

Universitas Islam Indonesia

Faculty of Economics

INTERNATIONAL PROGRAM



ISLAMIC STUDIES PROGRAM

Syllabus: Business Ethics from an Islamic Perspective

Lecturer:	M. B. Hendrie Anto, SE, MSc
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Credit (CP):	4
Consultation Times:	By appointment
Class Duration:	Two and a half hours per week for 12 weeks

Subject Description:

This subject is designed to enable students understand, analyze and describe moral issues in business and ways to deal with such issues. It also serves a purpose to enable students to behave and make business decision in an ethical manner. Cases will be presented in addition to a theoretical perspective beginning with a discussion of the nature of business in a complex, dynamic, global environment. Encompassing economic systems, social contracts of corporations and corporate social responsibilities, the next topic covers ethics, morality and moral reasoning, explaining their role in business administration, following ethical aspects of business activities and how an ethical culture can be created and maintained.

Course Objectives:

After finishing this course, the students will be able to:

1. describe the nature of businesses in a complex, dynamic and global environment and why they require ethics
2. understand and describe the concept of ethics and morality

3. explain corporate social responsibilities
4. explain ethical behavior and how to create ethical culture
5. make business decision in ethical manner, and
6. compare conventional with Islamic perspective of business ethics

Assessment:

The final grade will be determined by a composite evaluation of the student’s performance based on the following assessment areas:

Task	Value	Deadline
Case Report and Class Participation	30%	Recorded throughout the semester
Individual Research Assignment	20%	Session 18 (week 10)
Mid Test	25%	During first exam period (week 7)
Final Test	25%	During second exam period (week 15)

Case Report and Class participation:

As this course is using the case method, your attendance and participant is **a must**. In addition, before attending the class you have to read the chapter(s) and or reading(s) assigned to you. These all will help you understand and make it easier for you to taking this course.

Individual Research Paper:

Students will be required to submit an individual research paper. You may choose your own topic based on Islamic business ethics, however consultation for the topic is required. The paper should contain no less than 2500 words.

Examinations:

There will be one midterm-test and one final-term test. The exams are 90 minutes in duration and consist of short essay questions.

Grading System:

Based on university policy, a pass grade or better will only be given to students who achieve a final grade above 55%.

Total	Grade
86 - 100	A
83 - 85	A-
80 - 82	A/B
76 - 79	B+
71 - 75	B
68 - 70	B-
64 - 67	B/C

Total	Grade
61 - 63	C+
56 - 60	C
53 - 55	C-
49 - 52	C/D
45 - 48	D+
35 - 44	D
0 - 34	E

Policy on assessment:

Essays and assignments will not be accepted after the due date unless arrangements for an extension of time have been made prior to the due date. If you do not agree with the result that you achieve for any piece of assessment for this subject please contact the lecturer immediately. You have a right to know the reasons why your work has received a certain grade and to request it be reassessed if you believe it has been unfairly assessed.

Warning Concerning Academic Misconduct:

The International Program expects all students and staff to act with honesty and integrity in all matters. That means being truthful and recognising the intellectual ownership of other people's words, ideas, research findings and information. To not do so academically dishonest and may incur a range of penalties. Academic misconduct includes plagiarism, collusion, cheating in examinations, misappropriating the research of others and misrepresenting research findings.

What is plagiarism?

Plagiarism is the using of another person's ideas or expressions without appropriate acknowledgment and presenting these ideas or forms of expression as your own. It includes not only written works such as books or journals, but data or images that may be presented in tables, diagrams, designs, plans, photographs, film, music, formulae, web sites and computer programs. Plagiarism includes the use of the work of lecturers or other students as your

own without acknowledgment. Self-plagiarism is the reuse of your own work without indicating that you have reused it.

Quoting and Paraphrasing:

A quote occurs when you use 5 or more words from another source exactly as the words appear in the original. You are allowed to incorporate quotes from the work of others into your work. However, only up to 10% of your work can be quoted. A paraphrase is restating what someone else has said or written *using your own words*. A paraphrase is not achieved by simply altering the words from another source slightly. A slight rewording is still effectively a quote. You must either:

- Provide an *exact* quote (and indicate that it is a quote)
- Provide an appropriate paraphrase of the ideas in your words.

An appropriate paraphrase is normally achieved by reading and taking notes, then *closing the book and writing your own words*.

What is collusion?

Collusion involves working with others with the intention of deceiving examiners about who actually completed the work. For example, if a student employs someone else to do their work for them, that would constitute collusion. Or if one student willingly allows another student to copy their work for an individual assessment task, that would constitute collusion. In that case both students may have committed an academic offence. Collusion is not the same as collaboration. Collaboration is working together on a task; collusion is doing so in an unauthorised manner. What is authorised varies from task-to-task. For example, collaboration is allowed or expected on many assignments, but for other tasks such as exams and some in-class or online tests no collaboration is allowed. If you have any doubt about what constitutes authorised and unauthorised collaboration on a particular task you should consult IP management.

Avoiding plagiarism:

Plagiarism is avoided by appropriately acknowledging sources of your ideas or expressions. In this unit this entails:

1. Providing an in-text citation using the APA referencing system at the place where any idea or expression from another source is used, whether directly quoted or paraphrased; and
2. Clearly indicating where material is directly quoted (a direct quote occurs if 5 or more words from another source are used exactly as they are used in the original) by using quotation marks for short quotes or indenting for longer quotes; and
3. Providing a full reference to the source in a list of references at the end of the work, again using the APA referencing system.

Important Note: the *APA Referencing Guide* can be obtained from IP management

Lecture Program / Topics:

Session	Topic	Reading
1	Introduction <ul style="list-style-type: none"> • Describing class organization & policy • Research project 	
2	The Nature of business and its environment <ul style="list-style-type: none"> • The definition of business • The goals of business • Business organization • Business environment 	RB, ch. 1 EF
3	Business and ethics <ul style="list-style-type: none"> • The nature of business ethics • Why do business need ethics • Moral development & moral reasoning • Arguments for and against business ethics 	MV, ch. 1 RD, ch. 1
4	Ethical principles in business <ul style="list-style-type: none"> • Ethical theories 	MV, ch. 2; RD ch 2,3,4 CK ch 2
5	Economic systems <ul style="list-style-type: none"> • Capitalism • Socialism • Mixed economy 	MV, ch 3 RD, ch. 7 SB, ch 4
6	Ethics n the marketplace <ul style="list-style-type: none"> • Perfect competition • Monopoly competition • Oligopolistic competion 	MV, ch. 4
	Case #1 A Japanese bribe	
7	Corporate <ul style="list-style-type: none"> • Limited liabilities • Corporate moral agency 	SB, ch. 5 RD, ch 5
8	Corporate social responsibilities <ul style="list-style-type: none"> • Social contract • Societal social contract • Business social contract 	RR CK, ch. 4 MF JF
9	Ethics and External environment <ul style="list-style-type: none"> • Business and ecology 	CK, ch. 8 MV, ch. 5

	<ul style="list-style-type: none"> • Ethics of environmental protection • Cost allocation 	SB, ch. 11
10	Ethics of consumer <ul style="list-style-type: none"> • Market and consumer protection • Issues on advertising 	MV, ch. 6 RD, ch. 10 SB, ch. 10
	Case #2 Bhopal – Union Carbide	
11	Business ethics in the workplace <ul style="list-style-type: none"> • Workers' rights and duties within the firm • Whistle blowing 	SB, ch. 7,8 MV, ch. 8 RD, ch. 14,15
12	<ul style="list-style-type: none"> • Discrimination • Affirmative action • Reverse discrimination 	MV, ch. 7 RD, ch. 16 SB, ch. 9
13	Business ethics and investment decision <ul style="list-style-type: none"> • Takeover and restructuring • Investing ethics 	RD, ch. 12
14	Business ethics in global environment	RD, ch. 18,19 TN, ch. 11
	Case #3 Sexual harassment, free speech	
15	Building and developing ethical culture <ul style="list-style-type: none"> • The meaning of ethical culture • Value and value systems • Audit of ethical culture 	
16	Creating ethical culture <ul style="list-style-type: none"> • Formal systems • Informal systems 	TN, ch. 10
17	Socializing and communicating ethical culture	TN, ch.10
18	Internalizing and crystallizing ethical culture into individual and corporate behavior	DB, ch. 4
	Case #4 The Surabaya air conditioning company	
19	Islamic perspective of business ethics <ul style="list-style-type: none"> • Conventional vs. Islamic perspective • Qur'anic concepts of business 	MA, ch. 4 See also Jurnal Ulumul Qur'an
20	Qur'anic view of walth <ul style="list-style-type: none"> • Distribution of wealth and its effect on society 	MA, ch. 5,6
21	Approved and disapproved of business conduct	MA, ch. 7,8
22	Implementation of Qur'anic principles in business life	MA, ch. 9

Readings:

Text Books

1. Manuel G. Velasquez (1998), Business Ethics: Concept and cases, 4th edition, Prentice Hall Inc. **(MV)**
2. Richard T. De George (1995), Business Ethics, 4th edition, Prentice Hall Inc. **(RD)**
3. William H. Shaw and Vincent Barry (1992), Moral Issues in Business, 5th edition, Belmont California: Wadsworth Publishing Company **(SB)**

Additional Readings

1. George Chryssides and John Kaler (1996), Essential of Business Ethics, McGraw Hill. **(CK)**
2. Linda K. Trevino and Katherine A. Nelson (1995), Managing Business Ethics, John Weley & Sons. **(TN)**
3. John Drummond and Bill Bain (1994), Managing Business Ethics, Butterworth Heinmann. **(DB)**
4. Mushtaq Achmad (1995), Business Ethics in Islam, International Institute of Islamic Thought and International Institute of Islamic Economics **(MA)**
5. Rogene A. Buchholz (1986), Business Environment and Public Policy, 2nd edition, Englewood Cliffs, NJ: Prentice Hall Inc. **(RB)**
6. Yusuf Qardhawi (1997), Norma dan Etika Ekonomi Islam, Gema Insani Press **(YQ)**
7. Robert B. Reich (1998), The New Meaning of Corporate Social Responsibility, California Management Review, Summer, Vol. 40, no. 2, pp. 8-17 **(RR)**
8. James Fieser (1996), Do Business Have Moral Obligation Beyond What the Law Requires? Journal of Business Ethics, 15, pp. 457-468 **(JF)**
9. Milton Friedman (1970), The Social Responsibility of Business is to Increase Its Profits, Harvard Business School **(MF)**
10. William M. Evans and R. Edward Freeman (1988), A Stakeholder Theory of the Modern Corporation: Kantian Capitalism, in Beauchamp and Bowie (eds), Ethical Theory in Business, 3rd edition, pp. 97, 101-105 **(EF)**
11. Achmad Sobirin **(AS)**:
 - Internalisasi Etika Bisnis dan Tanggungjawab Sosial Perusahaan kedalam Corporate Behavior, Jurnal Sinergi MM-UII
 - Etika Bisnis, Kontrak Sosial dan “Gerakan Hijau”, Jurnal Siasat Bisnis, FE-UII
 - Diskriminasi di Tempat Kerja: Implikasinya terhadap Kepuasan Kerja Karyawan dan Kinerja Perusahaan, Unisia, UII
12. Jurnal Ulumul Qur'an No. 3 VII/1997:

- Muhammad Quraish Shihab, Etika Bisnis dalam Wawasan Al-Qur-an, hal 4-9
- Choirul fuad Yusuf, Etika Bisnis Islam: Sebuah Perspektif Lingkungan Global, hal. 10-23
- Iwan Triuwono, Diri Muthmainnah dan “Disiplin Sakral”, hal. 24-35