

ETHICAL AND HUMANISTIC RESEARCH PRINCIPLES IN MANAGEMENT SCIENCE

Professor: **LUIS GÓMEZ - MEJÍA**

E-mail: lgomez@faculty.ie.edu

Luis Gomez-Mejia is Professor of Management at WP Carey School of Business, Arizona State University. He just re-joined Arizona State after holding the Ray and Milann Siegfried Professor of Management Chair at University of Notre Dame. Prior to that he held the Benton Cocanougher Chair in Management at Texas A & M University and before that he was a Council of 100 Distinguished Scholar, Regents Professor and the Horace Steel Professor of Management in the W. P. Carey School of Business at Arizona State University.

He received his Ph.D. and M.A. from the College of Business at the University of Minnesota and a B.A.(Summa Cum Laude) in economics from the University of Minnesota. Prior to entering academia, Professor Gomez-Mejia worked for eight years in human resources for the City of Minneapolis and as internal consultant in Control Data Corporation. He has served as consultant to numerous organizations since then including such blue chip firms as IBM, Dupont, and Honeywell.

Dr. Gomez-Mejia has published over 260 articles appearing in the most prestigious management journals including the Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Strategic Management Journal, Journal of International Business Studies, Industrial Relations, and Personnel Psychology. His research has been cited over 22,000 times, making him in the top 1 % of most cited management professors (As per Thompson Reuters Web of Science, 2016). He has also written and/or edited 20 management books published by Prentice Hall, McGraw-Hill, Southwestern Press, JAI Press, and Grid. His books "Managing Human Resources" and "Management: People, performance, change" are used in most of the Business Week's top 50 Business schools.

He was ranked one of the top nine in research productivity based on the number of publications in the Academy of Management Journal. He has received numerous awards including "best article" in the

Academy of Management Journal and Administrative Science Quarterly, Council of 100 Distinguished Scholar at Arizona State University, member of the Hall of Fame of Academy of Management (awarded to 33 professors out of approximately 20,000 academy members), Trailblazer Award from the Management Doctoral Students Association (awarded to one professor out of 20,000 Academy members), Regents Professor at Arizona State University (awarded to a maximum of 1 % of the faculty), two distinguished scholar and best paper awards from the Entrepreneurship Division of Academy of Management, "Best Alumni Award" of University of Minnesota (out of approximately 250,000 graduates), Doctor Honoris Causa at Carlos III University, and Fellow of the Academy of Management (which includes approximately 1% of Academy members). Professor Gomez-Mejia was an elected member of the Board of Governors of the Academy of Management and served as President of the Personnel/Human Resources Division of the Academy of Management (with approximately 2,500 members).

He was also president (during 1997-2007) and founder of the Iberoamerican Academy of Management (an affiliate of the Academy of Management), which covers Spain/Portugal, all of Latin America, as well as Hispanic faculty in U.S. universities.

COURSE BACKGROUND

This course is intended to examine current philosophical, theoretical, and methodological issues concerning ethical and humanist aspects of organizational decision making and organizational governance. We will cover such topics as economic and normative perspectives of organizations, corporate governance and institutional response, the role of ownership on firm behavior, and normative perspectives to decision making.

OBJECTIVES AND CLASS FORMAT

1. To develop a general understanding of theory and research of major ethical and normative issues in management, with a major focus on governance and policy making.
2. To develop a knowledge framework to study normative issues that will contribute to your skills as an organizational scientist.
3. To develop an appreciation for the key normative issues facing shareholders and top management.
4. To develop skills in critically reading and evaluating scholarly works that analyze why firms make certain choices, with special emphasis on the role of family ownership and control.
5. To further develop the communication skills necessary for professional success in the management field.
6. To achieve these objectives, a set of readings has been assigned for each of the five modules. Each module roughly corresponds to a class meeting or two sessions.

STRUCTURE OF COURSE

This course will be treated as a seminar, utilizing a mix of lectures and discussion. Webster's dictionary defines seminar as "a group of advanced students studying under professor with each doing original research and all exchanging results through reports and discussion." For the face to face meetings (first eight sessions) two students have been assigned for each of the required readings; names appear underneath each article. You are expected to provide a brief review of paper and critique of ideas for that paper. All participants are expected to have read all papers assigned to a session (even if your name is not listed under a particular article) and be ready to respond to questions raised by instructor. I will grade you primarily based on how well you show understanding of the material, your ability to come up with insights and share those with the rest of the class.

Each student is responsible for reading every article, attending each class, and contributing with a high level of discussion. In fact, these articles should be so well digested prior to class, that each student is capable of freely discussing them without referring to them. This is a rigorous expectation and one that requires comprehensive understanding of each reading and time to integrate the readings into one's current body of knowledge. Thus, your preparation, involvement in class discussions, and attendance will constitute my evaluation of your class participation. For the online portion of course (to be arranged) your class participation will be evaluated based on the quality of your written comments.

I will NOT require a formal paper for class that involves a review of the literature for a particular topic related to ethics/human issues in business. Instead I will ask each student to prepare two illustrations/examples that show how ethical issues/dilemmas or human concerns discussed in the readings at a theoretical level apply to a specific situation or context. This will not be a written assignment but I will ask you to verbally share it with the class in a five to ten minutes presentation. To do this you may draw from your own experience, the academic literature or the business press. Please also discuss how a particular article or set of articles discussed in class may be relevant to understanding the specifics of the example/illustration from a theoretical perspective. Finding/presenting an illustration is an individual assignment and not a team project.

TOPICS

Each topic listed in attachment roughly corresponds to a class meeting (two sessions). Again the last two sessions will be done online.

PROGRAM

SESSIONS 1 - 2

Economic Perspectives of Organizations

R.A.: Barney, J. B., & Hesterly, W. (1996). *Organizational economics: Understanding the relationship between organizations and economic analysis*. In S. R. Clegg, C. Hardy, & W. R. Nord (Eds.), *Handbook of Organization Studies*.

R.A.: Ferraro, F., Pfeffer, J., & Sutton, R. I. (2005). *Economics language and assumptions*. *Academy of Management Review*, 30(1), 8-24.

R.A.: Mayer, D. M., Aquino, K., Greenbaum, R. and Kuenzi, M. (2012). *Who displays ethical leadership and why does it matter? An examination of antecedents and consequences of ethical leadership*. *The Academy of Management Journal*, 55(1), 151-172.

Example/Illustration: (To be assigned later once we have final class list).

SESSIONS 3 - 4

Normative Perspectives of Organizations

R.A.: Donaldson, T., & Preston, L. (1995). *The stakeholder theory of the corporation: Concepts, evidence, and implications*. *Academy of Management Review*, 20, 65-91.

R.A.: Anand, V., Ashforth, B., Joshi, M. (2006). *Business as usual: The acceptance and perpetuation of corruption in organizations*. *Academy of Management Executive*, 18 (3), 9-23

R.A.: Bundy, J, Shrosphire, C. & Buchholtz, A.K (2013). *Strategic cognition and issue salience: Towards an explanation of firm responsiveness to stakeholder concerns*. *Academy of Management Review*, 38 (3).

Example/Illustration: (To be assigned later once we have class list)

SESSIONS 5 - 6

Institutional and Symbolic Management of Organizations

R.A.: Zajac, E. J. & Westphal, J. D. (1995). *Accounting for the explanations of CEO compensation: Substance and symbolism*. *Administrative Science Quarterly*, 40: 283-308.

R.A.: Westphal, J. D. & Bednar, M. (2008). *The pacification of institutional investors*. *Administrative Science Quarterly*, 53: 29-72.

R.A.: Westphal, J. D. & Graebner, M. E. (2010). *A matter of appearances: How corporate leaders manage the impressions of financial analysts about the conduct of their boards*. *Academy of Management Journal*, 53 (February).

R.A.: Harris, J. & Bromiley, P. (2007). *Incentives to cheat: the influence of executive compensation and firm performance in financial misrepresentation*. *Organization Science*, 18 (3), 350-367.

Example/Illustration: (To be assigned later once we have class list)

SESSIONS 7 - 8

Behavioral Decision Making Perspectives

R.A.: McGuire, J.B, Sundgreen, A. & Schneeweiss, T. (1988). *Corporate social responsibility and firm financial performance. Academy of Management Journal*, 31 (4), 854-872.

T.N.: Cascio, W. 2005. *Strategies for responsible restructuring. Academy of Management executive*, 18 (3), 39-50.

T.N.: Lawrence, T.B. & Maitlis, S. (2012). *Care and possibility: enacting an ethic of care through narrative practice. Academy of Management Review*, 33 (4).

Example/Illustration: (To be assigned later once we have final class list).

SESSIONS 9 - 10

The Role of Ownership in Influencing Firm Behavior: The role of family ownership

R.A.: Gomez-Mejia, L. R., Haynes, K., Nunez-Nickel, M., Jacobson, K., & Moyano, J. (2007). *Socioemotional wealth and business risks in family-controlled firms. Administrative Science Quarterly*, 52(1), 106-138.

R.A.: Berrone, P., Cruz, C. et al. (2010). *Socioemotional wealth and corporate responses to institutional pressures: Do family controlled firms pollute less? Administrative Science Quarterly*, 55, 82-113.

R.A.: Gomez-Mejia, L. R., Cruz, C., Berrone, P., & DeCastro, J. (2012). *The bind that ties: Socioemotional wealth preservation in family firms. Academy of Management Annals*, 1-79.

https://www.alexandria.unisg.ch/250956/1/Are%20family%20firms%20good%20employers_final.pdf

EVALUATION CRITERIA

EVALUATION CRITERIA

The seminar grade will be based on a combination of assignments:

Criteria	Percentage	Comments
Class Participation	70 %	
Other	30 %	Example/Illustration