



Shanghai Jiao Tong University

FI420 Ethics and Financial Services

Instructor Information	Jean-Yves Corre Home Institution: Xi'an Jiaotong-Liverpool University Email: bestofmanagement@outlook.com Office Hours: Determined by Instructor		
Term	June 29, 2020 – July 24, 2020	Credits:	4 units
Class Hours	Monday through Friday, 120 mins per teaching day		
Discussion Sessions	2 hours each week, conducted by teaching assistant(s)		
Total Contact Hours	66 contact hours (1 contact hour = 45 mins, 3000 mins in total)		
Required Texts (with ISBN)	<p>Business Ethics, Decision making for personal integrity & social responsibility Authors: Laura p. Hartman / Joe DesJardins (published in Chinese) China Machine Press ISBN: 978 -7-111-32895-7</p> <p>Business Ethics Author: Joseph W. Weiss International Student Edition South Western Cengage Learning ISBN 9781626561403</p> <p>Business Ethics and Corporate Social Responsibility Authors: Paul Griseri and Nina Seppala South Western Cengage Learning ISBN: 978-1-4080-0743-3a</p> <p>Ethics in Finance John R. Boatright Ed Wiley Blackwell ISBN: 978-1118615829</p>		
Prerequisite:	N/A		



Course Overview

This course aims to provide frameworks and methodologies for postgraduate students to analyze and solve complex ethical issues, both at the individual level (business ethics) and organization level (corporate ethics). In particular, the course will give solid foundations for ethical making decision in various organizational and cultural contexts, and explain the role of leadership in relation to business ethics. The course focuses on the specific context of today's finance and banking global industry. It also brings a more general view of the role of ethics in the global finance and banking industry today, in particular regarding policies of Corporate Social Responsibility (CSR) at macro and micro level and how this influences the strategies and operations of financial and banking institutions.

The course will introduce the terms and definitions, concepts and theories for ethical decision-making, ethical leadership and ethics culture from multicultural perspectives. During the class, several movies based on real corporate stories (like '*Margin Call: be first, be smart or cheat*') will be used to debate real-based ethical issues in students groups. The course will introduce techniques for decision-making from philosophical and moral perspectives, and will compare various approach to business ethics in organizations, compliance-based and value-based perspectives based on case examples in the finance sector.

The course will take a combined *internal* and *external* perspectives, and bring multiple perspective on the question of business ethics: the role of culture, leadership, risk management and control systems. We will describe the various components of an ethics program, codes of conduct and ethics codes, and common assurance frameworks in finance and banking institutions.

From more macro perspective, the course will discuss several CSR strategies, models and best practices, as well as CSR reporting, explain the role CSR in relation to strategy, risk and reputation management, and how CSR strategies can become integral part of corporation's strategies and business models through integrative approach. The course will use several case studies in the banking sector to help understand strategies, policy making, and corporate reporting in the finance and banking sector. It will compare how institutional contexts that also affect CSR and business ethics, in particular between China and Western countries. The course will review latest trends and best practices in the finance industry dealing with employees, consumers and environmental issues and takes several examples from the financial industry to understand CSR from both local and international perspectives. The course will aim to better understand then role of business ethics in internationalization of finance organizations.

The last part of the course will discuss ethical issues in a more global context and interconnected world, including issues related to environment, demographics, with a particular focus of industry-wide issues in the financial services industry. The objective is to get better understanding of such issues through the recent story and implications of the global financial crisis, the role of anthropologists, thinkers, and of Higher International Education in finding new ways of thinking to resolve those issues.

During the course, students will undertake their own research with regard to the exposure of financial institutions to business ethics. In addition, suitable, selected readings are discussed, providing the students with more insights regarding each field. As a course requirement, students need to present (usually in teams of two or three) twice over the course period a



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specific business ethics topic and prepare a well-organized handout on key facts (max. 3 pages) for their colleagues.

Learning Outcomes

After attending this course students will:

- Apply ethical decision-making tools to analyze and solve complex ethical issues;
- Understand the role of culture in business ethics the role of leadership, and control and design systems for ethics policies in finance and banking institutions;
- Apply management frameworks, and managerial methods for effective implementation of CSR policies in finance and banking institutions: reporting, corporate communication, measurement and controls;
- Understand institutional and compliance frameworks in the finance sector and how this affects strategies, business models and the internationalization of organizations in that sector;
- Discuss ethical and governance issues from a global perspective affect finance and banking institutions today's worldwide.

Assessment Type

A team of two or three students will prepare a selected case study with every team member preparing (reading, understanding, summarizing) a specific part of it. The team will present its prepared reading section together in class (presentation) and will also produce a consistent, well-structured handout (2-3 pages) of the selected reading to be shared with the class.

What is graded in the presentation?

1) The quality of your prepared section. Guiding questions: Does your prepared section have substance? Is your section well structured? Is it an adequate summary of your reading section?

2) The quality of your presentation: Guiding questions: Is your presentation well structured? Are your slides adequately prepared and not overloaded with information? Is your presenting style adequate (do you speak freely; do you know what you are actually talking about)?



3) Do you harmonise together as a team? Is your presentation as a team well coordinated?
(only relevant for team score)

What is graded regarding the hand-out/summary of the reading section?

- The quality of your written part. Guiding questions: Does your prepared section have substance? Is your section well structured? Is it an adequate summary of your reading section? Is it written in a readable, accessible manner?

- The quality of the entire handout. Guiding questions: Is the entire handout well structured? Do all parts integrate well? (only relevant for team score)

Assessment Grading Policy

Your assessment consists of three parts: preparing your own reading section, presenting this in class alone or together with one or two more colleagues, and lastly preparing a hand-out (short summary of the reading section) of max. 3 pages for your colleagues.

Presentation of the reading section (individual 40% + team score 10%)	50%
Hand-Out/summary of reading section (individual 20%, team score 20%)	40%
Attendance	10%

Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2
62-64	C-	1.7
60-61	D	1
≤59	F (Failure)	0



Class Schedule

Date	Lecture	Methods/Pedagogy (Essential Materials)	Reference Book	Other Reading Materials
Day 1	Course Introduction Session 1: Ethical Decision-Making - part I	Extracts of Movie “Margin Call” (& questions for group discussion)	Chapter 2 Chapter 3	Guide to Essential Reasoning
Day 2	Session 1: Ethical Decision-Making - part II Assessment and Group Assignment Preparation Guidelines	Case-study: ‘Jerome Kerviel: rogue trader of misguided employee’	Chapter 2 Chapter 3	
Day 3	Session 2: Introduction to CSR and Business Ethics – part I	Extracts of Movie “Inside Job” (the case of Iceland)	Chapter 1 Chapter 5	The stakeholder Corporation: a business philosophy for the Information Age', by Thomas Clarke (Elsevier, 1998)
Day 4	Session 2: Introduction to CSR and Business Ethics – part II	Quiz Test 1	Chapter 1 Chapter 5	Interview articles (Philippe Van Parijs, Kenneth Iversen)
Day 5	Session 3: Ethics, Culture & Leadership – part I	Movie: ‘Enron: the smartest guys in the boardroom’ (case study – please read in advance)	Chapter 4	‘Aesthetic Leadership in Chinese Buisness: a Philosophical Perspective’
Day 6	Session 3: Ethics, Culture & Leadership – part II	‘Managing yourself’. Video Ed.Center for executive renewal	Chapter 4	



Day 7	Session 4: Ethics Systems and Governance – part I	RPB case (short case study) ‘What a Board can do’ (source: Independentaudit Ltd) Extract ‘Governance of Listed Companies in China, OECD, 2011) IIA Code of Ethics	Chapter 4 Chapter 10	Survey (Independent audit.com) Article ‘Culture clash’ (Internal Audit Review, 2010_
Day 8	Session 4: Ethics Systems and Governance – part II	Short-case Exercise (‘Majonica’) Quiz Test 2	Chapter 4 Chapter 10	
Day 9	Session 5: CSR Strategies & Models - part I	Article: “Strategy and society: the link between competitive advantage and corporate social responsibility”, Michael E.Porter and Mark. R. Kramer	Chapter 6 Chapter 8	
Day 10	Session 5: CSR Strategies & Models - part II		Chapter 6 Chapter 8	
Day 11	Session 6: CSR Policies & Reporting - Part I	Extract ‘Governance of Listed Companies in China, OECD, 2011)	Chapter 7 Chapter 9	Research Articles & Reports for class discussion
Day 12	Session 6: CSR Policies & Reporting - Part II		Chapter 7 Chapter 9	Research Articles & Reports for class discussion
Day 13	Session 7: Case studies (group presentations)	Students Presentations (group assignment)		



Day 14	Session 7: Case studies (group presentations)	Students Presentations (group assignment)		
Day 15	Session 8: Ethics in a global and interconnected world – part I	<p>Extract of Movie ‘Too Big to fail’</p> <p>‘A Chinese view of governance and the financial crisis: an interview with ICBC's chairman', Mc Kinsey Quarterly, 2009 (please read in advance)</p> <p>Open Yale Courses “Global problems of population growth’</p>	Chapter 10	Research Articles & Reports for class discussion
Day 16	Session 8: Ethics in a global and interconnected world – part II		Chapter 10	Research Articles & Reports for class discussion
Day 17	Session 9: Ethics in Corporate Governance Codes	Examples of Codes of Ethics	Chapter 10, 4	Research Articles & Reports for class discussion
Day 18	Session 10 Ethics, internal audit and assurance	IIA Code	Chapter 10	Research Articles & Reports for class discussion
Day 19	Session 11: Wiki session			
Day 20	Session 12: Course Summary		All chapters	