

**University of Pennsylvania/The Wharton School**

**Legal Studies 612: Responsibility in Business**

**Fall 2017, Quarter 1, Section 005**

**Syllabus (revised)**

Instructor: Ronald A. Sarachan

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Classroom: JMHH F55

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

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

**Course Description:** This course focuses on the responsible leader in business. Each class is organized around a single theme. Each theme is used to explore important aspects of responsibility in business. The focus is on case studies and practical approaches to resolving real problems. 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. Readings will be distributed in class or will be available electronically on Canvas.

**Class 1 (August 31): **Introduction; Individual Decision-making in Organizations****

Cases: "The Space Shuttle Challenger Disaster – Part 1"

"The Space Shuttle Challenger Disaster – Part 2"

**Class 2 (September 7): **Wearing Two Hats? Personal Responsibility and Business Responsibility****

Cases: D. Gioa, "Personal Reflections on the Pinto Fires Case"

"Merck & Co., Inc."

“Tennessee Coal and Iron”

J.M. Shea, Jr., “Memo of a Dallas Citizen”

Readings: M. Friedman, “The Social Responsibility of Business Is To Increase Its Profits”

E. Freeman, “Managing for Stakeholders”

K. Goodpaster, “Business Ethics and Stakeholder Analysis”

Class 3 (September 14): **Moral Philosophy**

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

J. Useem, “The Analyst’s Dilemma”

“Lex Services Group, Ltd.: Work Conditions at Inglesby Shipyard”

M. Sandu, “Dicing with Death? A case study of Guidant Corporation’s implantable defibrillator”

Readings:

T. Donaldson & P. Werhane, “Introduction to Ethical Reasoning”

J. Rawls, “Distributive Justice”

Class 4 (September 21): **Law as a Baseline; Corporate Crime and Fraud**

Cases: B. Van Dissel, “Martha McCaskey”

R. Kaplan & D. Kiron, “Accounting Fraud at WorldCom”

Readings:

G. Smith, “Why I Am Leaving Goldman Sachs”

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”

L. Paine, “Managing for Organizational Integrity”

Class 5 (September 28): **Responsibility in Business, Science and Technology**

Cases: B. Feder, "Alchemist's Dream Come True"

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

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"

Class 6 (October 12): **Responsibility and International Business; Wrap-up**

Cases: D. Spar, "Hitting the Wall: Nike and International Labor Practices"

S.P. Sethi, "The World of Wal-Mart"

S. Banjo, "Inside Nike's Struggle to Balance Cost and Worker Safety in Bangladesh"

C. Duhigg and D. Barboza, "In China, Human Costs Are Built Into an iPad"

L. Cohen, "Chiquita Under the Gun"

*United States v. Chiquita Brands International, Inc.*, Criminal Information

Readings:

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

T. Donaldson, "Values in Tension: Ethics Away from Home"