

LGST 100
Ethics and Social Responsibility
2019 Spring

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Monday and Wednesday
Room: TBA

COURSE OBJECTIVES: The purpose of the course is to enhance students' appreciation for, and ability to deal with, ethical and social dimensions of problems they will face in their careers as managers. The course emphasizes the interplay between the economic dimensions of those problems and their ethical and social aspects.

The course will:

- familiarize you with the recurring ethical problems faced by managers in their dealings with others inside and outside the firm, and the recurring normative problems of public policy and regulation concerning business;
- develop your capacity for analysis and judgment by introducing you to certain key concepts, principles, and approaches to normative analysis; and giving you practice in recognizing and evaluating arguments;
- give you practice in formulating, defending, and planning the implementation of solutions to the practical ethical problems faced by managers; and
- give you the opportunity to reflect on your own values as they apply to the job of the manager.

CONDUCT OF THE COURSE AND STUDENT PREPARATION:

The course meets twice a week. Classes will consist of some combination of lecture and discussion depending on the nature of the materials, but in all instances student preparation and participation are essential. Students should come to class prepared to discuss the cases and share both their analysis and recommendations.

Laptops are not to be used during class.

COURSE MATERIALS:

All materials are available on CANVAS. In each assignment, there will be links to the relevant readings, which are stored on CANVAS in either the FILES or STUDY.NET tabs.

GRADING:

The following weights apply to the grading criteria:

Midterm exam	30%
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Participation	25%
Personal def. of business responsibility	5%
Final exam	40%

Midterm exam:

In-class, closed-book exam. See schedule. The mid-term exam will be an hour and ten minute exam consisting of objective” questions, such as True/False, Multiple choice, short-answer, and short essay. The short essay section will comprise approximately 50% of the exam.

Personal Definition of Business Responsibility:

On the final day of class you will be asked to describe your personal definition of business responsibility. Your answer should draw on your unique life experiences, relevant course material and your own original thinking. The assignment will be evaluated based on quality of writing, organization, integration of your life story, and the thoughtfulness/ originality/ appropriateness of your selected role model. Your essay/definition will be evaluated as either "Satisfactory" (5 points) or "Unsatisfactory" (0 points).

Final Exam

If you do not submit a paper on the due date, then you must take the final exam.

The final exam is cumulative in nature but will emphasize material covered since the mid-term exam. The exam occurs during the regularly scheduled exam time for this course. It is closed-note and closed-book.

The exam has two parts:

Part I will include short essay questions and possibly a few "objective" style questions, e.g., short answer and multiple-choice questions. Part II involves the analysis of a case study. The case study will be included with the exam.

Readings (these may change slightly before the start of the term):

- Case study: The Analyst’s Dilemma (A) [HBS 394-056, 1993].
- “Introduction to Ethical Reasoning,” in Thomas Donaldson and Patricia Werhane, eds., *Ethical Issues in Business: A Philosophical Approach*, 8th edition (Upper Saddle River: Prentice Hall, 2008).
- Case study: “Dicing with Death? A case study of Guidant Corporation’s implantable defibrillator business,” by Martin E. Sandbu and Jeisun Wen.

- “Excerpts from Adam Smith’s, *Wealth of Nations*, 1776” Adam Smith,
- “Rawls’ Two Principles of Justice,” Wenar, Leif, "John Rawls", The Stanford Encyclopedia of Philosophy (Winter 2013 Edition).
- Case study: "The Oil Rig"
- The Economist Manifesto. *New Statesman*, Sen, A. 2010. 139(4998): 29.
- Case study: “Alchemist's Dream Come True,”
- “Does Business Ethics Make Economic Sense” Sen, Amartya (1993).
- "Can Socially Responsible Firms Survive in a Competitive Environment?" Robert Frank,
- “The Dark Side of Creativity: Original Thinkers Can Be More Dishonest,” Francesca Gino and Dan Ariely, 2011.
- "Moral Mazes: Bureaucracy and Managerial Work," Robert Jackall, *HBR*
- Case study. “Italian Tax Mores" Arthur L. Kelly.
- Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly* Jensen, M. C. 2002., 12(2): 235-256.
- “The Problem of Corporate Purpose,” Lynn Stout, *Issues in Governance Studies* (Washington, D.C.: The Brookings Institution, 2012).
- “Google’s China Problem (And China’s Google Problem)” by Clive Thompson *New York Times*,
- "The Social Responsibility of Business is to Increase Its Profits," Milton Friedman, .
- "Managing for Stakeholders" Edward Freeman,
- Two Extreme Views: Managing for Shareholders or Stakeholders? Sandbu, M. 2010. In M. Sandbu (Ed.), *Just Business: Arguments in Business Ethics*.
- Case study: Merck & Co.
- Creating Shared Value. *Harvard Business Review*, 89(1/2): 62-77 Porter, M. E. 2011.
- "Shared Values that are Lost in Translation" Donaldson *Financial Times* 2014
- Case study: Merck & Co.
- Creating Shared Value. *Harvard Business Review*, 89(1/2): 62-77 Porter, M. E. 2011.
- "Shared Values that are Lost in Translation" Donaldson *Financial Times* 2014
- SKS and the AP Microfinance Crisis (HBS Case: 9-212-018)
- “Bottom of the Pyramid as a Source of Breakthrough Innovations,” CK Prahalad,
- Case study: "What Price, Safety?"
- “Values in Tension: Ethics Away from Home,” Donaldson, Thomas, *Harvard Business Review*, September-October, 1996.

- Case Study: “Chiquita and the US Department of Justice” RI-1006,
- Case Study: “Global Profits, Global Headaches,” By Mark Baker, Laura Hartman & Bill Shaw,
- “Bad Jobs at Bad Wages Are Better Than No Jobs at All” Krugman, Paul,
- “Barrick’s Tanzanian Project Tests Ethical Mining Policies”
- “UN Ruggie-protect-respect-remedy-framework” (From the 2010 Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises)
- Case Study: "Just when is a ‘Tip’ Only another Means to Insure Promptness?"
- “The Business Case for Complying with Bribery Laws.” Nichols, P. 2012. *American Business Law Journal*49(2): 325-368.
- “I Paid a Bribe . . .” *The New York Times*. Strom, S. 2012.
- Case Study: Kitchen Best: Ethics When Doing Cross-Boundary Business in Southern China HKU948-PDF-ENG
- Case: The Goldman Sachs IPO (HBS case 9-800-016)
- “Ownership and Organizational Form” Henry Hansmann, in Gibbons and John Roberts, eds, *The Handbook of Organizational Economics*, Palgrave Mcmillan, 2012.
- “Needed: A New Economic Paradigm” Stiglitz,
- “An Economy of Liars” O’Driscoll,
- “Three Ethical Roots of the Financial Crisis” Donaldson,
- “Recipes for Ruin, in the Gulf or on Wall Street” Thaler,
- “‘Fab’ Trader Liable in Fraud” Wall Street Journal, 2013
- Case "Foreign Assignment."
- Uber: 21st Century Technology Confronts 20th Century Regulation. CASE - Reference no. P81 Authors: Callander, S.; Hoyt, D. Published by: Stanford Business School (2012) Version: 25 September 2012 Length: 10 pages
- ‘Uber: Backseat driver’, *Financial Times*, Murad Ahmed, Jeevan Vasagar and Tim Bradshaw, September 15, 2015.
- “Dangerous Currents” *Directors & Boards* Donaldson, T. 2004.
- "Parable of the Sadhu" (No assignment: video and discussion)
- Case Study: “Barclays and the LIBOR Scandal” HBS 9-313-075
- Self-Inflicted Industry Wounds: Early Warning Signals and Pelican Gambits,” Donaldson and Schoemaker, *California Management Review*, Winter, 2013.
- Case: “Dorrence Corporation Trade-offs 4”