

LGST 1000001
Ethics and Social Responsibility
2023 Fall

*10:15am-
11:44am
8/29/23 to
12/11/23*

Professor: Thomas Donaldson
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Monday and Wednesday
Room: TBA

COURSE OBJECTIVES: The purpose of the course is to enhance students' appreciation for, and ability to deal with, ethical and social dimensions of problems they will face in their careers as managers. The course emphasizes the interplay between the economic dimensions of those problems and their ethical and social aspects.

The course will:

- familiarize you with the recurring ethical problems faced by managers in their dealings with others inside and outside the firm, and the recurring normative problems of public policy and regulation concerning business;
- develop your capacity for analysis and judgment by introducing you to certain key concepts, principles, and approaches to normative analysis; and giving you practice in recognizing and evaluating arguments;
- give you practice in formulating, defending, and planning the implementation of solutions to the practical ethical problems faced by managers; and
- give you the opportunity to reflect on your own values as they apply to the job of the manager.

CONDUCT OF THE COURSE AND STUDENT PREPARATION:

The course meets twice a week. Classes will consist of some combination of lecture and discussion depending on the nature of the materials, but in all instances student preparation and participation are essential. Students should come to class prepared to discuss the cases and share both their analysis and recommendations.

Laptops are not to be used during class.

COURSE MATERIALS:

All materials are available on CANVAS. In each assignment, there will be links to the relevant readings.

GRADING:

Graded elements have the following weights:

Midterm exam	30%
Overall Quality of Engagement	35%

Personal def. of business responsibility	5%
Final exam	30%

Overall Quality of Engagement The overall quality of your engagement in the class reflects the quality of your participation in case studies, in-class analyses of readings, and participation in small groups. When assigning the "overall quality of your engagement" grade, the top 20% of the class will receive 25 points. The next 70% will receive from 22-24 points. The bottom 10% will receive from 0-21 points.:

Midterm exam:

The midterm is an in-class, closed-book exam. It will be a one hour and ten minute exam consisting of brief questions, such as True/False, Multiple choice, short-answer, and short essay.

Personal Definition of Business Responsibility:

Prior to the final day of class, you will be asked to describe your personal definition of business responsibility. Your answer should draw on your unique life experiences, relevant course material and your own original thinking. The assignment will be evaluated based on quality of content, organization, integration of your life story, and the thoughtfulness/ originality/ appropriateness of your selected role model.

Final Exam

The final exam is cumulative but emphasizes material covered after the mid-term exam. The exam will take place during the regularly scheduled exam time for this course. It is a closed-note and closed-book exam.

The exam has two parts:

Part I includes short essay questions and "objective" style questions, e.g., short answer and multiple-choice questions. Part II involves the analysis of a case study. The case study will be included with the exam.

Readings and case studies (titles only) *Note: these may change slightly before the start of the term:*

1. How the Morrisons buyout turned into a nightmare for Goldman Sachs (Case Study)
2. Ford Pinto Case-slide version (Case Study)
3. Preparing for the future of artificial intelligence
4. The history of technological anxiety and the future of economic growth - Is this time different?
5. Automated health care-Case Study-Princeton-AI-Ethic (Case Study)
6. Computing and Accountability
7. Ethics of the Attention Economy –Bhargava and Velasquez
8. Sleepwalking towards a surveillance state
9. Taking Principles Seriously JAIR: pp 871-876
10. Professionals’ Quandaries HBS 9-800-371

11. Out for Blood: Tyler Shultz and Theranos (A) UVA-E-0440 Rev. Feb. 9, 2021(Case Study)
12. Barclays and the LIBOR Scandal (Case Study)
13. Incommensurability and valuation-Sunstein-excerpt
14. The Ring of Gyges-Plato
15. "Doing Well by Doing Good": The Grand Illusion
16. A Theory of Business-Donaldson and Walsh
17. Reclaiming Virtue Ethics for Economics Bruni and Sugden 2013
18. Kitchen Best: Ethics When Doing Cross-Boundary Business in Southern China (Case Study)
19. Values in Tension: Ethics Away from Home
20. Creating Shared Value (HBR Bestseller)
21. Value Maximization Stakeholder Theory-Michael Jensen
Intrinsic Values and Human Rights-published article Donaldson
22. Discrimination in VC
23. Gender and Free Speech at Google (A): 9-318-035 HBS (Case Study)
24. "Introduction to Ethical Reasoning," in Thomas Donaldson and Patricia Werhane, eds., *Ethical Issues in Business: A Philosophical Approach*, 8th edition (Upper Saddle River: Prentice Hall, 2008).
25. Case study: "Dicing with Death? A case study of Guidant Corporation's implantable defibrillator business," by Martin E. Sandbu and Jeisun Wen. (Case Study)
26. "Excerpts from Adam Smith's, *Wealth of Nations*, 1776" Adam Smith,
27. *The Economist Manifesto*. *New Statesman*, Sen, A. 2010. 139(4998): 29.
28. Google and Project Maven (A): Big Tech, Government and the AI Arms Race (Case Study)
29. "Does Business Ethics Make Economic Sense" Sen, Amartya (1993).
30. "The Dark Side of Creativity: Original Thinkers Can Be More Dishonest," Francesca Gino and Dan Ariely, 2011.
31. Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly* Jensen, M. C. 2002., 12(2): 235-256.
32. "The Problem of Corporate Purpose," Lynn Stout, *Issues in Governance Studies* (Washington, D.C.: The Brookings Institution, 2012).
33. "Managing for Stakeholders" Edward Freeman,
34. *Creating Shared Value*. *Harvard Business Review*, 89(1/2): 62-77 Porter, M. E. 2011.
35. "Shared Values that are Lost in Translation" Donaldson 2014
36. "Values in Tension: Ethics Away from Home," Donaldson, Thomas, *Harvard Business Review*, September-October, 1996.
37. "Chiquita and the US Department of Justice" RI-1006, (Case Study)
38. "UN Ruggie-protect-respect-remedy-framework" (From the 2010 Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises)
39. "The Business Case for Complying with Bribery Laws." Nichols, P. 2012. *American Business Law Journal*49(2): 325-368.
40. "Needed: A New Economic Paradigm" Stiglitz,

41. "An Economy of Liars" O'Driscoll,
42. "Three Ethical Roots of the Financial Crisis" Donaldson,
43. "Recipes for Ruin, in the Gulf or on Wall Street" Thaler,
44. Goldman Sachs IPO (A) (Case Study)
45. Case "Foreign Assignment."
46. "Dangerous Currents" Directors & Boards Donaldson, T. 2004.
47. "Parable of the Sadhu" (No assignment: video and discussion) Goldman Sachs IPO (A) (Case Study)
48. Self-Inflicted Industry Wounds: Early Warning Signals and Pelican Gambits," Donaldson and Schoemaker, California Management Review, Winter, 2013.