

RESPONSIBILITY IN GLOBAL MANAGEMENT

LGST611003 (Q-3)

Spring 2013

Instructor: Thomas Donaldson

Classroom: 240 Huntsman Hall
Office: 644 Huntsman Hall
Class times: 10:30-11:50 Tuesday and Thursdays
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This course introduces students to important legal and ethical challenges they may face in global business. It is designed to raise difficult ethical and legal conflicts and dilemmas, and to provide plausible frameworks for dealing with those conflicts. It is also designed to reveal common patterns of success and failure. It is not intended to convert sinners into saints, preach absolute truths, convey the wisdom of moral philosophers, or deter the morally vulnerable. Class sessions will consist of collaborative case discussions, exercises, and discussions of theoretical frameworks for interpreting ethics and law.

Readings:

All reading materials will be found either on **Study.net** <https://www.study.net/> or on **CANVAS**
(Items are marked by location in the list below.)

GRADING:

1. **Mid-term exam** (25%). A closed-book mid-term exam will be given on materials discussed and assigned during the first half of the course. This exam will include both short answer and short essay questions, and may also include some multiple choice questions
2. **Class participation:** (40%) Forty percent of the grade will be awarded based on the basis of class participation.
3. **Final exam** (35%). A closed book exam on materials from the entire course, with an emphasis on materials since the Mid-term exam.

CLASS TOPICS AND ASSIGNMENTS

Class 1: *How to think about ethics: Some simple ways*

January 8

Do we need different methods to study ethical issues from those we need to study empirical ones? Is one ethical view any better than another?

Assignments:

- Case Study: “When is a Tip?” CANVAS

Class 2: *How to calculate ethical cost*

January 10

How do we integrate the assessment of financial risk alongside ethical challenges?

Assignments:

- Case Study: “Dicing with Death? A case study of Guidant Corporation’s implantable defibrillator business,” by Martin E. Sandbu and Jeisun Wen, 2008. CANVAS.
- Donaldson and Werhane, “Introduction to Ethical Reasoning,” from *Ethical Issues in Business: A Philosophical Approach (8th Edition)* by Thomas Donaldson and Patricia Werhane CANVAS

Class 3: *Law and ethics*

January 15

How do we manage legal obligations alongside those of ethics?

Assignments:

- Case Study: “Chiquita and the U.S. Department Of Justice” UVA-BRI-1006. CANVAS
- Milton Friedman. "The Social Responsibility of Business Is To Increase Its Profits," *New York Times Magazine*, September 13, 1970. Reprint 96502. CANVAS

Class 4 *The Purpose of the Corporation*
January 17

What is the best way to understand the purpose of the modern, for-profit corporation?

Assignments:

- Case Study: “Barrick’s Tanzanian Project Tests Ethical Mining Policies” CANVAS
- Sen, A. 2010. “The Economist Manifesto”. *New Statesman*, 139(4998): 29. CANVAS
- Sandbu, M. 2010. Two Extreme Views: Managing for Shareholders or Stakeholders? In M. Sandbu (Ed.), *Just Business: Arguments in Business Ethics*: Draft Manuscript CANVAS.

Class 5 *The Global Context: Cultural perceptions*
January 22

What remains the same, and what is different, when managing ethics away from home?

Assignments:

- Case Study: “The Oil Rig” CANVAS
- Case Study: “Foreign Assignment” CANVAS
- Donaldson, Thomas, “Values in Tension: Ethics Away from Home,” *Harvard Business Review*, September-October, 1996. **Study.net**

Class 6 *Can corporations be angels?*
February 5

Does a corporation’s ethical obligation ever extend to rescuing strangers? Should corporations ever be altruistic?

Assignments:

- Case study: Merck & Co. Inc. – CANVAS
- “Self-Inflicted Industry Wounds: Early Warning Signals And Pelican Gambits,” Donaldson and Schoemaker, *California Management Review* (forthcoming) Winter, 2013. CANVAS

Class 7 (MID-TERM EXAM)
February 7

Class 8 *When home and host country norms conflict.*
February 12

How does a manager arbitrate between home and host country norms?

Assignments:

- Case Study: "What Price, Safety?" **CANVAS**
- “UN Ruggie-protect-respect-remedy-framework” (From the 2010 Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises) **CANVAS**

Class 9 *Corruption*
February 14

If bribes are bad, how should a manager navigate contexts where bribery happens?

Assignments:

- Case Study: Kitchen Best: Ethics When Doing Cross-Boundary Business in Southern China HKU948-PDF-ENG **Study.net**
- “A Business Case for Complying with Bribery Laws” **CANVAS**

Class 10 *Activists abroad*
February 19

How should Western multinationals handle activists in host countries?

Assignments:

- Cases: ‘Coke in India’ **CANVAS**

In-class Exercise: “Used Car Dilemma” (no pre-reading necessary)

Class 11 *Fiduciary Obligations to Investors:*

February 21

Stockholders count; but in a world of sovereign wealth funds and pension funds, do some stockholders count more than others?

Assignments:

- Case study: Norway Sells Wal-Mart 9-308-019 **Study.net**

Class 12 *Policy Domains: Ethics, Law and the Financial Crisis*

February 26

Assignments (See folder in CANVAS readings marked “Financial Crisis”):

- Stiglitz, “Needed: A New Economic Paradigm” **CANVAS**
- O’Driscoll, “An Economy of Liars” **CANVAS**
- Donaldson, “Three Ethical Roots of the Financial Crisis” **CANVAS**
- Thaler, “Recipes for Ruin, in the Gulf or on Wall Street” **CANVAS**
- Bel Bruno, “Goldman’s Tourre Denies SEC’s Allegations” **CANVAS**

Final Exam: February 27, 6:00 pm – 8:00 pm.

What's allowed, and not, in this class:

	Materials							People				
LGST 611 Responsibility in Global Management Instructor: Donaldson	Approved calculator	Laptop / other electronics	Summary sheet	Current book / class notes	Past notes / summaries	Past exams / assignments	Internet content / other outside materials	Learning team / approved work team	Other student(s) in same section	Student(s) in other sections (same term)	Wharton student not taking the class this term	Person outside of Wharton
Readings & Cases	A	A		A				D	D	D		
Exam Prep	A	A		A				D	D	D		
Midterm Exam	A											
Final Exam	A											
	A = Allowed material Blank Cell = Not allowed							W = Allowed to work together D = Discussion of general concepts and procedures is allowed but no sharing of specific answers. Blank Cell = Not allowed				