University of Notre Dame
MENDOZA COLLEGE OF BUSINESS

MBA

Ethical Leadership and Integrity in Business
MBET 70630-01

Course Guide & Assessment
Jan-March 2013
Spring Semester

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Days of week: Tuesdays & Thursdays

Draft (subject to modification)
PREAMBLE

“The supreme quality for leadership is unquestionably integrity. Without it, no real success is possible, no matter whether it is on a section gang, a football field, in an army, or in an office” -- Dwight D. Eisenhower

Lack of integrity in business leadership is not merely a moral issue. Ultimately, it is a strategic problem that undermines the competitiveness of Business - PJ

The rapidly changing world of the 21st century presents new challenges – and new opportunities to business. One of the most critical challenges is how to restore trust and confidence in business as a whole and in business leadership in particular, following the persistent corporate scandals of our times. As Edward Muller (2005) cogently points out in *The Leadership Integrity Challenge* quite apart from exposing unprecedented greed and fraud, these scandals have been a powerful stimulus to look more deeply at the ‘soul’ of the corporation (to the satisfaction of naiveté critics), and scrutinise the issues of governance and leadership beyond “compliance to arbitrary sets of rules and laws”. Ultimately, these scandals serve as a stimulus to “create the context for rethinking organisational ethics and leadership”. An environment of integrity is not merely *ethically* desirable, but *strategically* vital. It points towards the need to re-align the corporation in its entirety: its sense of purpose and mission; its ability to deal with challenges; and how it relates to its employees, customers and the *ecology*.

The course will familiarize the students with core ingredients to a strategic (action-oriented) and critical approach to raising the integrity standard of corporate leaders.

RATIONALE FOR THE MODULE

Integrity requires the alignment of competence, accountability and core values of the corporation with the moral character of the leader. There are significant differences in the perception of what constitute ‘ethical’ leadership, let alone what leadership qualities matter
most. Of critical importance are contextual differences that can be traced to the following principal areas:

- **Institutional evolution**: Different business organisations have distinctive patterns of leadership development, which reflect their distinct orientations.
- **Cultures and Values**: Differences in values and attitudes call for care in the application of moral norms.
- **Competition and competitive behaviour** also differ in significant ways across nations.
- **Risks and discriminatory interventions**
- **Issues of Organization and control**.

Taking into consideration these underlying issues, the module analyses the different approaches used to instil moral character in leadership and integrity within the organisation. It is designed to enhance students’ understanding and appreciation of the moral challenges of leadership. The different dimensions of leadership and their link with integrity will be examined. Ultimately, the course seeks to demonstrate how integrity can enhance the value of business in its relation to the society and the environment, beyond financial dividend narrowly understood.

The agenda of the module of the course can be summed up as follows:

- **First**, to understand and appreciate the impact of ethical leadership and moral campus on business (**Integrity IN Business**)
- **Second**, to demonstrate how ethical leadership/ moral campus of the leader is influenced by the strategic orientation of the organisation (**Integrity OF Business**)
- **Third**, why the two dimensions (integrity IN and integrity of Business) are important for sustained competitiveness of the organisation.

_in short:_ Lack of integrity in business leadership is not merely a moral issue. Ultimately, it undermines the strategic mandate of Business.

**LEARNING OBJECTIVES**

Our learning objectives include the following:
1. **Ethical Awareness and Recognition**: Exploring the ethical dimension, which is implied, though often not revealed, in both the practice and the study of business leadership. If this dimension is not perceived and understood, ethics cannot become a proactive factor for business.

2. **Ethical Knowledge**: Identifying key ethical concepts and understanding different ethical approaches and theories on leadership. Understanding different viewpoints is essential for ethical dialogue and praxis.

3. **Ethical Judgment**: Improving the skills of moral reasoning and ethical decision-making is indispensable for "good" decision making.

4. **Ethical Implementation**: Effective action and implementation require both moral courage and tactical savvy. Consistently effective ethical action requires an understanding of the fundamental drivers of moral and immoral behavior.

5. **Ethical Reflection and Idealism**: Ethics at its best involves not just the episodic exercise of deliberative reason with respect to particular dilemmas that emerge, but also and ongoing reflection on what most matters in life and how to live accordingly. At Notre Dame a strong effort is made to educate the whole person by fostering integrity and an ethical idealism that should pervade both the personal and organizational spheres of one’s life. A sense of commitment to a larger purpose rooted in one’s core values and beliefs, whatever they may be, is fostered within this course, the ethics curriculum and the ND MBA program.

In short: the key objective of this course is to enable each participant to unleash his/her potentials as a fully integrated moral leader.

**RESOURCES AND LITERATURE**
Although there are no prescribed texts for this course, the following texts provide useful insights:


*Journals*

Course participants are expected to undertake extensive personal reading on the various dimensions of Leadership, Ethics and Integrity. Some of these will be provided within specific topics but participants are encouraged to find out their own resources from journals, periodicals and magazines. The Journal articles used in this course are available in soft copy for all students as basic reference. You are advised to source out other literature.

**TEACHING & LEARNING STRATEGY**

The teaching team favour a participative approach throughout the module. The course will be delivered through a combination of lectures and compulsory readings and reflection. Whereas interactive lectures will address the key course topics, we will have interactive group discussions.
Seminars

The seminars are designed to deepen your critical understanding of the core issues on Leadership Integrity and ethics. Additionally, they provide a forum in which your ability to articulate and critically present ideas in a group environment are enhanced. To foster independent learning, you will be expected to lead some of the tasks that drive the seminars, with the lecturer acting as an informed facilitator.

Attendance is mandatory; it is critical that each student engages in the learning process. Participants are expected to prepare for seminars, including completing the designated readings in time. Students, in self-selected groups, must select, and commit, to leading a number of topics from the seminar list.

STRUCTURE OF THE COURSE AND TEACHING PROGRAMME

The course is structured around and will address three fundamental sets of questions of leadership and integrity in Business?

1. **Part One: Integrity ‘IN’ Business.** What is integrity? What is its impact on ethics and leadership in Business?
2. **Part Two: Integrity ‘OF’ Business.** Why should leaders behave with integrity? How can we draw a synergy between the “economic mandate” of Business and ethics? Does strategy matter and to what extent?
3. **Part Three: Integrity, Business and Society (Integrity ‘FOR’).** How do we relate the economic mandate of business with the ‘ecological mandate’?
# Part 1: Leadership, Ethics and Integrity: Concepts and Organisational Dynamics (Integrity “IN” Business)

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<thead>
<tr>
<th>Week commencing</th>
<th>Tuesdays Room: MCOB 134</th>
<th>Thursdays Room: MCOB 134</th>
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| **01/14/13**    | **Lecture: 01/15/2013**  
1. **General Introduction:** module aims, approach, & assessment. Introduction to Leadership, Ethics and Integrity; concepts, definitions and issues.  
**Lecture Resources:**  
**Class Task**  
Discuss: Discussion of mandatory reading:  
Questions:  
- To what extent does “Reputational Capital” impact on integrity?  
- How adequately does ‘reputation’ represent ‘integrity’?  
Use examples where applicable.  
**Required Reading(s) for lecture**  
| **01/14/13**    | **Lecture/Discussion: 01/17/13**  
**Class Task**  
Discuss: Discussion of mandatory reading:  
Questions:  
- To what extent does the leader’s integrity serve as useful predictors of followers’ actions? (see p 109)  
- Identify the underlying assumptions in this article in the light of the lecture  
**Required Reading(s) for lecture**  
| **01/21/13**    | **Lecture: 01/22/2013**  
2. **Dimensions of integrity and the challenge of leadership:** (a) inter/personal (b) cultural (c) organizational (d) civic (e) ecological/natural; (f) spiritual  
**Lecture Resources:**  
- Marvin Brown. Chaps 4-7  
- Morler, Edward. Chapt 3  
**Lecture/Class Task**  
Discuss based on the mandatory reading  
Questions:  
- To what extent does the leader’s integrity serve as useful predictors of followers’ actions? (see p 109)  
- Identify the underlying assumptions in this article in the light of the lecture  
**Required Reading(s) for lecture**  
### Sessions Five & Six
01/25/13

**3. Leadership, Character and the challenges of personality**
The shadow side of leadership; elements of character; leadership qualities: competence, openness, accountability, value

Watch the Video: **Abraham Lincoln**

*Lecture Resources:*
- Johnson Craig (2001). *Meeting the Ethical challenge of Leadership.* Chapt.2

**Lecture/Class Task**
In the light of the video *Abraham Lincoln*, critically comment on the challenges of transformational leadership, and the role of integrity in decision-making.

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<th>Required Reading(s) for lecture</th>
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### Sessions Seven & Eight
02/07/13

**Seminar Task**
(To be provided in week three)

*Seminar*
*Discussions and presentations by groups*  

**Part 2**
Leaderships, Ethics and Economic Mandate of Business ("**Integrity OF** Business")
### Sessions Nine & Ten
02/14/13

#### 5. Leadership, Integrity and Values:
The role of trust, transparency. Spiritual values and leadership success

**Lecture Resources:**

**Class Task**
Discuss: Discussion of mandatory reading:

**Questions:**
- To what extent does “Reputational Capital” impact on integrity?
- How adequately does reputation represent integrity?

**Use examples where applicable**

**Required Reading for lecture**

### Session Eleven & Twelve
02/21/13

#### Strategic Leadership in Dynamic Environment:

**Lecture Resources:**

**Discussion Questions:**
- To what extent can spiritual value promote effectiveness and competitiveness (the strategic mandate) of an organisation?

**Required Reading for lecture**

### Part Three
Leadership, Ethics and Contemporary Challenges (Integrity FOR)

### Sessions 13 & 14
02/28/13

#### Leadership, Integrity & Corruption

**Required Reading for lecture**
- To be provided
<table>
<thead>
<tr>
<th>Sessions 15 &amp; 16</th>
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<tr>
<td>Eco-Leadership, Integrity and “Green” Business</td>
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<td><strong>Read:</strong></td>
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<th>Sessions 17 &amp; 18</th>
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<td><strong>Leadership, Governance, Human Rights and Business</strong></td>
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<td>Governance, Social Responsibility, the Environment &amp; International Business Strategy</td>
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<td>Readings: Lasserre, pp. 393-418</td>
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<td>Mellahi et al. pp.99-123</td>
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<td><strong>Leadership, Business and the Common Good</strong></td>
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<th>Session 21</th>
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<td><strong>Conclusions:</strong></td>
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<td>Towards a framework for Leading with Integrity (Checklist)</td>
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### ASSESSMENTS

**Rationale and Modality**

In this module, the assessments are designed to encourage your learning and provide a forum where you can demonstrate that you have assimilated well the content of the lectures. Assessment is based on one group presentation worth 25% and a Term Paper at the end of the semester (75%).

**1. Group Presentation (25%)**

This assessment will involve students working in groups of 6 (maximum) on a specific topic or theme. The theme will be provided during the first week and will require you to carry out a research on the theme, identify key points for presentation and discussion. You are required
to make a **presentation in class, not exceeding 20 minutes.** The presentation will be spread out throughout the semester, starting from the third week..

*Written Paper (75%)*

Each student will be required to submit a final written paper (10 pages maximum) on a topic to be provided. This paper should be handed in a week after the completion of the course.