



# LGST 612: RESPONSIBILITY IN BUSINESS

Fall 2021 Q1

MW 8:30–10:00am, JMHH F45

**Professor Kevin Werbach**  
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**Office hours:** Wednesday 1-2pm (or by appointment), via Zoom at <https://upenn.zoom.us/my/kwerb>

## 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, or immoral (I hope!), yet we see case after case where missteps result in severe legal 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.

## Course Structure

This is a flipped course. It will be delivered through a combination of synchronous and asynchronous activities. For most class sessions, I've recorded several short videos. That is the "lecture" component, with embedded quiz questions to check your comprehension, which I expect you to complete *prior to class*.

Class time is for interaction—live discussions, groupwork, and activities. Because you will have already watched the lecture portions, we will generally not need the full 90 minutes; the balance will be for Q&A for those who wish to stay. Every class (with associated videos and activities) is a Module on Canvas.

## Deadlines

I always accept late assignment 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 am always willing to listen and consider accommodations. However, you need to take the initiative to reach out to me. Maximizing your learning is my primary goal.

## Syllabus

August 30	<p><b>Law, Rules, Norms, Values</b></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>
September 1	<p><b>Legal Responsibility</b></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>
September 8	<p><b>Personal Responsibility</b></p> <p><u>Read:</u>                      Introduction to Ethical Reasoning                      Those Who Walk Away From Omelas</p>
September 13	<p><b>Professional Responsibility</b></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"> <li>1. Why didn't Guidant notify doctors about the short-circuit risks of its defibrillators?</li> <li>2. Do you think Guidant made the right decision?</li> </ol>
September 15	<p><b>Corporate Responsibility</b></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>
September 20	<p><b>Contracts I: Law</b></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"> <li>1. Does Chen have a legally binding contract?</li> <li>2. Did Chen contract have to be in writing? Did McBane have to sign it?</li> </ol>

	<p>3. Does Chen have any other legal options, beyond enforcing the contract, in a lawsuit against McBane based on what’s happened here?</p> <p>4. Should Chen sign the release?</p>
September 22	<p><b>Contracts II: Ethics</b></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>
September 27	<p><b>Data Protection: Responsibility for Information</b>          Guest lecture by Christin McMeley (Chief Privacy Officer, Comcast)</p> <p>(Readings forthcoming)</p>
September 29	<p><b>Corporate Governance</b></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>
October 4	<p><b>Securities Fraud and Insider Trading</b></p> <p><u>Read:</u>          Confidential Information Trading          Supreme Court Sides with Prosecutors in Insider Trading Case          With Bill Ackman, Tennis and Herbalife Can Be a Dangerous Mix</p> <p><u>Prepare:</u> The Inside Trader (questions in coursepack)</p>
October 6	<p><b>Diversity, Equity, and Inclusion</b>          With guest lecture by Danny Guillory (Chief Diversity Officer, Dropbox)</p> <p><u>Read:</u> Toward a Racially Just Workplace</p>
October 11	<p><b>Looking to the Future: Artificial Intelligence and Business Responsibility</b></p> <p><u>Read:</u>          AI &amp; Global Governance: No One Should Trust AI          Assessing Risk, Automating Racism</p>

## Course Requirements and Grading

*Note: As with the syllabus, the precise structure of these requirements may change. Make sure to get the final syllabus or check the Canvas site prior to the course.*

### 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. While these are scored, each is worth a tiny portion of your grade, and a majority of the credit comes from watching the video and answering the questions.

### Weekly Assignments (50%)

There are assignments to be completed each week, except the final one. These are always due immediately before Wednesday's class session. *If you submit all six assignments, your lowest score will be dropped.*

You should complete the assigned videos and readings for the week before doing these assignments. Some of them will be the foundation for discussion or activities in class; others ask you to synthesize concepts we have already discussed. These assignments will be evaluated for completeness, thoughtfulness, and timeliness. Read the prompts carefully. They will specify the minimum requirements, although earning the full points will require more. I may highlight submissions from students and ask you to elaborate in class.

### Exam (35%)

There will be an online, open-book exam after the final class session, tentatively on Wednesday October 13. You will have a 24-hour window to start and complete the 90-minute exam. 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.

### Overall Quality of Engagement (10%)

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.

Participation will be assessed based on your overall contributions; more than mere attendance is expected. It can include thoughtful comments during live sessions, as well as asynchronous participation via Canvas. All sessions will be recorded. Attendance will be tracked through "Exit Tickets" that you submit at the end of each session, whether you attend in person, via Zoom, or watch the video afterwards. If you are unable to attend a session live, you may submit a reflection via Canvas. This may include either a commentary on the in-class discussion (minimum one paragraph) or completion of small group activities in Google Slides.

## Instructor Bio

Kevin Werbach (4x cat owner) is a professor and chair of the Department of Legal Studies and Business Ethics. He is an expert in the business and policy implications of emerging technologies such as artificial intelligence, broadband, gamification, and blockchain. Werbach served on the Obama Administration's Presidential Transition Team, and earlier helped develop the U.S. approach to internet policy at the Federal Communications Commission. He leads the Wharton Blockchain and Digital Asset Project. His books include [The Blockchain and the New Architecture of Trust](#) and [For the Win: The Power of Gamification and Game Thinking](#). Though he grew up in Los Angeles, he is now a proud Philadelphia Eagles season ticket holder.