

LGST 1000-004: Ethics and Social Responsibility

Fall 2022 Syllabus

Class: TR 1:45pm-3:15pm (Room F45)

Instructor:

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TA:

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Office Hours: by appointment.

Course Overview:

This course is an introduction to ethics in business.

The course was designed to push you to seriously wrestle with difficult moral questions. Hopefully, by the end of the course, four goals will have been achieved. First, you will be more sensitive to the ethical dimension of your decisions, particularly in business contexts – that is, you will be able to better identify ethical problems when they arise. Second, your critical reasoning skills will be enhanced. Getting acquainted with some important concepts of moral and political philosophy will allow you to approach problems from new perspectives. Third, you will be better equipped to engage in productive discussions about complex moral issues, which includes being able to listen to others' arguments in a charitable and constructive way, as well as articulating your own views more clearly. Finally, and perhaps most importantly, you will have learned more about your own values and about the ends you choose to pursue.

Course Structure

The course is divided into three units. The first unit focuses on the psychological, cognitive and social constraints that characterize our decision-making. Here, we will discuss our bounded rationality, our cognitive biases, our proclivity to conform to social norms, our reliance on social knowledge, our group-ism, among other things. In the second unit, we will move to *normative* questions. We will survey a range of concepts and tools that illuminate our understanding of ethical questions. In the third and final unit, we will apply those concepts to several important ethical and legal issues. You will have the chance to vote on the topics you want to discuss in this final stretch of the course.

Grading and Assignments:

Summary of assignments:

Assignment	Format	%
Participation	Solo	20%
Autopsy of a corporate scandal	Group	15%
Business Project	Group	35%
Paper	Solo	30%

Participation (20%)

Robust participation is key for the success of the course. Your participation grade will reflect three components: attendance, preparation and engagement. Attendance is self-explanatory. Preparation means that your comments show familiarity with the readings and the concepts discussed throughout the course. And engagement means that you are following the discussion attentively and actively engaging with it. Your contributions will be evaluated based on their quality, not on their frequency (although regular participation is expected).

Bonus/penalty: opt-in cold call

Our course includes 28 sessions, 21 of which will have assigned readings. It is very important that you come to class having read the material and ready to discuss it. At the beginning of each class, you will have the option to sign up to be cold called to explain some aspect of the reading. Signing up will count toward participation grade in the following way:

- If you sign up to be called in 17 sessions or more, your final participation grade will be upgraded 1/3 of a letter (from B+ to A-, for example);
- If you sign up to be called in 13 sessions or less, your final participation grade will be downgraded 1/3 of a letter.

For each text, I will provide a list of questions to guide your reading. The questions I ask in class will not differ too much from those. So if you are able to answer the questions that I make available before class, you should feel comfortable to sign up to be called. I will not make any trick questions. It is also not a problem if you did not fully understand some aspect of the reading. The important thing is that I understand that you spent enough time going through the material. If you sign up when you are clearly not prepared, your final participation grade will automatically be downgraded 1/3 of a letter.

Autopsy of a corporate scandal (15%)

You and your group (up to 6 people) will have to choose a corporate scandal and provide an analysis of it. What happened? What went wrong? Which measures could have helped avoiding it from happening? The assignment involves (i) a presentation to the class; (ii) a 1500-word summary to be handed in one week after the presentation.

Business Project (35%)

The business project is a way to encourage you to grapple with ethical issues as they arise in the context of business. Your group (same as the Autopsy assignment) will have to create a business model for your own company. You will be pushed to think through different implications of your project. The assignment involves two stages: (i) the pitch, in which you will present your plan to the class as if they were a group of investors; (ii) the dilemma, in which you will be presented with a dilemma related to your model and you will have to come with a course of action as a response.

Paper (30%)

You will write a 1500-2000 words paper discussing a business-related moral issue. You must state a clear thesis (e.g., “It is wrong/not wrong to do X”), articulate an argument and defend it against potential objections. You are free to decide your own topic, but it is probably a good idea to discuss your thoughts with me or Matt beforehand. There is no assigned due date for this paper; you can turn it in at any point during the semester, but no later than December 15. After you receive your grade, you can review and resubmit your paper once.

Policies:

Besides rules that apply to all courses (timeliness, university mask guidelines, academic integrity, etc.), here are a couple of ground rules specific for this course:

Electronic devices not permitted. Studies [have shown](#) that electronic devices often get on the way of the classroom experience. For that reason, the use of laptops, tablets and phones is generally not allowed, with exceptions that will be explained in class.

Name tents. I encourage you to display your name tents, at least until I learn your names.

Be respectful to your classmates and their opinions. Ok, this rule applies to all courses, but I believe it is worth emphasizing, given that we will be discussing complex moral issues and disagreements are bound to appear.

Absences. If you need to miss a class because of medical issues, family emergencies, or other extenuating circumstances, please register a Course Absence Report.

Reading List and Calendar:

	Date	Topic	Readings
1	Aug. 30	Intro	David Foster Wallace, <i>This is Water</i> (You can either read the transcript or listen to the audio)
Unit 1: Why do good people do bad things?			
2	Sep. 1	Ethical Reasoning	Haidt, <i>The Righteous Mind</i> , Chapter 2 Kahneman, <i>Thinking Fast and Slow</i> , Chapter 1
3	Sep. 6	Moral Blind Spots	Bazerman & Tenbrunsel, <i>Blind Spots</i> , Chapters 1 & 4
4	Sep. 8	Are we rational?	Pinker, <i>Rationality</i> , Chapter 1 ('How rational an animal?'), pp. 1-34.
5	Sep. 13	Moral dilemmas	Haidt, <i>Righteous Mind</i> , Chapters 10 Sartre advises a Student
6	Sep. 15	Social knowledge and social norms	Sloman & Fernbach, <i>The Knowledge Illusion</i> , Introduction and Ch. 6 The Taxi Driver Paradox
7	Sep. 20	Collective Action	Pinker, <i>Rationality</i> , Chapter 8 ('Self and others'), pp. 227-245
8	Sep. 22	Ethics as a design problem	Pinker, <i>The Moral Instinct</i> Epley & Tannenbaum, <i>Treating Ethics as a Design Problem</i>
9	Sep. 27		Presentations - Autopsy of a corporate scandal
10	Sep. 29		Presentations - Autopsy of a corporate scandal
Unit 2: Ethics in context			
11	Oct. 4	Is ethics subjective?	Jeffrey Moriarty, <i>Business Ethics: A Contemporary Introduction</i> , Ch. 2 (Skepticism about Ethics) Jorge Luis Borges, On Exactitude in Science
	Oct. 6	Fall Break	
12	Oct. 11	Social Reality	Searle, <i>The Construction of Social Reality</i> , Chapter 1
13	Oct. 13	Distributive Justice	"The Small Society" Game (There is no reading for this class, only the group assignment)
14	Oct. 18	The benefits of a market economy	F. A. Hayek, <i>The Use of Knowledge in Society</i>
15	Oct. 20	The problems of a market society	Sandel, <i>What money can't buy</i> , Introduction and Chapter 1 (pp. 3-41)

	Date	Topic	Readings
16	Oct. 25	Adversarial Ethics	Heath, An Adversarial Ethic for Business: Or When Sun-Tzu Met the Stakeholder
17	Oct. 27	Corporate Purpose I	Friedman, The Social Responsibility of Business is to Increase its Profits Freeman, Managing for Stakeholders (Ch. 1) Business Roundtable – Statement on the Purpose of a Corporation
18	Nov. 1	Corporate Purpose II	Stout, The Problem of Corporate Purpose Karnani, “Doing Well by Doing Good”: The Grand Illusion
19	Nov. 3	Integrative Social Contracts Theory	Donaldson & Dunfee, Ties that Bind: a social contracts approach to business ethics, Ch. 2
20	Nov. 8	Business Project: Pitch	
21	Nov. 10	Business Project: Pitch	
Unit 3: Values in business			
22	Nov. 15	TBD	(see below)
23	Nov. 17	TBD	(see below)
24	Nov. 22	TBD	(see below)
	Nov. 24	Thanksgiving	
25	Nov. 29	TBD	(see below)
26	Dec. 1	Business Project: Dilemma Response	
27	Dec. 6	Business Project: Dilemma Response	
28	Dec. 8	Wrap up	No assignment

Unit 3: Virtues and vices in business

For the last unit of the course, we will discuss ethical issues that arise in the context of markets/businesses. To make sure that the topics reflect the interests of the class, you will have the opportunity to vote and decide which questions will be addressed. Below is a list of nine options, from which we will elect four. The prompts are mere examples of questions that would be discussed in class should we choose that topic. The readings will be provided once the topics are selected.

Value	Prompt
Equality	Discrimination: The last century witnessed historically marginalized groups pushing for equal treatment in all sectors of society, including in the workplace. Many questions remain, however, as to how the value of equality translates into concrete action. What exactly constitutes wrongful discrimination? What measures are permissible to counter it? How does it relate to emerging technologies, such as artificial intelligence and genetic engineering?
Fairness	Bribery and corruption: Competition is an important part of business, and firms are expected to pursue strategies that gives them competitive advantage. Often, however, that competitive advantage can be achieved through questionable means, one of which is bribery and corruption. In this session, we will discuss what exactly qualifies a transaction as bribery, what is wrong with it and whether it can ever be justified.
Freedom	Employee privacy and expression: In order for them to properly achieve their purpose, organizations create and enforce rules for its members. But how far can they go? To what extent is an employee entitled to privacy in the workspace? Can a firm punish employees for behavior outside the work environment? Can it restrict employee's freedom of information? Are there legitimacy conditions for those measures to be implemented (e.g. work participation, democratic decision-making, etc.)?
Greed	Executive compensation: Executive compensation has received a great deal of attention and is often the target of criticism. Is it morally permissible for executives to get paid so much money? Is the acceptance of such payments an expression of greed? Does executive compensation differ in any morally meaningful way from other forms of compensation?
Loyalty	Obeying orders: when working in organizations, individuals often have to engage in actions with which we they are not fully on board. What should an individual do when they disagree with policies or actions within the organization? What if the individual believes the behavior is not only mistaken, but morally problematic? To what extent can individuals be held accountable for implementing policies they did not create?
Merit	Meritocracy: "To each according to their merit". Many people have suggested we should strive for a society organized around merit. However, it is not clear what that implies exactly. Is merit a function of effort? Or of skills? Is luck antithetical to merit? Even if we are able to answer those questions, some people have questioned the desirability of pursuing a "merit-based" society. In this session, we will reflect together about our conception of merit and what implies for the way we live.

Value	Prompt
Respect	<p>Exploitation: We usually think that voluntary, mutually beneficial transactions are a good thing. And yet, some transactions make us uneasy. One of the reasons for that might be that the transaction, while leaving both parties better off, is regarded as exploitative. But what exactly makes a transaction exploitative? And what is wrong about that? Should exploitative transactions be forbidden?</p>
Truth	<p>Deception: It is a commonplace in moral discussions that one should not lie. In business, however, people often engage in deceitful behavior. In a negotiation, for instance, one of the parties might try to mislead the other into how much they are actually willing to pay. Or in advertising a product, a firm might highlight its positive aspects while concealing the negative ones. Are such behaviors appropriate? When, if ever, is it legitimate to mislead other people in the business context? Does it matter who is the person being misled – i.e. regulator, consumer, competitor, partner?</p>
Sustainability	<p>Climate change: climate change is one of the great challenges of the 21st Century. What responsibilities do businesses have when it comes to climate change? Do they have an obligation to forfeit profitable deals if they involve contributing to the crisis? Does it make a difference where the business is based – whether in a wealthy nation or in a developing country?</p>