, the initial consideration about what is seen in the case is its general category: 'this is right' or 'this is wrong'. It often happens that almost all readers have the same positive or negative opinion regarding what is seen in the case (for example, 'Volkswagen's collusion is wrong'). The issue is to explain why it is right or wrong, that is, to justify, and this requires formulating more precise or specific questions that question the problem (for example, is Volkswagen's behavior really collusive?).

This initial part of the critical analysis of a case is usually presented as the background of the case or the issue at hand. Usually, the situation, conflict, or theme that the case wants to highlight is well summarized in the title of the document. But also, since a case study can be analyzed from other disciplines (finance, accounting, strategy, etc.), the title does not always refer to the ethical problem.





c. THE CONCEPTS AT STAKE

What business & professional ethics concepts are associated to the case?

After a critical analysis that allows me to elucidate the problem at hand, a case study can show a positive situation as well as a conflict. In this sense, the first consideration about what is seen in the case is its general category: 'this is right' or 'this is wrong'. It often happens that almost all readers have the same positive or negative opinion regarding what is seen in the case (for example, 'Volkswagen's collusion is wrong'). The issue is to explain why it is right or wrong, that is, to justify, and this requires the formulation of more precise or delimited questions that call into question the problem (for example, is Volkswagen's behavior really collusive?, therefore, one of the concepts at stake is 'collusion')

This initial part of the critical analysis of a case is usually presented as the background of the case or the issue at hand. Usually, the situation, conflict, or theme that the case wants to highlight is well summarized in the title of the document. But also, as a case study can be analyzed from other disciplines (finance, accounting, strategy, etc.), the title does not always refer to the ethical problem.

WHERE

Areas, topics and subjects: where can be situated the problem, that is, which ambits (areas, topics, or subjects) are seen in the case and which ones are in conflict between them?

To begin the critical analysis of a case study or business situation from the perspective of Business Ethics, it is essential to use the appropriate theoretical framework. This theoretical framework is provided by the course content, which has been explained through analysis schemes in class and, to a lesser extent, in the course book.

The purpose of the analysis schemes is not so much the analysis of the case, nor organizational consideration, but rather the understanding of the course content in the light of the case study. Organizational analysis, corresponding to the positioning work, comes afterward and must be carried out once the concepts of business ethics have been correctly understood through reading the book and with the help of the professor.

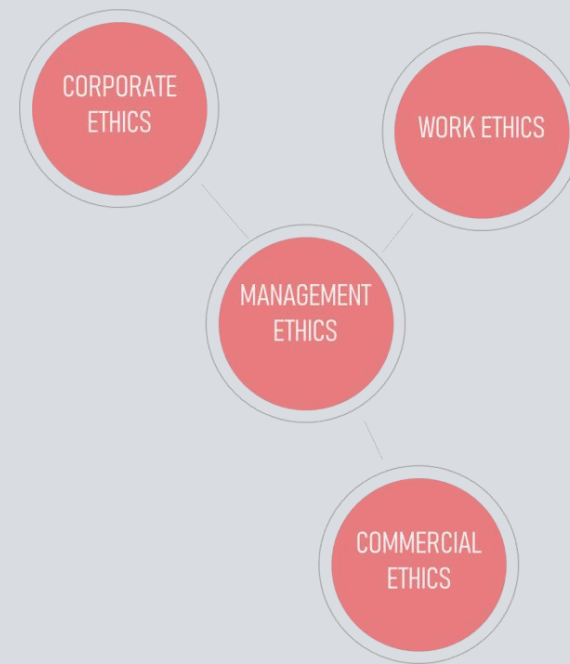


The positioning of the areas, subjects, and topics of Business and Professional Ethics that must be considered for a critical analysis are not necessarily individual, but a case may relate to more than one. However, it is important to consider the least possible, or the most important ones, so that it is possible to highlight the most relevant aspects of a case, and not everything that is more or less related to a business situation.

Thus, for example, an analysis may involve aspects of labor ethics and corporate ethics as main areas; and from these, a problem of working conditions and corporate axiology could be the most relevant topics. Thus, for example, we can say that La Polar was a case of Administrative Ethics and Commercial Ethics.

On the other hand, the analysis should be descriptive: as relationships between topics and areas. A consultant or student not only identifies problems in a company but also knows how to communicate them comprehensively. In this sense, speaking the same language is important.

A practical way to identify concepts and relationships known by a team or workgroup is to use graphic resources, such as infographics or mind maps. This is a preliminary consideration before organizational causality relationships, but it allows us to know 'where we are'.

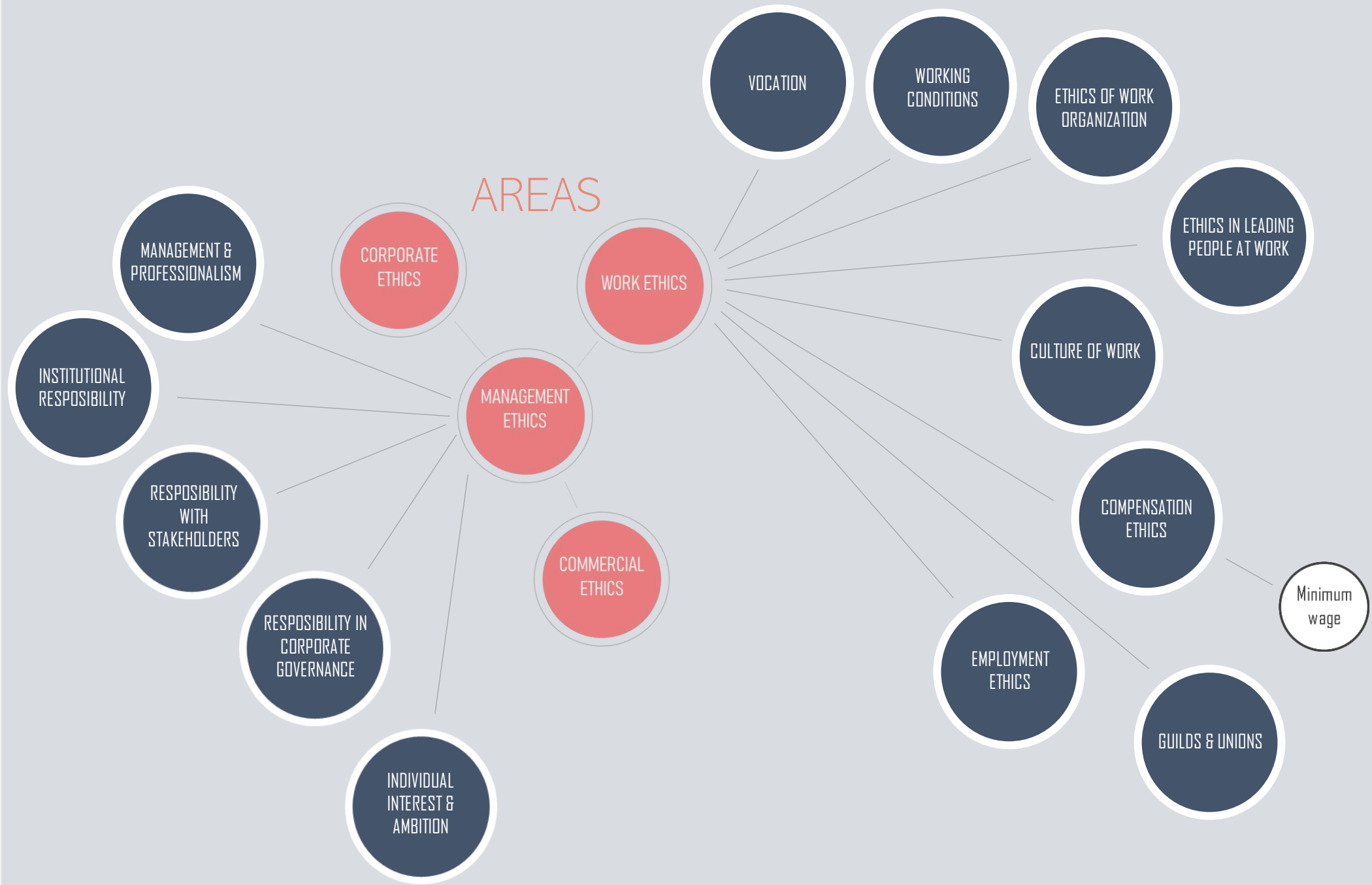




As shown below, we can move from the areas to the topics, and from the topics to the specific issues. The following map is a fairly comprehensive description of the positioning alternatives we have for analyzing cases of business ethics. For a clearer distribution of areas, subjects, and topics, you can see the complete map displayed below:

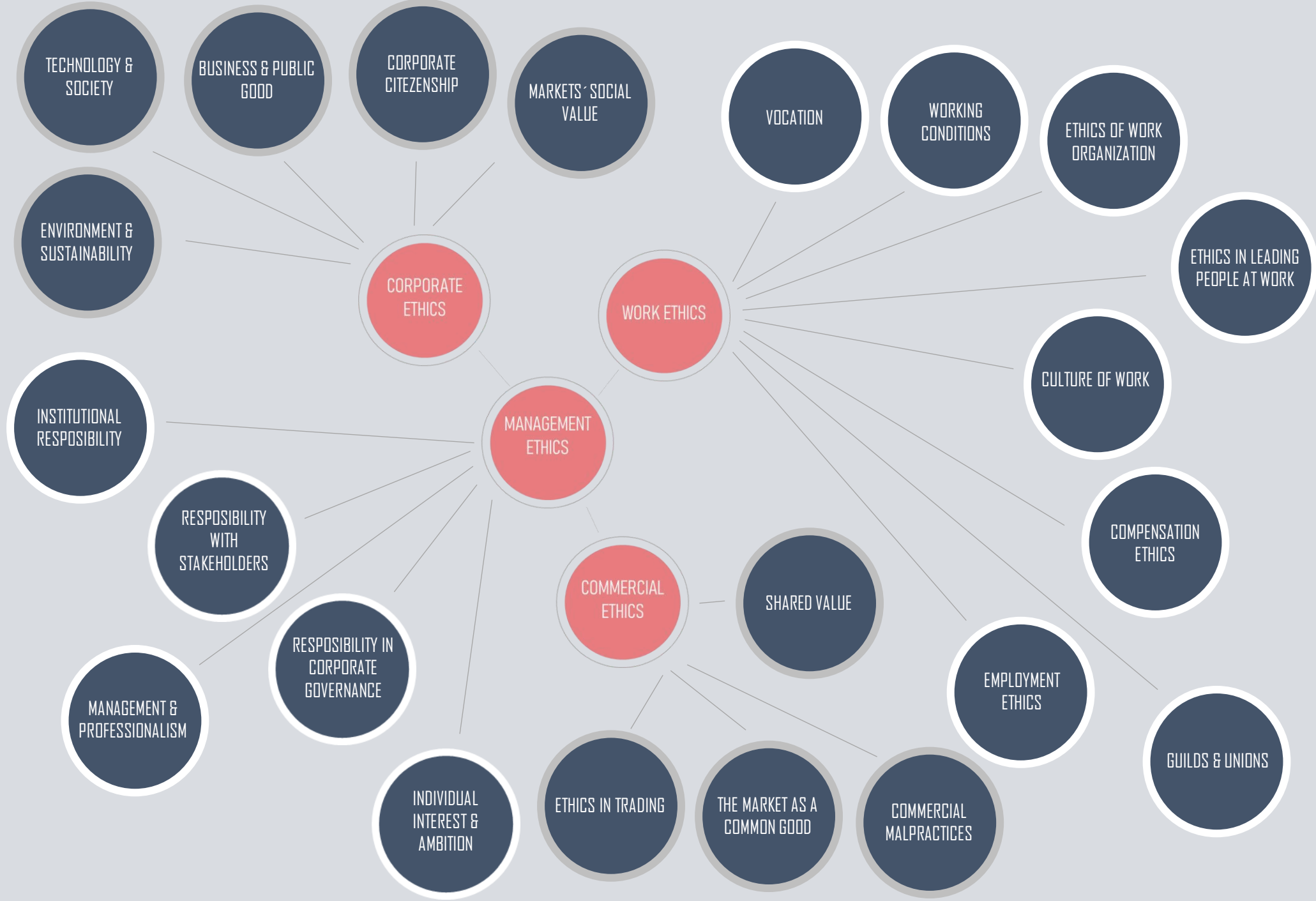
Then, the analysis of a case requires a more precise positioning, which translates into the identification of themes in the areas of business ethics.

Thus, for example, we can say that La Polar was a case of commercial ethics, specifically, fair pricing.



AREAS SUBJECTS

FULL CONCEPTUAL MAPP FOR AREAS AND SUBJECTS



ISSUES



ISSUES IN MANAGEMENT ETHICS

- Accountability
- Ambition in Administrative Ethics
- Greed in Administrative Ethics
- Compliance
- Professional Conduct
- Ombudsman
- Whistleblowers
- Conflict of Interest
- Creative Accounting
- Professional Objectivity
- Corruption in Administrative Ethics
- Discretion in Fiduciary Ethics
- Common Stocks and Private Property
- Subsidiarity and Service in Administration
- Accountability
- Ambition in Administrative Ethics
- Greed in Administrative Ethics
- Compliance
- Professional Conduct
- Ombudsman
- Whistleblowers
- Conflict of Interest
- Creative Accounting
- Professional Objectivity
- Corruption in Administrative Ethics
- Discretion in Fiduciary Ethics
- Common Stocks and Private Property Subsidiarity and Service in Administration
- Opportunism in Fiduciary Ethics
- Favoritism in Fiduciary Ethics
- Fiduciary Responsibility
- Institutional Responsibility
- Professional Responsibility
- Responsibility to Stakeholders
- Self-interest in Administrative Ethics
- Sustainability
- Stakeholders
- Trickle-Down Economics in Stakeholders
- Responsible Valuation of Stakeholders
- Strategic Stakeholder Valuation (Edward Freeman)

ISSUES IN WORK ETHICS

- Moral Authority
- Technical Authority
- Axiological Conditions
- Resource Conditions
- Time Conditions
- Working Conditions
- Physical Conditions
- Legal Conditions
- Psychological Conditions
- Social Conditions
- Organizational Democracy
- Taylorism and Fordism
- Human Dignity in Work
- Benevolent Dimension of Work
- Practical Dimension of Work
- Productive Dimension of Work
- Social Dimension of Work
- Work Dimensions
- Discrimination
- Diversity
- Empowerment
- Engagement
- Justice and Accountability in Compensation
- Ethics of Outsourcing
- Ethics of Living Wages
- Ethics of Variable Compensation
- Ethics of Participatory Management
- Ethics of Minimum Wage
- False Authority
- Inclusion
- Labor/Service
- Meaningful Work
- Mobbing
- Occupation
- Trade
- Paternalism
- Power (K+L)
- Justice in Compensation
- Profession
- Union Responsibility
- Ethical Salary
- Charisma
- Sweatshops
- Work
- Work and Effort
- Work and Personal Narrative
- Illicit Jobs
- Competitiveness
- Purpose
- Fellowship
- Unethical Warehousing
- Economically Fair Value: Market Price
- Vocation
- Welfare
- Right to Work
- Sympathy
- Community of Interests
- Labor Union
- Guild
- Responsible Union Negotiation
- Dominant Union Position
- Organizational Dominant Position
- Political Dominant Position
- Sectoral Dominant Position
- Anti-union Practices

ISSUES

ISSUES IN COMMERCIAL ETHICS

- Value Chain
- Formal and Material Cooperation
- Price Discrimination
- Double Effect in Business Ethics
- Pyramid Schemes
- Product Ethics
- Commutative Justice in the Market
- Pay-day Lending
- Ponzi Scheme
- Comprehensive Consumption
- Fair Price
- Predatory Lending
- Subprime Loans
- Golden Rule in Trade
- Consumer Sustainability (Household Finance)
- Usury

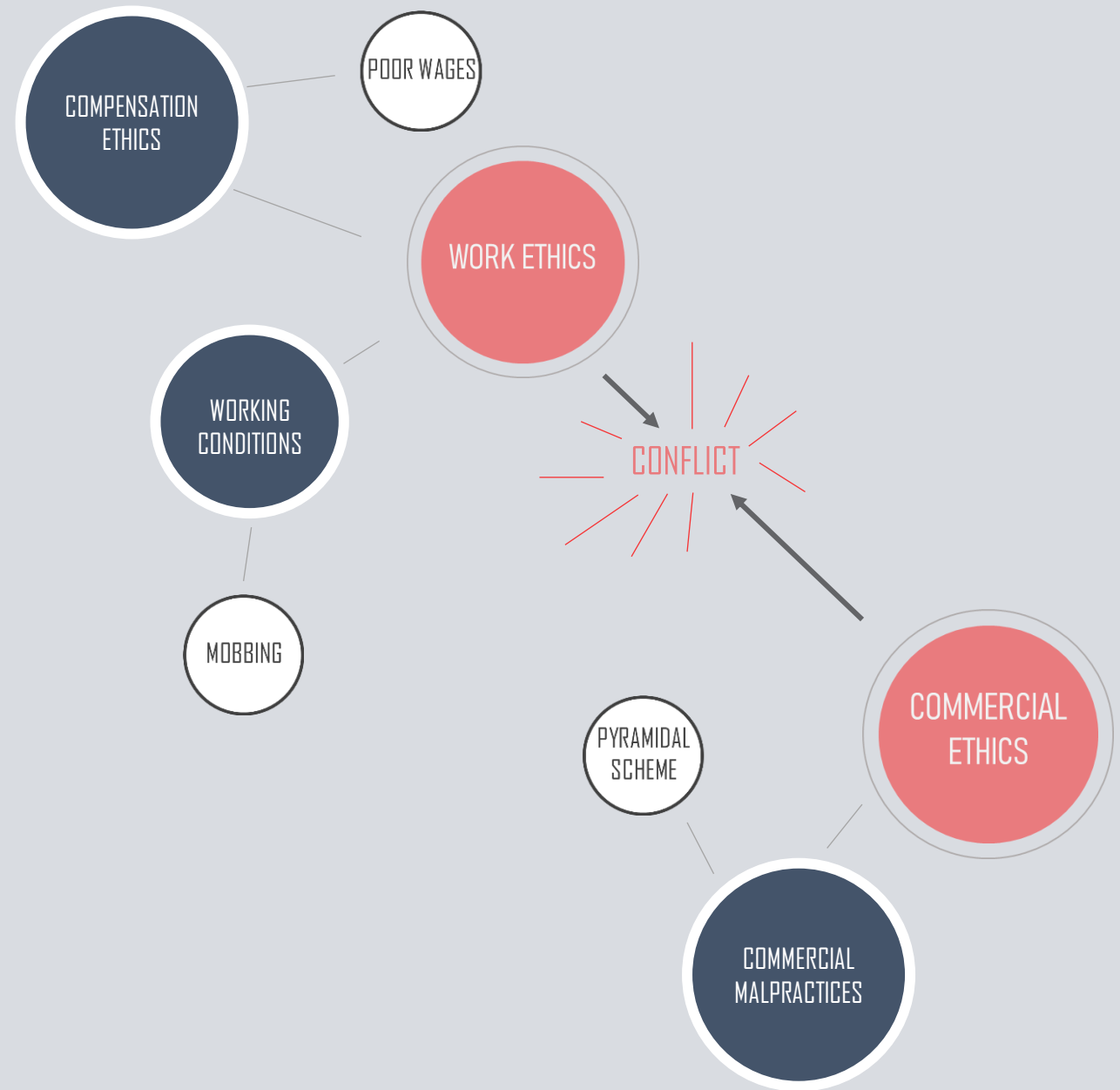
ISSUES IN CORPORATIVE ETHICS

- Circular Economy
- Corporate Citizenship
- Corporate Axiology
- Corporate Activism
- Corporate Riders
- Asset Stripping
- Public Good and Business
- Evasion
- Avoidance
- Unfair Taxes
- Bribery
- Corporate Philanthropy
- Monopolies
- Collusions and Cartels
- Interlocking
- Sustainability Ecosystem
- Privacy
- Intimacy
- Ethics of Social Networks
- Ethics of Artificial Intelligence
- Speculation
- Environmental Care
- Private Property in the Environment
- Conservation in the Environment
- Accessibility in the Environment
- Private Life and Public Life
- Values and Principles
- Ordoliberals
- Competition and Participation
- Private Bribery
- Ethics of the Data Industry

CONFLICT

Once we have located the areas, themes, and issues involved in the case, we can realize that there are many elements related to the case. This means, in practice, that it can be difficult to address a solution to the case if the areas of business ethics are too many to propose a realistic solution.

Therefore, it is necessary to make a decision and choose the areas, themes, or issues that seem to have the greatest relevance in the case. To do this, we identify what we consider the most relevant conflict, that which identifies in a more focused and significant way the problem, dilemma, or difficulty of the case.



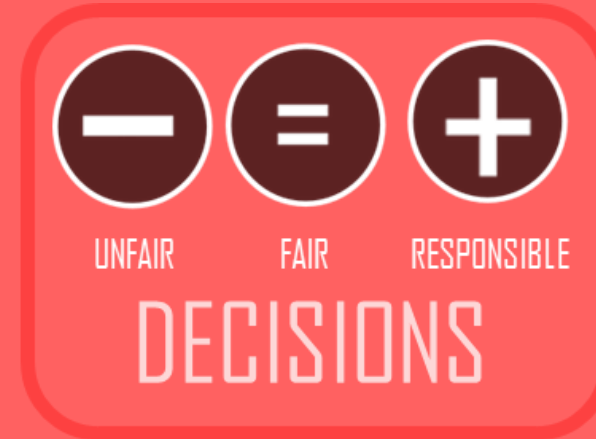
**TO WHAT
EXTENT**

To what extent both the situation in the case and the potential decisions are fair enough?

What must be changed in the case in order to move forward a situation of justice and responsibility?

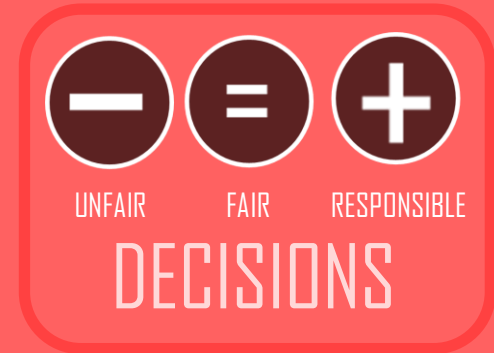
With 'qualitative analysis,' we refer to the degree of justice of the problem that we have seen in the case.

In this way, we move forward in considering that a particular situation is unjust, just (minimum justice), or responsible (maximum justice). However, the important thing is not simply to give an opinion, but rather to systematically justify it. For this, qualitative analysis makes use of the analysis schemes used in class to understand how fair or unfair a situation is.



In this sense, once we address the issue of justice, we already have advanced positioning of the problem. Thus, for example, we could say that La Polar was a scandal of Commercial Ethics and Administrative Ethics, where the actions of the executives were unjust towards customers and shareholders. In both areas, there are issues of justice, and to justify the injustice, we explain it based on what it means, for example, to engage in responsible commercial practice.

Now, to assess the fairness of a decision, it is possible to make a distinction in three areas: what is happening in the case, the decision that could arise in the case, and/or a hypothetical decision, which is not in the case but which we can propose.



i THE BUSINESS CASE

WHAT HAS BEEN DONE SO FAR...

¿IS UNFAIR, MINIMUM FAIR, OR RESPONSIBLE?

ii DECISIONS SEEN IN THE CASE

DECISION THAT HAVE BEEN TAKEN OR WILL BE TAKE IN THE CASE...

¿IS UNFAIR, MINIMUM FAIR, OR RESPONSIBLE?

iii AN HYPOTHETICAL DECISION

THE DECISION THAT YOU (STUDENTS) CONSIDER SHOULD BE TAKEN

CAN BE CONSIDERED FAIR OR RESPONSIBLE? WHY?

WHICH

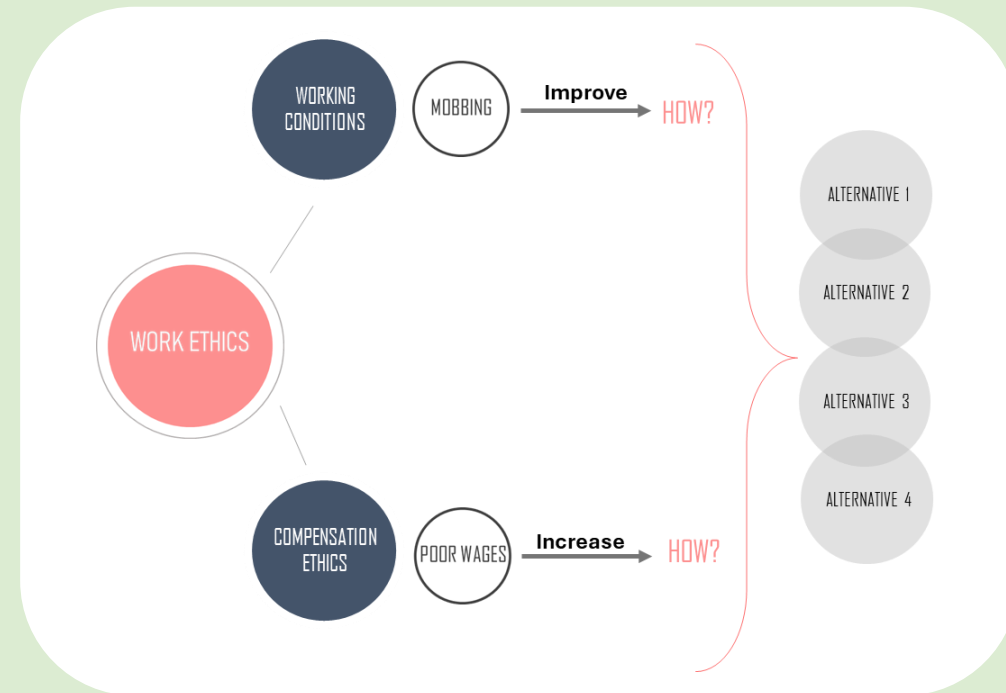
In the face of hypothetical decisions:

4.1. If the situation is unfair or minimally fair, what alternatives do I have to correct or improve it?

4.2. If the situation is already minimally fair, should I and/or can I improve it in any way? What alternatives do I have?

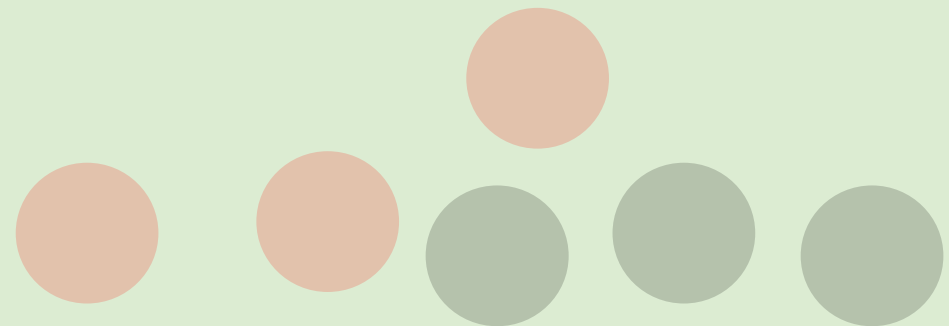
After identifying the problem of the case in one or more areas of business ethics, and if the case presents a problem or a dilemma (for example, the Volkswagen scandal), it is necessary to consider alternative solutions. This means proposing action scenarios that are worth reflecting on as a team. In other words, I should consider what alternatives existed and how they would have turned out if they had been effectively implemented, that is, the pros and cons of the different action scenarios.

For example, if we think that the productivity problem is related to labor ethics (area), but specifically to compensation and working conditions, it is important to consider what can be done and what consequences each alternative could have (for example, raising salaries may increase the sense of organizational injustice). This analysis can be depicted in a diagram like the one shown on the side.



And if the case has no conflicts and is already a case of success in good practices
Are there any related risks?

What happens if the case being analyzed is not a problem, scandal, or dilemma, but rather an example of a good practice (for example, Nike improves its working conditions)? In this case, it is not relevant to consider scenarios, but risks. This means that if a decision is correct (for example, Nike has effectively improved working conditions for its contractors in China), it must entail some risk (increased production costs and institutional responsibility risk).



HOW

¿How can I ponder my proposal?

Finally, if I have considered action alternatives, it is important to justify the one that seems best. That is, foreseeing (PROVISION) the most convenient decision. This final critical analysis is not merely a discussion of viewpoints but a relatively orderly process that responds to the integral parts of good decision-making or prudence:

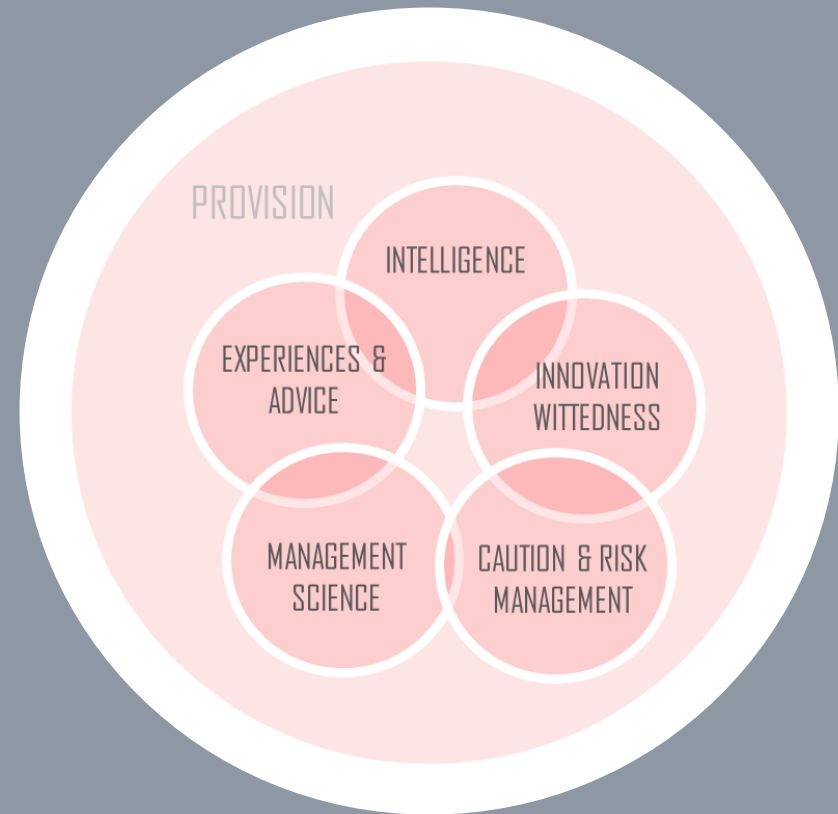
What has been done in similar circumstances and how has it turned out? / EXPERIENCES & ADVICE

Regarding what would be done, is there any new way of doing things? / INNOVATION & WITTEDNESS

What do the experts say? / MANAGEMENT SCIENCE (technical background on operational, financial practice among others)

What would I find out to decide better? / INTELLIGENCE

What sort of risk should I consider according to my decisions? / CAUTION & RISK MANAGEMENT



In this way, and after the entire process of critical analysis, we have moved from a correct assertion ("Madoff was wrong") to an understanding of the reasons why it was a bad practice, and furthermore, to a solution analysis that can materialize into a rather concrete action plan.