



## LGST 612

### Responsibility in Business

Prof. Christina Parajon Skinner

Legal Studies & Business Ethics Department 667 Jon M. Huntsman Hall

e-mail: [skinnerc@wharton.upenn.edu](mailto:skinnerc@wharton.upenn.edu)

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Office Hours: by appointment

#### **Course Description:**

In this course you'll develop a more concrete sense of what it means to behave "responsibly" in business settings. Law and regulation will be part of our conversations—after all, in many business contexts, there are firm rules about the kinds of behavior that are legally permissible (and not). But much of our conversation will also center on the so-called spirit of the law—and what it might imply for professional norms and ethics.

Overall, the goal of this course is to draw you into critical thought and discussion about how you would make decisions in the "gray" areas that you'll certainly encounter in the business world. We'll ground our discussions in hypothetical and real dilemmas, and speak to guests about their own experiences in ethically tricky situations.

#### **Grading:**

Your grade is divided into two parts: 50% class participation, 50% for a group presentation.

*Class participation.* Your class participation grade will primarily be determined by the quality of your comments in class (meaning, how engaged with the reading, how responsive to other students, and how focused on the discussion questions I set out each week), your attendance, and your punctuality. I will take attendance and start each session precisely on time and will make a note of any latecomers or missing students each session for grading purposes.

If personal emergency or interviews mean you'll have to miss class or arrive less prepared, please notify me at least an hour before the beginning of the session. Abuse of this notification system will be noted. See me of course with any concerns.

*Group presentation.* You'll be randomly assigned to groups for purposes of a group presentation to be given during our last class session. The presentation should be a post-mortem assessment of a real-world legal/ethical business dilemma. I will suggest ideas for possible topics. The presentations should be between ten and twelve minutes long (and include a slide deck). Each student will need to have some "airtime."

### **Course Materials:**

All required reading materials (as listed by lecture below) will be available through our Canvas page—either in the course reserves page, linked in the syllabus, or in the study.net link.

### **Class Sessions and Assigned Readings:**

#### **Issue 1:      What does it mean to be “responsible” in business?**

To kick off the course, we'll discuss the basic concept of ethical conduct in business. We'll explore the line between law and ethics – can something be legal, yet still unethical (and therefore conduct which should be avoided)? Who decides?

#### **Session 1:      Good people and bad choices?**

Readings:

- A.      Interview #1 (Perspectives)
- B.      Eugene Soltes, *Why They Do It* (2016) (Prologue only)
- C.      Ron Caruci, *Why Ethical People Make Unethical Choices*, Harvard Business Review (Dec. 16, 2016)

#### **Session 2:      Norms of Doing Business (with Guest)**

Readings:

- A.      [“Conduct After Hours”](#) (Case Study)

#### **Issue 2:      Responsibility to whom?**

As a business leader, there are a number of constituents, both internal and external, to whom you owe some duty of responsibility (whether legal or ethical). In session three, we will discuss the various stakeholders that will be vying for priority in management's decisionmaking. We will also discuss the responsibilities of a firm to its employees in creating a diverse and inclusive environment. Finally, we'll survey the particular legal responsibilities that arise for public companies conducting capital raises in the public markets and in regard to material, non-public information.

### **Session 3: Shareholders and Stakeholders**

#### Readings:

- A. Milton Friedman, *The Social Responsibility of Business is to Increase its Profits*, New York Times Magazine (September 13, 1970)
- B. Andy Kessler, Opinion, *To Serve the Public, Seek Profits*, Wall St. J., Oct. 11, 2020

### **Session 4: Public Trust and Public Companies (with Guest)**

#### Readings:

- A. Alexander Osipovich, *Nasdaq's Board Diversity Proposal Wins SEC Approval*, Wall St. J. Aug. 6, 2021
- B. Alex Edmans, Opinion, *No Boardroom Diversity Does Not Mean Higher Profits*, Telegraph, Aug. 20, 2021
- C. Michael Derby, *Dallas Fed's Robert Kaplan Was Active Buyer and Seller of Stocks Last Year*, Wall St. J., Sept. 7, 2021

### **Session 5: Markets and Manipulation**

#### Readings:

- A. Reeves Wiedeman, *The Sun Sets on We*, New York Magazine, Sept. 30, 2019
- B. Jing Yang, *Luckin Coffee Drops Nasdaq Appeal; Shares to Be Delisted*, Wall St. J., June 26, 2020
- C. Dave Michaels, *GameStop Mania Is Focus of Federal Probes Into Possible Manipulation*, Wall St. J., Feb. 11, 2021

### **Issue 3: Responsibility and society**

Companies also have myriad responsibilities in society. As we study this issue, we'll consider the most pressing social issues of the day and how they impact corporate responsibility from the perspective of law and ethics: climate and the environment; financial stability; the nature of a business's global footprint; and financial crime.

### **Session 6: Environmental, Social and Governance (ESG)**

#### Readings:

- A. Interview #2 (Interview with Carolyn Fiuza, Vision Ridge)
- B. [Business Roundtable](#), Principles of Corporate Governance (2016)

## **Session 7: Corruption and Crime**

Readings:

- A. [“Get it Done”](#) (Case Study)
- B. Brian Hoffman, *The Global Reach of the U.S. Foreign Corrupt Practices Act*, National Law Review, May 25, 2017

## **Session 8: Firm Culture**

Readings:

- A. Interview #3 (Interview with Kevin Stiroh, Michael Held, Jack Gutt, Federal Reserve Bank of New York)
- B. Michael Held & Thomas Noone, *Bank Culture and the Official Sector*, 43 SEATTLE L. REV. 683 (2020) (skim)

## **Issue 4: Frontiers**

The next two classes will involve discussions of business ethics in technology-related spaces—while you may not be headed to a tech firm, technology has and will continue to accelerate new trends in the workplace, affecting our interactions with colleagues, customers, clients, and community.

## **Session 9: New Forms of Money and Payment**

Readings:

- A. [Central Bank Digital Currency](#): A Battle for the Soul of the Financial System, June 21, 2021
- B. [Bank of England](#), Digital Currency (skim)

## **Session 10: Technology and Privacy (With Guest)**

Readings:

- C. Clara Henderson, William Galson, *Big Tech Threats: Making Sense of the Backlash Against Online Platforms*, [Brookings](#), May 28, 2019
- D. H. Subcomm. on Judiciary, [Press Release](#), Judiciary Antitrust Subcommittee Investigation Reveals Digital Economy Highly Concentrated, Impacted By Monopoly Power, Oct. 6, 2020 (and skim report contents and highlights)

## **Issue 5: Case Studies by You**

In the last two class sessions, we'll hear group presentations dissecting a business conduct scandal.

**Session 11: Group presentations**

**Session 12: Group presentation (and general course wrap up)**