



Responsibility in Business
LGST 612

Spring 2019, Quarter 4

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Class Meetings: Mondays, 3:00pm – 6:00pm, JMHH F70
Office Hours: Mondays, 1:00pm – 2:30pm, JMHH 647 and by appointment. Please email me ahead of time regardless.

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 values and in your approaches to business. 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.

In the course, we will also wrestle with what your sense of ethos is *not*. This isn't a class about marketing and brand management, it is not a class about your legal responsibilities (although we will talk about this in some important contexts), and it is not a class where I will give you a universal moral compass that always points true north. Instead, the purpose of this course will be to use ethos as a sometimes parallel, sometimes overlapping construct related to but distinct from areas like law, compliance, marketing, and morality.

Grading:

Your grade is divided into four parts: 25% class participation, 25% for three response papers, 40% for the final paper, and 10% on the final grading exercise (as summarized below).

Class participation. Punctuality, attendance, and class participation are all mandatory. I will take attendance and start precisely on time each session, making

note latecomers or missing students for each session. For class participation, I will mostly rely on volunteer comments on the reading material/class discussion, but will sometimes “cold call” students. I will take notes on participation each session. Your participation grade will reflect both the quality and quantity of your comments, in that order.

The focus on punctuality and attendance will annoy many of you. But it’s very important for this course. We meet only six times, and there is little if any pedagogical value to straight lecture. By design, then, our sessions are structured as a combined lecture/discussion/interactive seminar. We will break into groups, debate issues, argue with each other, do exercises, etc. This approach will be fun, interesting, and successful, I hope, but 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, students who are disrespectful to each other will be significantly penalized in their participation grade. This is extremely rare in my experience, but I reserve the right to exercise the penalty.

Note that absences are the surest way to doom your participation grade. Only documented medical issues can excuse you.

Finally, 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. The readings will primarily be available as PDFs, so some use of iPads or laptops to access readings is appropriate, but I’ll have my eyes on the laptop zombies and measure the participation grade accordingly.

Response Papers. Each of you will upload to Canvas **three** short response papers (between 200 – 250 words). These response papers should engage the week’s readings, and must be submitted by 11:59pm on the Sunday before our Monday sessions (or any time before then). You should identify an argument (or arguments) or theme from the readings, summarize, and then explain your own view. Everyone must write a response paper for session 6; you can choose when you write the other two.

Most of you will get full credit for each response paper, in which case there will be no comments or feedback from me. In exceptional cases, I will give you more than full credit. More often, I will give partial credit if the response paper shows insufficient engagement with the material. Late response papers are given no credit.

Final Paper. The largest component of your grade consists of a 1500-2000 word paper. In it, I want you to take some business entity that has faced some kind of ethical quandary, some question on which reasonable and moral people can disagree. 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, course readings, and thoughtfulness/originality/appropriateness of your chosen examples. I will distribute a rubric separately. 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.

The final paper is due on Canvas by 3:00pm on Thursday, April 18th. Please note the time. Papers will be marked down a letter grade per day and none will be accepted after April 21st.

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.

Final Grading Assignment. The final assignment requires us to flip the script a bit. One of the few things you will remember from this course is your final paper, so it is appropriate that the paper receives so much weight in your grade. But assigning that grade in an objective way has proven quite difficult in this class. I can't anonymize these final projects for the most part, because most of you will want to discuss your topic selection with me (and I welcome this—not all topics are created equal). I'm fairly confident that my approach has reduced bias when I grade papers non-anonymously, but I worry that subtle, unconscious factors may yet cloud my judgment. And anyway, one of the biggest biases in grading papers occurs whether or not they are anonymous, and that is the regression to the mean (a paper following three As is likelier to get a lower grade than the same paper following three Bs).

That's a long explanation to introduce to you a system designed by my colleague, Pete Fader. It is the Wharton Online Ordinal Peer Performance Evaluation Engine (or WHOOPPEE). I will explain this in excruciating detail in class, but the gist is simple: each of you will "grade" a batch of five papers, scrubbed of identifying information. I put "grade" in quotes because in fact you will simply be putting them into a ranked order from best to worst. (You will also be encouraged to leave feedback.) I will go through each paper and rank them in five-paper chunks as well, but you will only be in charge of ranking five papers.

You will also be graded on your ability to treat this assignment carefully. Students whose rankings get close to mine (and other students) will get a bump up; those whose rankings look more or less random will get a bump down. In the process, you will get to take a deep dive into not just one ethical dilemma, but six, and your paper will be graded by six people (including me).

The final deadline for your WHOOPPEE assignment is Thursday, May 2, at 3pm.

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 session six, we will be reading *Bad Blood*, by John Carreyrou, the story of how Theranos rose and fell. I urge you to buy a physical copy of the book—not a Kindle copy, and not an Audio book. I'll explain in class.

Sessions and Readings:

Session 1 Ethos and Culture

- A. Google 2004 Playboy Interview
- B. Fortune, “Dueling Google Memos Reveal a Company Struggling with Cultural Change,” 2017
- C. Susan Fowler readings

Session 2: Responsibilities to Whom? Fiduciary Duties and Nature of the Corporation

- A. Friedman, Social Responsibility of Business is to Increase Profits
- B. Stout, The Problem of Corporate Purpose
- C. Levine, Shareholder value ideology

Session 3: Responsibility to Customers, Responsibility as Customers

- A. New York Times, “Uber and Starbucks Protests Show Boycotts Need More than a Hashtag”
- B. New Yorker, “The Trump Era Corporate Boycott”
- C. 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

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, “A Bad Thing: What Did Martha Stewart Lose,” 2004.

Session 6: Ethics and Entrepreneurship, and the Road Ahead

A. *Bad Blood: Secrets and Lies in a Silicon Valley Startup*, by John Carreyrou