

# LGST 100: Ethics and Social Responsibility

Robert Hughes

## Fall 2017 DRAFT Syllabus

Instructor email: [hughesrc@wharton.upenn.edu](mailto:hughesrc@wharton.upenn.edu)

Office hours: Huntsman 668, Time TBA in final syllabus

### Course Description

Some ways of pursuing a profit in business are uncontroversially wrong. Nearly everybody agrees that it is wrong (as well as illegal) to operate a Ponzi scheme or to program cars to turn off pollution controls when they are not undergoing an emissions test. But businesspeople often face difficult ethical choices about which there is no clear and generally accepted social standard.

This course has three goals. One is to make you more familiar with some of the ethical questions you may face in business. Greater familiarity with the issues will help you to recognize ethical problems lurking in places you may have thought were safe. A second goal is to give you some facility in analytical reasoning about ethics and to show you how reasoning in this way about hard choices, rather than relying on gut feeling or others' opinions, can be valuable. The third goal is to improve your skills at communicating about ethics. This includes the skill of explaining your own views and arguments clearly as well as the ability to listen to others' views and arguments charitably.

Here are some of the ethical questions we will discuss:

- Should businesses undertake socially valuable projects when doing so probably will not maximize short-term or long-term profits?
- When, if ever, is it ethically acceptable to speak insincerely in business negotiations, in advertising, or in communication with employees?
- Is it wrong for a business to rely on property rights established by an unjust regime?
- Are businesses always morally required to obey the law, even when the law is unenforced or under-enforced? Should businesses obey unjust laws?

- Can an employment contract or a financial contract be wrongfully exploitative even if it is consensual and beneficial to both parties?
- Must employers do anything beyond what the law requires to accommodate employees with families?
- Must corporations do anything beyond what the law requires to avoid harming the environment?
- Are there reasons to regard some types of work as more meaningful than others?

## Readings

All readings for the course are available electronically. Most of them will be available via the library's electronic course reserves. You may access e-reserves for the course via Canvas. Case studies published by Harvard Business Publishing and articles from *Harvard Business Review* will be available via study.net. (As of March 2017, I do not yet know what the cost for the study.net materials will be, but in past semesters, it has been in the \$25-\$30 range.)

## Assignments and Grading

- 15% Questions on the Reading
- 15% Class participation
- 15% First paper (1300-1600 words, due date TBA in final syllabus)
- 25% Second paper (1500-1800 words, due date TBA in final syllabus)
- 30% Final exam (at the time appointed by the Registrar for your section)

To help guide you through the readings, I will ask you to write out short answers to a few questions on each of the reading assignments. Answers to questions on the reading are due on Canvas before every class except for the first session, which has no reading assignment. Answers to questions on the reading will be graded S/U. To get full credit for the "Questions on the Reading" part of your grade, you will need to turn in answers on most class days. You may skip five sets without penalty, though you are still responsible for doing the reading on days that you skip the QR assignment. I will not give written feedback on these assignments, but you are welcome and encouraged to discuss your answers to

questions on the reading with me in office hours. We will always discuss the questions on the reading in class.

Papers should be submitted to Canvas and automatically checked with Turnitin. Late papers will be penalized 1/3 of a letter grade per day late, including weekend days. Answers to questions on the reading must be submitted on time to receive credit.

Grades for all assignments will be on an absolute scale. I will not use a curve. The main criteria for the evaluation of papers will be the clarity of the writing and organization, the accuracy and charity of the presentation of others' views and arguments, and the effectiveness of critical discussion.

Grades for participation will be based on regular attendance and on both the frequency and the quality of active participation, with an emphasis on quality. Comments in class do not have to be true or deep to be helpful (though if you are in possession of deep truths, I hope you will share). Any effort to help the class think through the material is potentially valuable, including mistakes, tentative suggestions, devil's advocacy, and requests for clarification. That said, it will probably not help your participation grade to bullshit, i.e., to speak with the aim of sounding good without caring whether you are saying something true. It also will not help your grade to pretend to have read the day's readings when you haven't or to be hyper-aggressive. To ensure that all students get opportunities to speak, I will not always call on the first students to raise their hands.

## **Academic Integrity**

Information on academic integrity will be available on the course website. Students are expected to know and comply with University regulations regarding academic integrity.

If you use or discuss someone else's ideas—including ideas you get from discussing the course with classmates, friends, or family—you must cite the source. If you use someone else's words, you must clearly identify the quotation as a quotation, and you must cite the source. You are always welcome to speak with

me about when it is necessary to cite a source. If you must make a last-minute decision about citation, it is better to cite too much rather than too little.

Dual submissions are not allowed in this course. No part of any assignment for this course may consist of work that you (or others) have submitted for assignments in other courses, at the University of Pennsylvania or elsewhere.

Though you are welcome and encouraged to discuss the readings with other students in the course, you should write up answers to the “Questions on the Reading” assignments on your own.

## **Classroom Policies**

A recent study indicates that students perform better on conceptual questions if they take notes longhand, rather than typing. (This is true even if students are not attempting to multitask.) Partly for this reason, I will ask you to refrain from using electronic devices in class, including laptops, and you should silence devices before class begins. If you have a disability that requires you to take notes on a computer, or if you have *really* bad handwriting, come talk to me. Whenever there are large blocks of text you will need in your notes, I will provide printed copies.

I will ask you to sit according to a seating chart, which we will set in week 2. I will also ask you display name cards.

## **Faculty Lunches**

I will arrange group lunches with students through the Wharton Meals Program. I invite and encourage you to sign up on Canvas. These lunches are voluntary, and there is no charge to students.

## **Tentative Schedule of Readings**

*This reading list may be revised before August. If your decision whether to enroll depends on whether a particular reading or topic is included, please contact me.*

For some reading assignments, you will not have to read every page of the article or chapter that is posted online. Please look at the daily “Questions on the Reading” assignment on Canvas (even if you are not writing up answers that day) for page numbers and advice about where to focus.

### *Unit 1: Ethical Requirements and Social Norms*

Social pressures to act rightly

“Merck & Co., Inc.: Addressing Third-World Needs” (study.net)

“A Mucky Business”

Excerpt from Immanuel Kant, *Groundwork of the Metaphysics of Morals*

Are people necessarily selfish? Should we be?

Joel Feinberg, “Psychological Egoism”

Colin Camerer and Richard Thaler, “Anomalies: Ultimatums, Dictators, and Manners”

Is morality entirely relative to prevailing cultural opinion?

James Rachels, “The Challenge of Cultural Relativism”

Andrew Kramer, “IKEA Tries to Build Public Case Against Russian Corruption”

### *Unit 2: Corporate Social Responsibility*

The shareholder theory of corporate responsibility

Milton Friedman, “The Social Responsibility of Business is to Increase its Profits”

Ethan Baron, “Are MBAs to blame for VW and other business ethics fiascos?”

Shareholders or stakeholders?

Lynn A. Stout, “The Problem of Corporate Purpose”

R. Edward Freeman, “Managing for Stakeholders” (study.net)

An alternative to stakeholder theory

Joseph Heath, “Business Ethics Without Stakeholders”

### *Unit 3: Lying, Deception, and Moral Theory*

#### Hard cases of deception

Albert Carr, "Is Business Bluffing Ethical?" (study.net)

David Paul Lauffer et al., "Deception" (study.net)

#### One approach to hard cases: utilitarianism

Jeremy Bentham, excerpt

John Stuart Mill, excerpt from *Utilitarianism*

Peter Singer, "Famine, Affluence, and Morality"

#### Another approach to hard cases: Kantianism

Onora O'Neill, "The Moral Perplexities of Famine Relief"

Hughes, "Motivating the Formula of Humanity"

#### Kantianism, lying, and deception

Charles Fried, excerpt from *Right and Wrong*

#### Lying and deception in negotiation: are they different?

Alan Strudler, "The Distinctive Wrong in Lying"

### Unit 4: Exploitation

#### A defense of sweatshop labor

Matt Zwolinski, "Sweatshops, Choice, and Exploitation"

#### Moral criticisms of sweatshop labor

Meyers, "Wrongful Beneficence: Exploitation and Third World Sweatshops"

#### Exploitation in financial contexts

Gretchen Morgenson, "Inside the Countrywide Lending Spree"

*Williams v. Walker-Thomas Furniture Co.*

### *Unit 5: Property and the Moral Duty to Obey the Law*

#### Are there natural property rights?

John Locke, "Of Property" (*Second Treatise of Government*, Chapter V)

*The Globe and Mail*, "Barrick's Tanzanian project tests ethical mining policies"

Are there natural property rights? Another view.

Jean-Jacques Rousseau, excerpt from “Discourse on the Origin of Inequality”

Moral reasons to obey the law

“Uber faces \$300,000 Fine, Court Case from Philadelphia Regulators”

John Rawls, “Legal Obligation and the Duty of Fair Play.”

Responding to controversial laws

“Google in China” (study.net)

### *Unit 6: Discrimination and Accommodation*

Discrimination and “reaction qualifications”

Alan Wertheimer, “Jobs, Qualifications, and Preferences”

Disparate impact and accommodation

Sophia Moreau, “What is Discrimination?”

Accommodating families and accommodating difference

“Kathryn McNeil” (study.net)

Kenji Yoshino, “The Pressure to Cover”

### *Unit 7: Responsibility for the Environment*

An argument against corporate environmental responsibility

Norman Bowie, “Morality, Money, and Motor Cars”

An argument for corporate environmental responsibility

Arnold and Bustos, “Business, Ethics, and Global Climate Change”

### *Unit 8: Meaningful Work*

(Note: The readings by Aristotle and Marx are challenging. I encourage you to do the “Questions on the Reading” assignments for these readings.)

What is a good life?

Aristotle, *Nicomachean Ethics*, I.i, I.ii, I.v, I.vii

Can everyone have meaningful work?

Aristotle, *Nicomachean Ethics* X.vii, X.viii

Work to live or live to work?

Karl Marx, "Alienated Labor"

Extreme jobs

Sylvia Ann Hewlett and Carolyn Buck Luce, "Extreme Jobs" (study.net)