



Responsibility in Business
LGST 612

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Prof. Peter Conti-Brown

Legal Studies & Business Ethics Department
647 Jon M. Huntsman Hall

e-mail: petercb@wharton.upenn.edu

Class Meetings: Mondays, 3:00pm – 6:00pm, JMHH 560
Office Hours: Mondays, 1:00pm – 2:30pm, JMHH 647 and by appointment. Please email me ahead of time, though, just to make sure I'll be there.

Course Description:

In this course, we will wrestle with the hard problems of business responsibility. You each come to this course with strong senses of what is right, wrong, possible, or impossible in your approaches to business management. This course is designed to force you to speak to each other about what to do when your sense of right and wrong differs from your employers, employees, shareholders, political representatives, customers, and other stakeholders invested in the way you behave as business leaders.

I am a lawyer and a historian, and the course will reflect that disciplinary perspective. We'll be putting a lot of 20th century (and earlier) history in conversation with the events of the day, and will be discussing the questions of how legal responsibility is similar to (or departs from) moral responsibility.

Grading:

Your grade is divided into three parts: 25% class participation, 25% response papers, and 50% for the final paper, as summarized below.

Class participation. Punctuality, attendance, and class participation are all mandatory. I will take attendance and start precisely on time each session—I will make a note of any latecomers or missing students each session. For class participation, I will alternate between soliciting volunteer comments on the reading material/class discussion and “cold calling” students, and will take notes after each session on classroom participation.

I can't stress class punctuality and attendance enough. We meet only 6 times, and the pedagogical value of straight lecture is virtually zero—rattling on and on to you in person is much worse for you than simply assigning the same lecture in written form. By design, then, our sessions are structured as a combined lecture/discussion/interactive seminar. We will break into groups, debate issues, hold mock trials, argue with each other, etc. This approach will be fun, interesting, and successful only if there are students in place to participate in it.

Also, given that we will be discussing some of the most cherished values you hold—who you are, what motivates you, who you hope to become—the need for us to foster a frank but respectful atmosphere is also essential. To that end, I will assign you each a daily participation grade from 0 to 1, with some exceptional performances receiving a 2. No-shows and disrespectful interlocutors will get a 0; those who come, demonstrate a command of the reading assignments, and contribute to the course will receive a 1. Warm bodies who make marginal contributions will get a 0.5.

Note: This class will observe the MBA program's policy on student use of electronic devices in the classroom. Violations of the rules will be reflected in the class participation aspect of the course grade.

Response Papers. Each of you will email me **three** short response papers (between 200 – 250 words). These response papers should engage the week's readings, and must be submitted by 10pm on the Sunday before our Tuesday sessions (or any time before then). You should identify one argument or theme from the readings, summarize it, and explain whether you agree or disagree with it. Everyone should write a response paper for session 6; you can choose when you write the other two.

I'll grade each response paper with a 0 or a 1, and in some exceptional circumstances a 2. Missed assignments get a 0, completed assignments get a 1, half-hearted efforts get a 0.5.

Final Paper. The largest component of your grade consists of a 1500-2000 word paper. In it, I want you to take some entity (for- or nonprofit, as you prefer), that has faced some kind of ethical quandary. In the paper, I want you to think through the ethical quandary, how the firm responded to it, and whether you agree or disagree with the approach taken. Papers will be graded based on quality of writing, organization, original research, integration of your life story, course readings, and thoughtfulness/originality/appropriateness of your chosen examples. You can use your own life examples, but it shouldn't be a purely personal essay—I want you to do good research and hard thinking about what makes an ethical quandary truly difficult.

Note: I will be running each report through anti-plagiarism software.

Plagiarized work will result in severe consequences for the student, consistent with the University of Pennsylvania's rules.

Required Texts:

1. Almost all materials will be available through Canvas, supplemented from time to time with stories from the *Wall Street Journal*, the *New York Times*, or *The Economist* that illustrate something we are discussing that day.
2. For the final session, we will be reading the book *The Upstarts*, by Brad Stone. It's an overview of Airbnb, Uber, and its competitors. We'll be thinking through how law and ethics interact with each other a

Sessions and Readings:

Session 1 Finding Ethics, Building Culture

- A. Google 2004 Playboy Interview
- B. Fortune, "Dueling Google Memos Reveal a Company Struggling with Cultural Change," 2017
- C. New York Magazine, Uber, But for Meltdowns, 2017
- D. Susan Fowler readings

Session 2: Responsibilities to Whom? The Nature of the Corporation

- A. Friedman, Social Responsibility of Business is to Increase Profits
- B. Denning, The Origin of the World's Dumbest Idea
- C. Jensen, Value Maximization, Stakeholder Theory, and the Corporate Objective Function
- D. Stout, The Problem of Corporate Purpose

Session 3: Responsibility to Customers, Responsibility as Customers: Collection of Wells Fargo readings

- A. The Economist, No More Excuses: Responsible Supply Chains in a Globalised World (skim)
- B. New York Times, "Uber and Starbucks Protests Show Boycotts Need More than a Hashtag"
- C. New Yorker, "The Trump Era Corporate Boycott"
- D. Wells Fargo readings

Session 4: Responsibility to Government: Making and Obeying the Law

- A. Evan Osnos, "Larry Lessig v. Citizens United," 2014
- B. Hubbard & Kaine, "In Defense of Citizens United," 2017
- C. Pro Publica, "How the Maker of TurboTax Fought Free, Simple Tax Filing," 2013
- D. New Yorker, "Schooled"

Session 5: Responsibility to Capital Markets

- A. New Yorker, “Dirty Business: New York City’s top prosecutor takes on Wall Street crime,” 2011.
- B. New Yorker, “Blood, Simpler,” 2014 and Vanity Fair, “How Elizabeth Holmes’s House of Cards Came Tumbling Down,” 2016
- C. New Yorker, “A Bad Thing: What Did Martha Stewart Lose,” 2004.

Session 6: Responsibility to Law, and the Road Ahead

- A. Brad Stone, *The Upstarts: How Uber, Airbnb, and the Killer Companies of the New Silicon Valley are Changing the World* (Little Brown, 2017)