



Responsibility in Business  
LGST 612

Spring 2022, Quarter 3

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**Class Meetings:** 612-001 -- Tuesdays, 3:30pm – 6:30pm, JMHH G50  
612-003 -- Thursdays, 3:30 – 6:30pm, JMHH G50

**Office Hours:** Tuesdays, 1pm – 3pm, but please email ahead of time to confirm.

**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 your personal and professional lives, what we will call in this class your “ethos.” You have spent your lives examining parts of your ethos, but much of what you believe about your sense of morality has remained unexamined. This course is designed to invite you to examine and articulate your ethos and especially to speak to each other about what to do when your sense of right and wrong differs from that of your employers, employees, shareholders, political representatives, customers, and other stakeholders.

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 primarily a class about your legal responsibilities (although we will talk about this in some important contexts such as fiduciary duties and insider trading law), 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.

The most important aspect of this course is that I will push you to articulate your own values and understand the views of others. This will mean that we give each other permission to “speak in rough draft”, to try out new ideas that you may not accept, and

otherwise engage each other with respect, rigor, empathy, and clarity.

### **Grading:**

Your grade is divided into four parts: 25% for three response papers, 50% for the final paper, 5% on the final grading exercise (as summarized below), and 20% for participation.

*Class participation and attendance policy.* In these times of Covid-19, attendance and participation is harder to do in the old ways. I still view participation as vital to the educational experience. For that reason, 20% of your grade is devoted to participation. I will be taking notes on the quality of your engagement, the respect you show for your classmates, and especially how attentive you are when you attend in person.

Attendance is required, subject of course to Covid-19 protocols. This is not a hybrid course, so while the sessions will be recorded, there will not be a Zoom option for those homebound.

*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 day before our class session (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 focus on a 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, engagement of counter-arguments, and thoughtfulness/originality/appropriateness of your chosen examples. I have uploaded a rubric that goes into more detail on Canvas.

**The final paper is due on Canvas by Friday, March 4, at 3 pm. There will be a one-letter grade penalty for submissions after this deadline but before March 5, at 3pm. There will be a two-letter grade penalty for submission after March 5 but before March 6 at 3pm. No papers will be accepted after March 6.**

**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—topic selection is an important part of the exercise). I'm 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 March 11 at 3 pm. No late assignments will be accepted.**

**Required Texts:**

1. Almost all materials will be available through Canvas to Study.net, 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. Because of copyright concerns, I cannot provide PDFs of these articles, but I do provide several relevant hyperlinks.
2. For session six, we will be reading *The Cult of We: WeWork, Adam Neumann, and the Great Startup Delusion*. 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. New York Times, “‘I Honestly Don’t Trust Many People at Boeing’: A Broken Culture Exposed,” October 15, 2021, available [here](#).
- B. Axios, “Facebook is too big to change,” October 28, 2021, available [here](#).

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

- A. Friedman, Social Responsibility of Business is to Increase Profits, 1970 available [here](#)
- B. Stout, The Problem of Corporate Purpose, 2012, available [here](#)
- C. The Business Roundtable, Statement on the Purpose of the Corporation, 2019 available [here](#)

#### *Session 3:* Responsibility to Capital Markets

- A. Salman vs. United States, Supreme Court decision, 2017, available [here](#)
- B. Sheelah Kolhatkar, “When the Feds Went After the Hedge-Fund Legend Steven A. Cohen,” New Yorker, January 2017, available [here](#)
- C. Sheelah Kolhatkar, “Robinhood’s Big Gamble,” New Yorker, May 10, 2021, available [here](#)

#### *Session 4:* Responsibility to Customers, Responsibility as Customers

- A. Lisa Lerer, “The New Cancel Culture Capitalism,” New York Times, Oct 20, 2021, available [here](#).
- B. James Surowiecki, “The Trump Era Corporate Boycott,” The New Yorker, January 9, 2017, available [here](#).
- C. Wells Fargo readings

#### *Session 5:* Responsibility as Whistleblowers, with special guest James Freis

##### **A. Readings TBD**

#### *Session 6:* The challenges of entrepreneurship, the road ahead

- A. Brown & Farrell, *The Cult of We: WeWork, Adam Neumann, and the Great Startup Delusion* (2021)

