

University of Cologne

**Seminar: BEHAVIORAL ETHICS**  
Area Corporate Development



Syllabus - Summer term 2015

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Instructor:	Prof. Bernd Irlenbusch	office_codebe(at)uni-koeln.de
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Time & Location:	Thu, 10:15 - 11:45, Room No.: 3.206 Universitätsstraße 22a (Studierenden Service Center)	

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## COURSE OVERVIEW

Against the backdrop of an increasing integration of economic activities and the necessity of sustainable action, understanding the borderline conditions of compliance seems crucial when you think of the numerous scandals in business such as Enron and BP or the continuous occurrence of instances of corruption in both, politics and business. In this spirit, the impact of ethical considerations, institutional arrangements and personal dispositions on “soft compliance” has recently received substantial attention. The aim is to better understand how and why unethical behavior and decision-making emerge despite multiple control and monitoring systems. The basic notion is that people might act unethically without being aware of it. Moreover, systematic and predictable organizational pressures and psychological processes might cause people to engage in ethically questionable behaviors that are inconsistent with their own, their company's or society's goals. The aim of the behavioral ethics seminar is two-fold: We want to shed light on the circumstances under which agents tend to be (non-)compliant and consider potential remedies against unethical activities. Students will elaborate their own research projects to study compliance from a behavioral perspective. In class, we will focus on the following aspects of compliance: Ethics and compliance, Incentives and sanctions, Monitoring, Soft paternalism and nudging, Autonomy and power, Information asymmetries, Framing, Four-eyes principle.

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## COURSE STRUCTURE

The course is held weekly. For each session, students will investigate a list of research articles to be jointly discussed in class. To enhance the intellectual exchange among students, a specific component of compliance is explained by one student; a second student presents behavioral perspectives and empirical evidence on the component; a third student discusses practical implications for companies and potential case studies. During the discussions students of the course have the opportunity to intensively exchange their arguments and reflect on the lessons that can be drawn for the ethical debate on compliance from an applied perspective. In the second part of the course students will have time to develop their own research project on compliance in groups of three students. Finally, each student/group writes an essay which is to be submitted until August 31, 2015.

## ATTENDANCE

Students register for the course during the opening meeting. Since it is impossible for you to participate in and benefit from class discussions when you are absent, your attendance at every class recommended. It is also highly recommended to actively participate in class to earn a comprehensive understanding of the discussed issues and for an excellent preparation of your essay.

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## GRADING

Grades are based on: 1. Your introduction and discussion of one specific component of compliance (50%), 3. The presentation of your team's research project (25%), 4. Your essay (25%).

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## COURSE LANGUAGE

English

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## CREDIT POINTS

6 ECTS

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## LITERATURE

For each topic that will be covered there is a list with required readings prepared by the students. We expect you to read these texts for a thoroughly class preparation. If you want to gain further knowledge in a specific topic you can refer to additional readings. We will provide you with the texts on request.

### Introductory readings:

- Bazerman, M. H. (2013). Becoming a first-class noticer. How to spot and prevent ethical failures in your organization. *Harvard business review*, 92(7-8), 116-9.
- Burks, S. V., & Krupka, E. L. (2012). A multimethod approach to identifying norms and normative expectations within a corporate hierarchy: Evidence from the financial services industry. *Management Science*, 58(1), 203-217.
- Cohn, A., Fehr, E., & Maréchal, M. A. (2014). Business culture and dishonesty in the banking industry. *Nature*.
- Dal Bó, E., & Dal Bó, P. (2014). "Do the right thing:" The effects of moral suasion on cooperation. *Journal of Public Economics*, 117, 28-38.
- Gino, F., Krupka, E. L., & Weber, R. A. (2013). License to cheat: Voluntary regulation and ethical behavior. *Management Science*, 59(10), 2187-2203.
- Kaplan, J.M. (2013): *Behavioural ethics - Don't rely solely on good intentions*.  
[csj.hkics.org.hk/wp-content/uploads/cs-j-2013-february.pdf](http://csj.hkics.org.hk/wp-content/uploads/cs-j-2013-february.pdf)
- Singh, N., & Bussen, T. J. (2015). *Compliance Management: A How-to Guide for Executives, Lawyers, and Other Compliance Professionals*. ABC-CLIO.
- Treviño, L. K., Weaver, G. R., & Reynolds, S. J. (2006). Behavioral ethics in organizations: A review. *Journal of management*, 32(6), 951-990.
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**IMPORTANT DATES (tentative schedule)**

Date	Event/Topic
Thu, 16.04.2015	Opening session, registration
Thu, 23.04.2015	Individual coaching
Thu, 30.04.2015	Topic 1
Thu, 07.05.2015	Topic 2
Thu, 14.05.2015	No class! (Ascension Day)
Thu, 21.05.2015	Topic 3
Thu, 28.05.2015	No class! (Whitsun holidays)
Thu, 04.06.2015	No class! (Corpus Christi)
Thu, 11.06.2015	Topic 4
Thu, 18.06.2015	Topic 5
Thu, 25.06.2015	Topic 6
Thu, 02.07.2015	Individual coaching
Thu, 09.07.2015	Final presentations
Thu, 16.07.2015	Final presentations
Mon, 31.08.2015	Submission of essay