

Values in Business Life: From Strategy and Ethics to Artificial Intelligence

LGST 299
Fall, 2019

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Class Schedule

12:00-1:30 Monday and Wednesday

Course Overview and Objectives

This course explores the concepts of value and values in economic life. All strategic and many tactical decisions begin with a value proposition of some kind. Investors, customers, employees, suppliers, and community members are potential sources of value in the creation, exchange, distribution and sale of a good or service. This course examines different conceptions of “value/values” in business life and the role they play in interpreting issues such as artificial intelligence, corporate governance, business and professional education, international business, value theory, and personal values. The class will utilize a combination of theoretical readings, class exercises, student presentations and case discussions.

Students are expected to engage in class discussions and class exercises.

Topics to be covered include:

1. Conceptions of value
2. Values in AI and online systems
3. Values in Corporate Governance
4. Values in Global Business Settings
5. Values in business and professional education
6. Personal Values in Business

READINGS:

Conceptions of value

“Incommensurability and valuation in law.” Sunstein, C. R. *Michigan Law Review*, (1994). 92(4), 779-861

“Reclaiming virtue ethics for economics.” Bruni, L., & Sugden, R. (2013). *Journal of Economic Perspectives*, 27(4), 141-164.

“The economist manifesto.” Amartya Sen, (2010) *New Statesman*.

“The Ford Pinto case”: slide version, Syed Kamran Haider, 2014.

https://www.slideshare.net/kamran_haider/ford-pinto-full-details-and-analysis-report-with-references

“OrganJet and GuardianWings.” HBS 9-413-068: Case study

Values in AI and online systems

“Amazon scraps secret AI recruiting tool that showed bias against women.” *Reuters*, October 9, 2018.

“Preparing for the future of artificial intelligence.” Executive Office of the President National Science and Technology Council Committee on Technology, October 2016

“The nature, importance, and difficulty of machine ethics,” Moor, James H. *IEEE Intelligent Systems*, 08/2006, Volume 21, Issue 4

“Robot Camel Jockeys.” <https://www.cs.ox.ac.uk/efai/2017/01/03/robotcameljockeys/>

“Computing and accountability.” Nissenbaum, Helen. *Communications of the ACM*, 01/1994

“Particularism and the classification and reclassification of moral cases. Marcello Guarini, *IEEE-Intelligent Systems*. 2006, pp 22-28

“Moral decision making frameworks for artificial intelligence.” Conitzer, Vincent; Sinnott-Armstrong, Walter; Borg, Jana Schaich; More... 31st AAAI Conference on Artificial Intelligence, AAAI 2017, 2017

“Automated health care” Case Study-Princeton University-AI-Ethics
<http://www.aiethics.princeton.edu>

“The ethics of making technology addictive” Bhargava Vikram and Manuel Velasquez. Unpublished paper.

“The History of Technological Anxiety and the Future of Economic Growth: Is This Time Different? Joel Mokyr; Chris Vickers; Nicolas L. Ziebarth. *The Journal of Economic Perspectives*, 07/2015, Volume 29, Issue 3.

“AI Systems and Research Revealing Sexual Orientation” Case-Study." *Data Society.net*. April 26-27, 2018

Values in Corporate Governance

“Principles of Corporate Governance.” OECD 2015

"Value Maximization, Stakeholder Theory, and the Corporate Objective Function." Jensen, Michael C. 2002. *Business Ethics Quarterly* 12: 235-47.

“Clients Worried About Goldman's Dueling Goals”: Business/Financial Desk by Gretchen Morgenson and Louise Story *New York Times*, May 19, 2010. Case Study.

“Doing well by doing good: The grand illusion.” Karnani, A. 2011. *California Management Review*, 53: 69-86.

"Companies Should Maximize Shareholder Welfare Not Market Value." Hart, Oliver, and Luigi Zingales. 2017. *Journal of Law, Finance, and Accounting* 2017: 247–74.

"Serving Shareholders Doesn't Mean Putting Profit above All Else." Hart, Oliver, and Luigi Zingales. <https://hbr.org/2017/10/serving-shareholders-doesnt-mean-putting-profit-above-all-else>.

“Tata: Leadership with Trust.” Case Study. *Aspen Case Competition- Ivey Management Systems* 2010. (Additional media articles will also be provided.)

"Creating Shared Value." Porter, M. E., and Mark R. Kramer. 2011. *Harvard Business Review* 89: 62-77.

"Shared Values That Are Lost in Translation." Donaldson, Thomas. 2014. *Financial Times* FT.com.

“Premise of ‘creating shared value’ risks misleading MBA students,” *Financial Times* FT.com

"Toward a Theory of Business." Donaldson, Thomas, and James P Walsh. 2015. *Research in*

Organizational Behavior 35: 181-207.

Values in professional education

“The Social Value of the College-Bred.” William James, 1907

“Just think: The challenges of the disengaged mind.” Wilson, Timothy D; Reinhard, David A; Westgate, Erin C; More... *Science*, 07/2014, Volume 345, Issue 6192

“From social control to financial economics: the linked ecologies of economics and business.” Marion Fourcade; Rakesh Khurana *Theory and Society*, 03/2013, Volume 42, Issue 2

"Are Business Mangers "Professionals?" Donaldson, Thomas. 2000. *Business Ethics Quarterly* 10: 83-93.

“Professional Quandaries” *HBS* 9-800-371

Values in Global Settings

“Wheat people vs. rice people.” Luhmann, T. M. (2014, Dec 04). *New York Times*

"Cultures and Selves: A Cycle of Mutual Constitution." Markus, Hazel Rose, and Shinobu Kitayama. 2010. *Perspectives on Psychological Science* 5: 420–30.

“Entertainment Worldwide,” 1995. Thomas Donaldson

"Moral Minimums for Multinationals." Donaldson, Thomas. 1989. *Ethics and International Affairs* 3: 163-82.

“Gift giving and the African elder.” Case Study. *Edwin M. Hartman* 2005.

“Coca Cola India.” Case Study. *Aspen Institute*

“CSR and the Debate on Business and Human Rights: Bridging the Great Divide.” Wettstein, Florian. *Business Ethics Quarterly*, vol. 22, no. 4, 2012, pp. 739–770.

Individual/Personal Values

"Moral Psychology for the Twenty-First Century." Haidt, Jonathan. 2013. *Journal of Moral Education* 42: 281-97.

“Mann Gulch Fire”: Case Study T.W Klaus 2012.

“How Honest People Cheat From February.” Dan Ariely 2008, Harvard Business Review Web Site (Accessed 8:21 AM Tuesday January 29, 2008)

“The Dishonesty of Honest People: A Theory of Self-Concept Maintenance.” Nina Mazar, On Amir and Dan Ariely. *Journal of Marketing Research*. Vol. 45, No. 6 (Dec., 2008), pp. 633-644

“Moral self-licensing or how good deeds might lead to undesirable situations.” Clot, S., Grolleau, G., Ibanez, L., & Ndjodjang, P. (2014). *Revue Économique de l'OCDE*, 65(3), 557–572.

“Jack Ryan and Palisades Produce: Tough Decisions at Pacific Trust.” Case Study (A) Darden UV1917 (available in the Study.net folder)

“The claim to moral adequacy of a highest stage of moral judgment.” Kohlberg, L. (1973). *The Journal of Philosophy*, 70(18), 630

“The Formation of Identity: The Importance of Ideals.” De Ruyter, Doret, and Jim Conroy. *Oxford Review of Education*, vol. 28, no. 4, 2002, pp. 509–522.

“The Ring of Gyges.” Case Study. Excerpt from Plato’s *Republic*, Bk II (359a-360d) (Jowett Translation)

- **Illustrating value in corporate behavior:** You will have an opportunity to track down a relevant illustration of the issue of enlightened versus abusive corporate behavior. Some of you will find an example of how a firm’s enlightened behavior might boost its performance. You can share your example of this seemingly “enlightened” behavior on one of three days early in the course. Others of you will do this same exercise later in the course (also on three days). The

difference is that I would like you to shift gears and find examples of abusive corporate behavior. Look for examples of the sometimes harmful and dangerous effects that corporate practices can have on its employees, customers, and community.

Your analysis can be prepared either in PowerPoint or Word format. Your remarks should be submitted online no later than one week after you verbally present it in class. During class, you will summarize your findings verbally in no more than three minutes and will not be able to use visual aids. The example you chose should be related in some way to the class's current topic of discussion. For example, if the topic of discussion is artificial intelligence and online systems, your example should relate to business behavior dealing with artificial intelligence or online systems.

- **Stakeholder Analysis:** We will select two interesting companies, Facebook and Alibaba, to examine as a class and share our stakeholder analyses with each other. With partners, you will look at the company of your choice through the eyes of one of its stakeholders. I will assign partners and the specific stakeholder groups in class. As you do your analysis, be sure to give us a) some sense of the history of the relationship between the stakeholder and the corporation; b) a review of the stakeholder's contemporary interests; c) a clear sense of the stakeholder's power; and in the case of all but the senior management, d) appraise the senior managers' likely view of them. Prepare a one-page executive summary of your analysis and an 8 minute formal presentation to share with the class.
- **The Great Debate-the Purpose of the Firm:** We will hold our own debate about the purpose of the firm sometime during the first month of class. I have indicated many of the classic readings to help you prepare. I will split the class in half and then ask you to work with a group of your colleagues to synthesize the various arguments and develop a compelling outline that captures the major points that support your assigned point of view. A two-page annotated outline is sufficient. The outlines will be collected in class.
- **Your PechaKucha Point of View:** We will close the course with you sharing your point of view about some issue or topic we considered in class ... or one not considered but one where your opinion is inspired by our time together. "PechaKucha 20x20 is a simple presentation format where you show 20 images, each for 20 seconds." Therefore, using these images as presentation aids, you will have 6 minutes and 40 seconds to articulate your point of view. The PechaKucha webpage describes the structure for your talk: <http://www.pechakucha.org/faq>.
We will share some of our early thinking with each other in class on Monday, November 18 and Wednesday, November 20. Your final thoughts will be due by Sunday, December 14th. Please submit using either PowerPoint or Word format, placing everything in a single file and submitting on Canvas.
- **What I believe:** Originated in the 1950s, National Public Radio brought the "This I Believe" radio series back to life. Each student will write a 500-word essay for the series. This assignment asks you to briefly articulate your fundamental beliefs. I hope that the class experience to date will inform what you have to say. But your essay will not be about the course per se. Rather, it is about you. Reflect upon our course experience and think about your fundamental beliefs. This is due by midnight on Friday, December 6th. I will collect them all in a single document and place on Canvas for everyone. We will reflect on our essays as a class on Monday. You can access the "This I believe" website at: <http://thisibelieve.org/>. Sample essays written by students around the world are available at <https://thisibelieve.org/feature/student-essays/>.

Grading:

Your contribution to our learning will be assessed in two different ways. In addition to a midterm exam, I will broadly evaluate the quality of your work on the various assignments and also your overall

contribution to class. And at the end of the course, your peers may also take stock of your contributions to our learning.

Components of grade:

- Pecha Kusha presentation and write-up (your analysis of one of the issues covered in class): 25%
- Midterm exam 35%
- Participation (including your “Stakeholder analysis” and “Great Debate analysis” 30%
- Illustrating value in Corporate Behavior 5%
- “What I believe” write-up 5% (graded as pass/fail)