

University of Pennsylvania/The Wharton School

Legal Studies 612: Responsibility in Business

Spring 2016, Quarter 3, Section 007

Syllabus

Instructor: Ronald A. Sarachan

Email: sarachan@wharton.upenn.edu; ronald.sarachan@dbi.com

Classroom: JMHH 355

Class time: 3:00 p.m. to 6:00 p.m., Monday

Office hours: 6:15 p.m., Monday, or by appointment

Course Description: This course focuses on the responsible leader in business. Each class is organized around an area of law and government regulation of business. The classes include overviews of legal rules and regulatory regimes and the exploration of legal and ethical rules that arise in the various areas. Law, moral philosophy and social sciences provide tools to help identify and analyze the issues and reach reasoned judgments. Emphasis is placed on class discussion and exercises.

Course Requirements and Grading: Attendance is mandatory. Students are expected to read the material for each class before class and actively participate in class discussion and exercises. There will be a take-home final examination. Final grades will be based on class participation (25%) and the final exam (75%).

Course Outline: Assignments will follow the outline provided below. There may be changes to the outline. Any changes will be announced in class and by email. Readings will be distributed in class or will be available electronically.

Class 1 (January 13): Introduction; Environmental Regulation

Environmental Law and Enforcement (Power Point)

Readings: B. Feder, "Alchemist's Dream Come True" (in class)

M. Friedman, "The Social Responsibility of Business Is To Increase Its Profits"

E. Freeman, "Managing for Stakeholders"

Class 2 (February 1): **Individual Ethics; Corporate Crime and Fraud**

Moral Philosophy (Power Point)

Cases: U. LeGuin, "The Ones Who Walk Away From Omelas"

J. Useem, "The Analyst's Dilemma"

M. Corkery & J. Silver-Greenberg, "Investment Riches Built on Subprime Auto Loans to Poor"

B. Van Dissel, "Martha McCaskey"

Readings:

T. Donaldson & P. Werhane, "Introduction to Ethical Reasoning"

J. Coffee, "Limited Options"

S. Milgram, "Obedience to Authority" (Preface and Chapter 1)

"Deciding What's Right: A Psychological Approach"

W. Dudley, "Enhancing Financial Stability by Improving Culture in the Financial Services Industry"

Class 3 (February 8): **Role of the Corporation; Securities Law and Market Manipulation**

Cases: "Merck & Co., Inc."

P. Augar, "How the forex scandal happened"

Readings: L. Stout, "The Problem of Corporate Purpose"

K. Goodpaster, "Business Ethics and Stakeholder Analysis"

"Rethinking the Social Responsibility of Business"

A. Strudler, "Insider Trading, A Moral Problem"

D. Bodreaux, "Learning to Love Insider Trading"

J. Macey, "Deconstructing the Galleon Insider Trading Case"

Class 4 (February 15): **Product Liability and Consumerism; Corruption, Bribery and Extortion**

Cases: M. Sandu, "Dicing with Death? A case study of Guidant Corporation's implantable defibrillator"

"Managing Product Safety: P&G Rely Tampon"

M. Dowie, "Pinto Madness"

D. Gioa, "Personal Reflections on the Pinto Fires Case"
P. Werhane, "The Pinto Case and the Rashomon Effect"
C. Butler & H. de Bettignies, "Changmai Corporation"
"Lex Services Group, Ltd.: Work Conditions at Inglesby Shipyard"
S. Banjo, "Inside Nike's Struggle to Balance Cost and Worker Safety in Bangladesh"
C. Duhigg & D. Barboza, "In China Human Costs Are Built Into an iPad"
S.P. Sethi, "The World of Wal-Mart"
J. Silver Greenberg, B. Protesse & D. Barboza, "Hiring in China by JPMorgan Under Scrutiny"
L. Cohen, "Chiquita Under the Gun"

Readings: P. Krugman, "In Praise of Cheap Labor: Bad Jobs at Bad Wages Are Better Than No Jobs At All"

T. Donaldson & T. Dunfee, "When Ethics Travel: The Promise and Peril of Global Business Ethics"

R. DeGeorge, "Multinationals and Less Developed Countries: Seven Guidelines"

Class 5 (February 22): Healthcare Regulation

Cases: R. King, "Bitter Pill; How a Drug Firm Paid for a University Study, Then Undermined It"

L. Swensen, "Joe Camel's Mom: Marketing at R.J. Reynolds Tobacco Company"

Readings: L. Paine, "Managing for Organizational Integrity"

Class 6 (February 29): Free Speech, Privacy and Cybersecurity; Wrap-up

Cases: M. Hunter, "Business E-Ethics: Yahoo! On Trial"

K. Martin, "Google, Inc. in China"

J. Rosen, "Google's Gatekeepers"

Readings: C. Waxer, "Big Data Blues: The Dangers of Data Mining"

R. Meyer, "Everything We Know About Facebook's Secret Mood Manipulation Experiment"