

LGST 611 (Donaldson) - Spring 2017 Q3 and Q4
RESPONSIBILITY IN GLOBAL MANAGEMENT

Syllabus (draft):

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Goals for the course:

This course introduces students to important legal and ethical challenges they may face in global business. It is designed to raise 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 can be accessed through CANVAS, either under the **Study.net** or the **Files** tab. Reading assignments are marked either "study.net" or "FILES." When marked "FILES" you will find the reading on CANVAS under the **Files** tab.

Grading and Logistics

1. **Reaction Papers** (15% of course grade).
2. **Overall Contribution to Class** (25%)
3. **Short-Answer Readings/Lecture Quiz** (15%).
4. **Final Essays: Analysis of case-study and your personal definition of business responsibility** (45%)

1. **Reaction Papers** (15% of course grade). During the course, you will be asked to write and submit five brief "reaction papers" (approximately 150 words). In each paper you will be asked to respond to a question created by the instructor about the upcoming class's readings and issues. I seek your personal reactions. Each paper is due prior to the class session. See "Assignments" for an exact schedule.

The assignments are ungraded and will be marked only "acceptable" or "unacceptable." Except in rare instances, I will not critique or comment on your paper. An "acceptable grade" creates a credit of 3 points, for a total of 3 points X 5 reaction papers = 15 points, and 15% of the final course grade. Failure to submit a reaction paper on time or an unsuccessful submission (one that

fails to follow the guidelines, or is of very poor quality) will result in an “unacceptable” and 0 points. However, if you fail to submit a paper on time, or if the paper is of unacceptable quality, you may submit after the due date but within the “availability” dates specified on CANVAS, and receive a total of 1 point for the assignment. Because you will have approximately five days in which to submit a given reaction paper before the class session, no excuses for late papers will be accepted (with the only exception being a serious illness).

Reaction papers should be entirely your own work, involving no collaboration with other students.

2. Overall Contribution to Class (25% of class grade)

Attendance, as noted above, is crucial. Assuming attendance, your commitment to exercises, preparation, class engagement and participation will comprise 25% of the grade.

The top 20% of the class on this component will receive 25 points. The next 60% will receive from 23-24 points. The bottom 10% will receive from 0-22 points

3. Short-Answer Readings/Lecture Quiz (15%).

A 30 minute "Readings/Lecture Quiz" will be given in the final class. This quiz will feature short-answer questions (i.e. a sentence or two), true/false, fill in the blanks, etc. The purpose of the quiz is to reward students who prepare and master the assigned readings and who learn from class lectures. It is closed-book and closed-note.

4. Final Essays: Analysis of case-study and your personal definition of business responsibility) (45%)

A final assignment is due by midnight on the fourth day after our final class. The major portion (2/3rds) consists of the analysis of a new case study (not one that we have already read in class), making use of the tools and materials discussed in class. The smaller portion (1/3rd) consists of an essay articulating your personal definition of business responsibility. The two sections together should not exceed 1500 words. The exercise will be open-book and open-note. The case study and essay instructions will be available on CANVAS immediately following our last class. You will submit your essays via CANVAS.

Class Attendance and Grading:

We will meet only six times and I strive to start class promptly and end on time. I have designed a set of interactive experiences that use our 3-hour time block and that former students report are excellent sources of personal insights – but only if everyone takes the class attendance seriously. People who skip class, arrive late, or leave early to attend to other priorities thus disrupt the experience for all. Watching a taped session of the class is not a substitute for attending class and participating in the exercises.

BONUS: Students who attend all six classes in full will receive a 2-point bonus on their final grade (on a 100 point total course scale).

MISS ALL OF PART OF ONE CLASS: You may have one unexcused absence for all or part of any one class. Missing as much as 15 minutes at the beginning, end, or during a class counts as

"part of a class." And this includes missing all or part of Class 1 if you are registered for the course. As a courtesy to me and your fellow students, let me know in advance about any class or part of a class you need to skip so I can work around your absence. You will lose the full attendance bonus, but no other penalty applies.

MISS ALL OR PART OF TWO CLASSES. Unexcused absences for all or part of two classes (which amounts to missing one-third of the course) will negatively affect your grade. In addition, your class contribution grade is bound to suffer if you are present and fully participating in only 4 of 6 classes.

MISS MORE THAN TWO CLASSES. Absences for all or part of more than two classes will result in failing the course.

Ground rules:

1. You are expected to attend class and participate in discussion.
2. Please display your name tent. If you forget yours, please make an informal one.
3. Internet connections should be turned off during class time. Laptop computers and iPads may be used only for case reading and note taking. Mobile telephones should be put away.
4. You may eat in class.

List of Readings: (Note: this list is likely to be amended very slightly before the final syllabus is constructed.)

CASES

- Case Study: "Chiquita and the US Department of Justice" RI-1006,
- Case study: "Dicing with Death? A case study of Guidant Corporation's implantable defibrillator business," by Martin E. Sandbu and Jeisun Wen.
- "Just when is a "Tip" Only another Means to Insure Promptness?"
- Case: "What Price, Safety?"
- Case: "The Oil Rig"
- Case: "Italian Tax Mores"
- "Values in Tension: Ethics Away from Home," Donaldson, Thomas, Harvard Business Review, September-October, 1996. Study.net
- Case Study: Kitchen Best: Ethics When Doing Cross-Boundary Business in Southern China HKU948-PDF-ENG Study.net
- Case Study: "Barclays and the LIBOR Scandal" HBS 9-313-075 Study.net

READINGS

- Porter, M. E. 2011. Creating Shared Value. Harvard Business Review, 89(1/2): 62-77.
- Donaldson, Thomas, "Values in Tension: Ethics Away from Home," Harvard Business Review, September-October, 1996.
- Jensen, M. C. 2002. Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly*, 12(2): 235-256.

- Lynn Stout, “The Problem of Corporate Purpose,” *Issues in Governance Studies* (Washington, D.C.: The Brookings Institution, 2012).
- Henry Hansmann, 2012 “Ownership and Organizational Form” in Gibbons and John Roberts, eds, *The Handbook of Organizational Economics*, Palgrave Mcmillan, 2012.
- Murad Ahmed, Jeevan Vasagar and Tim Bradshaw, ‘Uber: Backseat driver’, *Financial Times*, September 15, 2015.
- Donaldson, T., & Walsh, J. P. 2015. Toward a Theory of Business. *Research in Organizational Behavior*, 35: 181-207.
- Sen, Amartya (1993). “Does Business Ethics Make Economic Sense.”
- Robert Frank, "Can Socially Responsible Firms Survive in a Competitive Environment?"
- Sandbu, M. 2010. Two Extreme Views: Managing for Shareholders or Stakeholders? In M. Sandbu (Ed.), *Just Business: Arguments in Business Ethics*: Draft Manuscript .
- Donaldson, "Shared Values that are Lost in Translation" *Financial times* 2014
- Wertheimer, Alan and Zwolinski, Matt, "Exploitation," *The Stanford Encyclopedia of Philosophy* (Spring 2013 Edition.)
- Readings on the Financial Crisis (See folder in **CANVAS** "readings" marked “Financial Crisis Readings” for Week 5):
 - Stiglitz, “Needed: A New Economic Paradigm”
 - O’Driscoll, “An Economy of Liars”
 - Donaldson, “Three Ethical Roots of the Financial Crisis”
 - Thaler, “Recipes for Ruin, in the Gulf or on Wall Street”
 - “Fab' Trader Liable in Fraud” *Wall Street Journal*, 2013
- Self-Inflicted Industry Wounds: Early Warning Signals and Pelican Gambits,” Donaldson and Schoemaker, *California Management Review*, Winter, 2013.
- Other exercises:
 - In-class exercise: "Used Car"

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3. You may use laptops and mobile devices in class for class-related work only.
4. You may eat in class.