

**Legal Studies and Business Ethics Department
The Wharton School**

**ETHICS IN BUSINESS AND ECONOMICS
LGST 920
SPRING 2012**

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Mondays 1:00-4:00 p.m.
657 JMHH
Office Hours: Tuesdays 4-6 p.m. and
by appointment

This doctoral seminar aims to provide you with a theoretical foundation to understand ethical issues in business life and to make a contribution to the field of business ethics. This course focuses on central questions in the ethical analysis of business as pursued in the field of business ethics. The seminar examines theories specific to the field of business ethics, as well as empirical research on ethical norms and behaviors. The seminar also examines questions that arise in specific areas of business, including global business and corporate social responsibility. The seminar is designed with an emphasis on helping students to complete a research paper building on course readings. Students are expected to present their research in the seminar. Adjustments in the topics to be covered can be made in order to accommodate student interests.

Grading

50% Ideas papers and in-class presentations
50% Term paper

Ideas papers and in-class presentations

Each student will be responsible for writing 4 short (1-2 page double-spaced) ideas papers related to the readings for the class sessions on January 30, February 13, March 26, and April 2. The ideas papers are due by Sunday at 5 p.m. and should be posted to CANVAS.

An ideas paper identifies one research idea related to the topic of the readings for a particular class session. The ideas paper should include a research question, suggested methodology to address that question, and a plan for executing a study to investigate the question. Papers will be graded on the originality and feasibility of the research idea, the appropriateness of the methodology chosen, and connections to relevant research literature.

In addition, each student will be responsible for leading an introduction of the readings for one class session. The introduction should provide a critical assessment of the readings and direct the class to the important questions for discussion. The presentation

should last 15-20 minutes and include a handout for the class. A sign-up sheet will be used to determine the day on which each student will lead the class discussion.

Finally, each student will be responsible for selecting a current article (published within the last 1-2 years) relating to our course. The article should be one that the student finds especially compelling and useful to the field of business ethics. The student who has selected it will present it to the class. Again, a sign-up sheet will be used to determine which day you will present.

Term Paper

A final term paper will count for 50% of your grade. It will consist of your original research on a topic of your choice and as much as possible build on the readings covered in class. I will happily read drafts of your papers, give comments, talk about possible topics, and otherwise help you in the writing process.

Your first assignment is to identify a research problem, its related questions, and the appropriate journals and other relevant resources that will aid in your review of the literature. (3 pages maximum due on February 27)

Your second assignment is to write a paper outlining your research problem, contextualizing and justifying it in the extant literature and where appropriate identifying salient variables and hypotheses. (7 pages maximum due on March 19)

These first two assignments should be posted on CANVAS by 5:00 p.m. the Sunday before the class session. You are expected to read your classmates' contributions so that we can devote part of our class session to providing peer feedback.

You will also be required to prepare a presentation of your proposed research. (Due on April 9)

Finally, you will hand in a term paper that incorporates feedback from your classmates and the professor. (20 pages maximum due April 23)

Course Materials

Materials will be posted on CANVAS.

January 23, 2012

Introduction to the Field of Business Ethics

Stanford Encyclopedia's entry on business ethics, by Alexei Marcoux,
(<http://plato.stanford.edu/entries/ethics-business/>)

Gary R. Weaver and Linda Klebe Treviño, "Normative and Empirical Business Ethics: Separation, Marriage of Convenience, or Marriage of Necessity?" *Business Ethics Quarterly* 4 (2) (1994), 129-143.

Thomas Donaldson, "When Integration Fails: The Logic of Prescription and Description in Business Ethics" *Business Ethics Quarterly* 4 (2) (1994), 157-69.

January 30, 2012 (will need to be rescheduled)

Empirical Approaches to Business Ethics

Bart Victor and John B. Cullen, "The Organizational Bases of Ethical Work Climates," *Administrative Science Quarterly*, 33 (1), 101-125.

Linda Klebe Treviño, "Ethical Decision-Making in Organizations: A Person-Situation Interactionist Model, *Academy of Management Review*, 11(3) (1986), 601-617.

Thomas M. Jones, "Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model," *Academy of Management Review*, 16 (2) (1991), 366-395.

Dennis A. Gioia, "Pinto Fires and Personal Ethics: A Script Analysis of Missed Opportunities," *Journal of Business Ethics*, 11 (1992), 379-389.

Optional:

Diana C. Robertson, "Empiricism in Business Ethics: Suggested Research Directions," *Journal of Business Ethics*, 12 (8) (1993), 585-599.

February 6

Social Justice and Utility

Guest Speaker: Professor Waheed Hussain

Dan M. Hausman and Michael S. McPherson, *Economic Analysis, Moral Philosophy, and Public Policy* (Cambridge: Cambridge University Press, 2006), chs. 7-9.

Rawls, John. "Distributive Justice" in *Collected Papers* (Cambridge: Harvard University Press, 2001).

Bernard Williams "Consequentialism and Integrity" in Samuel Scheffler, ed., *Consequentialism and its Critics* (Oxford: Oxford University Press, 1988).

Goldman, Alan H. "Business Ethics: Profits, Utilities and Moral Rights" *Philosophy and Public Affairs* vol. 9, no. 3 (Spring 1980).

February 13 (will need to be rescheduled)
Experiments in Ethics

Kwame, Anthony Appiah, *Experiments in Ethics* (Cambridge: Harvard University Press) (2008), 73-120 and 190-204.

Nina Mazar, On Amir and Dan Ariely, "Dishonesty of Honest People: A Theory of Self-Concept Maintenance," *Journal of Marketing Research*, 45 (6) (2008) 633-644.

Jennifer R. Dunn and Maurice E. Schweitzer, "Feeling and Believing: The Influence of Emotion on Trust," *Journal of Personality and Social Psychology*, 88 (5) (2005), 736-748.

Americus Reed II and Karl F. Aquino, "Moral Identity and the Expanding Circle of Moral Regard Toward Out-Groups," *Journal of Personality and Social Psychology*, 84 (6) (2003), 1270-1286.

Optional:

Sandy Jap, Diana C. Robertson, and Ryan Hamilton "The Dark Side of Rapport: Agent Misbehavior Face-to-Face and Online," *Management Science*, 57 (9) (2011), 1610-1622.

February 20
Normative Ethics and Political Philosophy
Guest Speaker: Professor Nien-hê Hsieh

Joseph Heath, Jeffrey Moriarty, and Wayne Norman, "Business Ethics and Political Philosophy," *Business Ethics Quarterly*, 20 (3) 2010, 427-452.

Robert Solomon, "Corporate Roles, Personal Virtues: An Aristotelean Approach to Business Ethics," *Business Ethics Quarterly* 3(1992) 317-339.

J. David Velleman, "A Brief Introduction to Kantian Ethics," *Self to Selected Essays* (Cambridge University Press, 2005).

February 27
Efficiency and Corporate Governance
Guest speaker: Professor Tom Donaldson

Ronald Coase, "The Nature of the Firm," *The Firm, The Market and the Law*, (Chicago: University of Chicago Press, 1988), pg. 33-56

Michael Jensen, "Value Maximization, Stakeholder Theory, and the Corporate Objective Function," *Business Ethics Quarterly* 12 (2) (2002), 235-256

Thomas Donaldson, "The Epistemic Fault Line in Corporate Governance," *Academy of Management Review*, 37 (2) (2012)

March 5 Spring break

March 12

Business and Public Policy

Guest speaker: Professor Jorge Rivera, George Washington University

March 19

Stakeholder Theory and Integrative Social Contracts Theory (ISCT)

Thomas Donaldson and Lee Preston “The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications,” *Academy of Management Review* 20 (1995), 65-91.

Anant K. Sundaram and Andrew C. Inkpen “The Corporate Objective Revisited Source,” *Organization Science*, 15 (3) (2004), 350-363.

R. Edward Freeman, Andrew C. Wicks, and Bidhan Parmar, “Stakeholder Theory and ‘The Corporate Objective Revisited,’” *Organization Science*, 15 (3) (2004), 364-369.

Thomas Donaldson and Thomas Dunfee, “Integrative Social Contracts Theory,” in Patricia Werhane and R. Edward Freeman, eds, *The Blackwell Encyclopedia of Management Second Edition* (Oxford: Blackwell, 2005).

Thomas Donaldson and Thomas Dunfee, “Précis for: Ties that Bind,” *Business and Society Review*, 105 (4) (2000), 436-443.

March 26

Cognitive Neuroscience and Ethics

Jonathan Haidt, “The Emotional Dog and Its Rational Tail: A Social Intuitionist Approach to Moral Judgment,” *Psychological Review*, 108 (4) (2001), 814-834.

Joshua Greene and Jonathan Haidt, “How (and Where) Does Moral Judgment Work?” *TRENDS in Cognitive Sciences*, 6 (12) (2002), 517-523.

Joshua Greene, “From Neural ‘Is’ to Moral ‘Ought’: What Are the Moral Implications of Neuroscientific Moral Psychology?” *Nature Reviews/Neuroscience*, 4 (October) (2003), 847-850.

Diana C. Robertson, John Snarey, Opal Ousley, Keith Harenski, F. DuBois Bowman, Rick Gilkey, and Clinton Kilts, “The Neural Processing of Moral Sensitivity to Issues of Justice and Care,” *Neuropsychologia* 45 (8) (2007), 755-766.

April 2

Corporate Social Responsibility

Donna J. Wood, "Corporate Social Performance Revisited," *Academy of Management Review*, 16 (4) (1991), 691-718.

Kenneth R. Andrews, "Can the Best Corporations Be Made Moral?" *Harvard Business Review*, May-June (1973), 57-64.

Andreas Georg Scherer and Guido Palazzo, "Toward a Political Conception of Corporate Responsibility: Business and Society Seen from a Habermasian Perspective," *Academy of Management Review*, 32 (4) (2007), 1096-1120.

Joshua D. Margolis and James P. Walsh, "Misery Loves Companies: Rethinking Social Initiatives by Business," *Administrative Science Quarterly*, 48 (2), 268-305.

Dirk Matten and Jeremy Moon, "'Implicit' and 'Explicit' CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility," *Academy of Management Review*, 33 (2) (2008), 404-424.

April 9 (will need to be rescheduled)

Student presentations of drafts of research papers

April 16

The Corporation as Moral Agent

Guest speaker: Professor Amy Sepinwall

Peter A. French, "The Corporation as a Moral Person," *American Philosophical Quarterly*, 16 (3) (1979), 207-215.

Manuel G. Velasquez, "Why Corporations Are Not Morally Responsible for Anything They Do," *Business and Professional Ethics Journal* 2 (3) (1983), 1-18.

Philip Pettit, "Responsibility Incorporated," *Ethics*, 117 (2) (2007), 171-201.

April 23

International Business Ethics

Thomas Dunfee, "Do Firms with Unique Competencies for Rescuing Victims of Human Catastrophes Have Special Obligations?" *Business Ethics Quarterly*, 26 (2006), 185-210.

Nien-hê Hsieh, "Does Global Business Have a Responsibility to Promote Just Institutions?" *Business Ethics Quarterly*, 19 (2) (2009), 251-273.

Thomas Donaldson, "Moral Minimums for Multinationals," *Ethics and International Affairs*, 3 (1989), 163-182.