



LGST 612: RESPONSIBILITY IN BUSINESS

Spring 2021 Q3

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Office hours: Tuesday 12-1pm and Wednesday 8-9am [via Zoom](#), or by appointment

Course Description and Objectives

Businesses operate in an environment defined not only by market forces, but also by legal, public policy, and ethical considerations. These factors are becoming ever more important to businesspeople at all levels, whether for organizational decisions or for individual conduct. No MBA sets out to be a criminal, racist, sexist, or immoral (I hope!), yet we see case after case where missteps result in severe legal, regulatory, and reputational consequences. Fundamentally, therefore, this is a course about the foundations for good judgment when facing difficult choices.

After completion of this course, you should be able to:

- Understand how legal rules and procedures manifest forms of responsibility.
- Apply ethical principles to real-world choices.
- Evaluate your own beliefs and commitments about personal and business responsibility.
- Identify changes in the business environment that influence the nature of accountability.

Pandemic Year Update

I have redesigned the course this year to address two pressing developments: the Covid-19 pandemic, and the uproar in the U.S. over racism and structural inequality following the killing of George Floyd. That includes not only restructuring for remote delivery, but updating materials to incorporate pandemic-related cases and more discussion of equity and inclusion. These issues will have significant impacts on the business world you enter following Wharton. And they have strong links to the focus of this course.

Course Structure

Online learning doesn't have to suck. Remote interaction certainly has limitations, the Covid-19 environment creates further challenges. But there are also opportunities to create real connections through both synchronous and asynchronous online activities, as I saw when developing one of the first and most successful Massive Open Online Courses (MOOCs). I will do everything I can to make this course an interesting, engaging, and productive experience. I'm sensitive that it's a challenging time for all of us, and a terrible time for some of us.

This is a flipped hybrid course. It will be delivered entirely online, through a combination of synchronous and asynchronous activities. For most class session, I've recorded several short videos. This is the "lecture" component, to complete prior to class, with embedded quiz questions to check your comprehension. There are also asynchronous assignments related to the class session.

Class time is for interaction -- live discussions, groupwork, and activities. The synchronous class sessions (via Zoom) will be shortened, because you will have already watched the lecture portions. Every session

(with associated videos and activities) is a Module on the Canvas site. The synchronous sessions will be recorded, and there will be alternate opportunities for those unable to attend live.

I encourage you to use the Canvas discussion boards as a means of class participation. I will contribute to the discussion boards as well from time to time. In addition to comments based on course materials and sessions, highlighting recent events and articles relevant to the course topics is strongly encouraged. Substantive responses to posts by other students are encouraged, and may even earn you more participation credit than brief original posts. Participation credit will be assessed holistically: quality matters, not just quantity. Adding 10 comments at the end of the quarter will not be viewed as favorably as engaging when topics are highlighted in class or through current events.

The course is only 12 sessions long. It will be particularly difficult to get to know each other in a remote format, but I am committed to trying. Each of you has experience from your work prior to Wharton, as well as from your life, that is relevant to our subject matter. I strongly encourage you to bring those personal stories into the class. Not for my sake, but for your fellow students. There will be opportunities to do so during synchronous sessions and group activities, but please also use the Canvas discussion boards.

We may cover some controversial or difficult topics. My goal is to create a “brave space” for candid discussion backed by mutual respect, even if that might make some uncomfortable. If you can’t have an honest conversation about something here, it will be even harder in a corporate setting later. Of course, honesty should be paired with sensitivity to your fellow students.

Course Requirements and Grading

Video Lecture Quizzes (5%)

For most class sessions, I have pre-recorded videos for what would normally be the lecture component. These videos will include a few multiple-choice questions to test your understanding of the material.

Weekly Assignments (20%)

There are assignments for each week of class after the first two (when we only meet once). You must complete four of the five available assignments, which are each worth 5% of the overall grade. I may highlight submissions from students and as you to elaborate in class.

These assignments will be evaluated for completeness, thoughtfulness, and timeliness. Most will specify the requirements; read the prompts carefully. Submissions should demonstrate that you completed and reflected on the associated reading. If you submit all five assignments, I will drop the lowest score.

Personal Ethical Dilemma (5%)

In 300-600 words, describe an incident in your personal life or professional career when you faced a difficult ethical situation. How did you respond? Looking back, do you believe you did the right thing? What did you learn from the experience? If you do not recall an appropriate personal dilemma, you may use a family member or close friend.

This exercise will be most valuable for your fellow students if you candidly share your experiences, even painful ones. I will invite a few students ahead of time to speak to the class, and will provide time for the rest of you to share with a small group. The papers themselves will be kept strictly confidential. You may hide company or individual names if you feel it necessary. This assignment will be graded for completion. I will not evaluate your decisions, and you will receive full points if your submission meets the length requirement, covers a relevant situation, and demonstrates thoughtful reflection.

Organizational Recommendations (15%)

Pick an organization you are, or have been, part of. It could be a company you worked for, a student club, a religious group, or anything else. Imagine you have been asked to led its internal efforts to address diversity, equity, and inclusion (DEI). First, in up to one paragraph, describe any distinctive aspects of the organization that are relevant to this challenge. You may anonymize the organization (e.g., “one of the big 4 consulting firms”), but you must focus on a specific one that you have actually been involved with.

Next, identify two concrete recommendations, and give a justification for each in one paragraph. You will first need to decide on objectives—what do you think effective DEI measure should mean—and then craft appropriate means to those ends. The recommendations can be anything, including formal rules (e.g., salary transparency), articulated principles (e.g., “We treat all our members fairly”), or commitments (e.g., “our goal is to have 10% of our engineers from under-represented groups in five years.”) Be creative! Explain why these steps will be appropriate and effective for this particular organization.

After you submit your recommendations, you will participate in a peer evaluation process. It has two parts: assessing that the student has met the requirements for full credit, and providing feedback on the recommendations. You will have an opportunity to react to the feedback in class #11. Peer evaluations are anonymous in both directions, to encourage honest and unbiased feedback.

NOTE: Take positions you believe in. I personally believe DEI is important, but I am not seeking to enforce political correctness. This is an opportunity to engage with your classmates on a challenging topic in the business world you will inhabit after Wharton. I hope you will think about how to narrow the gaps between principles and practices, and that you will consider perspectives other than your own.

Exam (40%)

There will be an online, open-book exam due after the final class session. The exam will be comprised of short answer questions. It will test your mastery of the concepts introduced in the course, such as the legal rules and ethical frameworks, covering the assigned readings, videos, and synchronous class discussions. I will not test your knowledge of specific facts in cases. Most questions will involve applying concepts to a hypothetical situation.

Participation (15%)

This course encourages you to wrestle with challenging issues to help you in your business career. It is not just a matter of memorizing information or mastering concepts, and most class sessions involve significant interactivity. Your active participation is important. However, I recognize the unique conditions we are under this semester.

Participation will be assessed based on your overall contributions to the course. That can include attendance and thoughtful comments during synchronous sessions, as well as asynchronous participation through Canvas discussion boards and other mechanisms. All synchronous sessions will be recorded, and there will often be explicit alternatives to synchronous activities. No student will be penalized for their inability to attend, for any reason. However, you will need to demonstrate your engagement in other ways. I am always available to discuss and consider accommodations for any situation that interferes with your ability to complete coursework.

Deadlines

I will always accept late submissions, up to the final class session of the course, with a graduated markdown. Late submission of the exam will similarly incur a graduated markdown until grades are submitted. If you encounter difficulty completing an assignment in a timely manner, please contact me before the deadline. I understand you may be facing unusual challenges in the current environment. I am always willing to listen and consider accommodations. Maximizing your learning is my primary goal.

Syllabus

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| <p>Jan 20</p> | <p>Law, Rules, Norms, Values</p> <p><u>Read:</u> The Ring of Gyges Who Spewed That Abuse? Anonymous Yik Yak App Isn't Telling He Has 17,700 Bottles of Hand Sanitizer and Nowhere to Sell Them</p> |
| <p>Jan 25</p> | <p>Personal Responsibility</p> <p><u>Read:</u> Introduction to Ethical Reasoning Those Who Walk Away From Omelas</p> |
| <p>Jan 27</p> | <p>Legal Responsibility</p> <p><u>Read:</u> Prosecutors Don't Plan to Charge Uber Demand for Face Masks Is Booming, But Makers Have a Nagging Concern</p> |
| <p>Feb 1</p> | <p>Professional Responsibility</p> <p><u>Read:</u> Is Business Management a Profession?</p> <p><u>Prepare:</u> Dicing With Death</p> <ol style="list-style-type: none"> 1. Why didn't Guidant notify doctors about the short-circuit risks of its defibrillators? 2. Do you think Guidant made the right decision? |
| <p>Feb 3</p> | <p>Contracts I: Law</p> <p><u>Read:</u> Basic Concepts in the Law of Contracts</p> <p><u>Prepare:</u> A Wharton Grad Gets an Unpleasant Surprise</p> <ol style="list-style-type: none"> 1. Does Chen have a legally binding contract? 2. Did Chen contract have to be in writing? Did McBane have to sign it? 3. Does Chen have any other legal options, beyond enforcing the contract, in a lawsuit against McBane based on what's happened here? 4. Should Chen sign the release? |

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| <p>Feb 8</p> | <p>Contracts II: Ethics</p> <p><u>Read:</u> Google and Facebook Ended Forced Arbitration for Sexual Harassment Claims One-Third of Top Websites Restrict Customers’ Right to Sue Williams v. Walker-Thomas</p> |
| <p>Feb 10</p> | <p>Corporate Responsibility</p> <p><u>Read:</u> The Social Responsibility of Business is to Increase its Profits The Shareholder Value Myth Taking a Stand Against Social Stances</p> |
| <p>Feb 15</p> | <p>Corporate Governance</p> <p><u>Read:</u> Basic Framework for Corporate Governance, pp. 1-6 Basic Elements of Business Fraud</p> <p><u>Prepare:</u> The Employee “Exit Interview” – Common Information</p> |
| <p>Feb 17</p> | <p>Securities Fraud and Insider Trading</p> <p><u>Read:</u> Confidential Information Trading Supreme Court Sides with Prosecutors in Insider Trading Case [Optional] With Bill Ackman, Tennis and Herbalife Can Be a Dangerous Mix</p> <p><u>Prepare:</u> The Inside Trader (questions in coursepack)</p> |
| <p>Feb 22</p> | <p>Responsibility for Information</p> <p><u>Read:</u> Reforming the U.S. Approach to Data Protection and Privacy The Secret Company that Might End Privacy as We know it Can contact tracing stop the spread of COVID-19?</p> |
| <p>Feb 24</p> | <p>Diversity, Equity, and Inclusion</p> <p><u>Read:</u> Toward a Racially Just Workplace Employees Allege Google Drastically Rolled Back Diversity and Inclusion Programs</p> |

March 1 **Artificial Intelligence**

Read:

AI & Global Governance: No One Should Trust AI

Assessing Risk, Automating Racism

[Optional] A Practical Guide to Building Ethical AI