

THIS VERSION 9 NOVEMBER 2012
Changes may be made, but the general structure,
approach, and issues will remain the same.



LGST 611: RESPONSIBILITY IN GLOBAL MANAGEMENT
SPRING SEMESTER 2012, Q3

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Office Hours: Wed. 3.30-5.00pm

Section Times and Location
611-001: T/Th 9.00-10.30am, Location TBA
611-005: T/Th 1.30-3.00pm, Location TBA

INSTRUCTOR

Nien-hê Hsieh is an Associate Professor in the Legal Studies and Business Ethics Department with a secondary appointment in the Department of Philosophy. His research is conceptual and normative in nature, focusing on ethical issues that arise in the context of economic activity. His research covers a number of topics, including the role of business in society, the institutions that structure economic production, decision-making in the face of incommensurable values, the moral dimensions of work, and the role of multinational enterprises in assisting persons whose basic needs are not met. At Wharton, he teaches courses on ethics, corporate responsibility, and social impact in the undergraduate, MBA, doctoral, and executive programs. He has held visiting positions at Harvard University, Oxford University, and the Australian National University.

OVERVIEW

This course provides an opportunity to analyze and address potentially challenging ethical and legal issues that arise for business leaders throughout the global economy. Issues are organized in relation to key constituencies of business leaders in a global economy: the providers of capital, consumers, labor, and the broader society. Specific topics include fiduciary duties, corporate governance in a comparative perspective, takeovers, conflicts of interest, layoffs, outsourcing, the purpose of the corporation, responsibilities for poverty and sustainability, social enterprise, intellectual property rights, and socially responsible investment.

The aims of this course are 1) to survey a range of key ethical and legal issues that arise for business leaders operating in a global context; 2) to analyze the ways in which these issues ought to figure in decision-making by responsible business leaders and in the structure and activities of business enterprises; and 3) to help in the development of a conceptual framework and an understanding of one's core values to provide guidance in making and implementing decisions.

To this end, the approach taken in this course is to engage in the rigorous and in-depth analysis of cases. To enable this analysis, the course also includes a number of disciplinary-based readings (e.g., philosophy, law and political economy) that introduce key theories, concepts, and areas of debate. In addition to cases and the disciplinary readings, students are encouraged to draw on their own experience whenever possible in the context of class discussions.

GRADING AND LOGISTICS

Developing a Framework (20%)

Periodically, students will be asked to relate the course materials and class discussions to their own thinking about responsible business leadership. There will be two such assignments.

Class Participation (50%)

The course is intended to allow students to develop the analytic skills and substantive framework to address challenges as they arise in business. To this end, the course emphasizes articulating reasoned arguments. Class participation is an integral component of this emphasis. Accordingly, absences for no good reason will count against one's grade.

There will be cold calling and small group discussions. As an aid to preparation for class discussion, discussion questions will be distributed in advance. Because class participation may not come easily for some, I encourage you to see me if you have any questions or concerns. I am more than happy to discuss strategies for successful classroom participation. Many of these strategies may be helpful beyond this class as well.

Final Exam (30%)

The final exam will be an in-class, essay-based exam. The exam will be based upon course materials, class discussion, and the framework assignments.

CONCERT RULES

Class will be conducted according to concert rules:

1. Class starts and ends exactly on time. Students and faculty are expected to be timely.
2. Students are to sit according to a seating chart.
3. Students should remain in attendance for the duration of class, except in an emergency.
4. Students should display name plates.
5. All phones and electronic devices should be turned off.

CONTACTING ME

Should you have any questions or concerns about the class, please do not hesitate to see me. No appointment is needed to meet during office hours. They are on a walk-in basis, so you should feel free to drop by. If you are not able to meet during office hours, please get in touch to arrange an alternative meeting time.

READING LIST AND CALENDAR

Readings are open to modification in order to accommodate the interests and flow of the class. “S” = material available through Study.net (<https://www.study.net>). “C” = materials available through Canvas (<https://wharton.instructure.com/login>).

<p>A. INTRODUCTION <i>As an introduction to the broad range of issues and questions to be considered in the course, we consider the challenges raised by the need to make decisions in a global business context. This section also introduces some basic distinctions to structure analysis of ethical and legal issues.</i></p>	
<p>Tue. 8 Jan.</p>	<p>1. Overview of Themes, Questions, and Approaches Case: Yahoo! in China (HBS Case 9-609-051). S</p> <p>Thomas Donaldson, “Values in Tension: Ethics Away from Home,” <i>Harvard Business Review</i>, September-October, 1996. S</p> <p>John Gardner, “Ethics and Law,” in John Skorupski, ed., <i>The Routledge Companion to Ethics</i>, (London: Routledge, 2010): 421-429. S</p> <p>Gordon Graham, “Ethics, Truth, and Reason,” <i>Eight Theories of Ethics</i> (London: Routledge, 2004): 1-16. S</p>
<p>B. CAPITAL <i>This section considers the ethical and legal issues that arise for managers in relation to the providers of capital and the institutions of market capitalism more generally. The section also raises the question of what is the purpose of the for-profit corporation, especially when considered in a global context.</i></p>	
<p>Th. 10 Jan.</p>	<p>2. Fiduciary Duties Case: Oracle vs. PeopleSoft (A) (HBS Case 9-306-058). S</p> <p>The Fiduciary Relationship: A Legal Perspective (HBS Note: 9-304-064). S</p>

<p>Tue. 15 Jan.</p>	<p>3. Comparative Corporate Governance Case: Esser and Ackermann at Mannesmann (HBS Case: 9-209-095). S</p> <p>Peter Hall and David Soskice, “An Introduction to Varieties of Capitalism,” in Peter Hall and David Soskice, eds., <i>Varieties of Capitalism: The Institutional Foundations of Comparative Advantage</i> (Oxford: Oxford University Press, 2001): 6-36. S</p> <p>Lynn Stout, “The Problem of Corporate Purpose,” <i>Issues in Governance Studies</i> (Washington, D.C.: The Brookings Institution, 2012). Link C</p>
<p>Th. 17 Jan.</p>	<p>4. Responsibilities to the Financial System? Case: The Tip of the Iceberg: J.P. Morgan Chase and Bear Stearns (A) (HBS Case: 9-309-001). S</p> <p>“Contemporary Theories of Political Obligation” <i>Stanford Encyclopedia of Philosophy</i> Link. C</p>
<p>C. CONSUMERS <i>This section considers the ethical and legal issues that arise for managers in relation to customers of the goods and services produced by the enterprises that they manage. The section also deepens the analysis of ethical frameworks in managerial decision-making.</i></p>	
<p>Tue. 22 Jan.</p>	<p>5. Process and Outcomes Case: “Dicing with Death?” A case study of Guidant Corporation’s implantable defibrillator business” (Martin Sandbu, 2007). C</p> <p>Thomas Donaldson and Patricia Werhane, “Introduction to Ethical Reasoning,” in Thomas Donaldson and Patricia Werhane, eds., <i>Ethical Issues in Business: A Philosophical Approach</i>, 8th edition (Upper Saddle River: Prentice Hall, 2008). S</p> <p>“Overview of Some Moral Theories.” C</p>
<p>Wed. 23 Jan. – Fri. 1 Feb.</p>	<p>DIP–Job Interview–Week No Classes</p>

Tue. 5 Feb.	<p>6. Conflicts of Interest Case: SEC Versus Goldman Sachs (A) (Darden Case: UVA-GEM-0101). S</p> <p>Greg Smith, “Why I Am Leaving Goldman Sachs,” <i>The New York Times</i> (March 14, 2012) Link. C</p> <p>Wayne Norman and Chris MacDonald, “Conflicts of Interest,” in George Brenkert and Tom Beauchamp, eds., <i>The Oxford Handbook of Business Ethics</i> (Oxford: Oxford University Press, 2010): 441-470. S</p>
<p>D. LABOR <i>This section considers the ethical and legal issues that arise for managers in relation to workers both within and outside of the enterprise.</i></p>	
Th. 7 Feb.	<p>7. Employment at Will Case: Two Tough Calls (A) (HBS Case: 9-306-027). S</p> <p>Employment At Will: A Legal Perspective (HBS Note: 9-306-036). S</p>
Tue. 12 Feb.	<p>8. Outsourcing and Layoffs Case: American Outsourcing (HBS Case: 9-705-037). S</p> <p>Nokia Siemens may lay off 2,000 employees in India C</p> <p>Managing the Layoff Process: India (HBS Note: 9-612-068). S</p>
<p>E. SOCIETY <i>This section considers the ethical and legal issues that arise for managers in relation to society and in the light of the complex social, political and legal institutions in which businesses operate today. The section allows for deeper analysis of the purpose of the for-profit corporation in a globalized economy and examination of emerging trends.</i></p>	
Th. 14 Feb.	<p>9. Negative Externalities Case: COCSO: Implementing Sustainability (HBS Case: N9-412-081) S</p> <p>“An Analysis of State-owned Enterprises and State Capitalism in China” (U.S.-China Economic and Security Review Commission, 2011) Link. C</p> <p>Lisa Newton, “Eight Perceptions of the Natural World,” in <i>Business Ethics and the Natural Environment</i> (Oxford: Blackwell Publishing, 2005): 84-93. S</p>

Tue. 19 Feb.	<p>10. Positive Responsibilities Case: Cipla 2011 (HBS Case: 9-511-050). S</p> <p>Thomas Dunfee, "Do Firms with Unique Competencies for Rescuing Victims of Human Catastrophes Have Special Obligations?" <i>Business Ethics Quarterly</i> 16 (2006): 185-210. S</p>
Th. 21 Feb.	<p>11. Social Enterprise Case: SKS and the AP Microfinance Crisis (HBS Case: 9-212-018) S</p> <p>Exploitation (Stanford Encyclopedia of Philosophy) Link. C</p>
Tue. 26 Feb.	<p>12. Social Investment Case: Norway Sells Wal-Mart (HBS Case 9-308-019, revised 2 April 2009). S</p> <p>Terrence Lim, <i>Measuring the Value of Corporate Philanthropy</i> (New York: Committee Encouraging Corporate Philanthropy, 2010): 52-63 Link. C</p>