LGST 210
Corporate Responsibility and Ethics
2017 Spring

Professor: Thomas Donaldson       Tuesday and Thursday
Office: 644 Huntsman Hall         Room: TBA
Phone: 215-898-6859
E-mail: donaldst@wharton.upenn.edu

Office Hours: 1:00-2:30 pm Monday, and by Appointment.

COURSE MATERIALS:
- Materials will be available on Canvas (http://Canvas.wharton.upenn.edu/lgst) or handed out in class. Non-Wharton students need to obtain a Wharton class account in order to access Canvas. You can do this at: http://accounts.wharton.upenn.edu (use the "Class Accounts" link on that page). Some readings, such as the Harvard Business Publishing article, “Barclays Bank and the LIBOR Scandal,” will be available on Study.Net, although accessible through Canvas.

GRADING:
The following weights will be attached to the grading criteria:
Midterm exam        25%
Participation       35%
Final exam          40%
(Your choice: See description of choice between term paper or final exam at end of syllabus)

Midterm exam:
In-class, closed-book exam. See calendar. The mid-term exam will be a 75 minute exam. The first half of the exam will consist of short essay questions. The second half will consist of "objective" questions, such as True/False, Multiple choice, and short-answer.

Final exam or term paper options:
You have a choice of either taking a final exam or doing a final term paper. For a description of the term paper option and the final exam option, see “Option #1” and “Option #2” following the calendar (below).

Readings
All materials are available on Canvas. Most of these will be available in the “FILES” tab in Canvas. However, some readings will be available in the Study.Net Materials tab.
on CANVAS. Assigned readings will be marked with either "Files" or "Study.net" to indicate the reading's location.

- Case study: The Analyst’s Dilemma (A) [HBS 394-056, 1993]. Study.net
- “Excerpts from Adam Smith’s, Wealth of Nations, 1776” Adam Smith, FILES
- Case study: "The Oil Rig" FILES
- Case study: “Alchemist's Dream Come True,” FILES
- "Can Socially Responsible Firms Survive in a Competitive Environment?" Robert Frank, FILES
- “The Dark Side of Creativity: Original Thinkers Can Be More Dishonest,” Francesca Gino and Dan Ariely, 2011. FILES
- "Moral Mazes: Bureaucracy and Managerial Work," Robert Jackall, HBR FILES
- Case study. “Italian Tax Mores” Arthur L. Kelly. FILES
- "The Social Responsibility of Business is to Increase Its Profits," Milton Friedman, FILES.
- "Managing for Stakeholders" Edward Freeman, FILES
- Case study: Merck & Co. FILES
- "Shared Values that are Lost in Translation" Donaldson Financial Times 2014  FILES
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- "Shared Values that are Lost in Translation" Donaldson Financial Times 2014  FILES
- SKS and the AP Microfinance Crisis (HBS Case: 9-212-018) Study.net
- “Bottom of the Pyramid as a Source of Breakthrough Innovations,” CK Prahalad,  FILES
- Case study: "What Price, Safety?"  FILES
- Case Study: “Chiquita and the US Department of Justice” RI-1006,  FILES
- Case Study: “Global Profits, Global Headaches,” By Mark Baker, Laura Hartman & Bill Shaw,  FILES
- “Bad Jobs at Bad Wages Are Better Than No Jobs at All” Krugman, Paul,  FILES
- “Barrick’s Tanzanian Project Tests Ethical Mining Policies”  FILES
- “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)  FILES
- Case Study: "Just when is a ‘Tip’ Only another Means to Insure Promptness?"  FILES
- Case Study: Kitchen Best: Ethics When Doing Cross-Boundary Business in Southern China  HKU948-PDF-ENG Study.net
- Case: The Goldman Sachs IPO (HBS case 9-800-016) Study.net
- “Ownership and Organizational Form” Henry Hansmann, in Gibbons and John Roberts, eds, The Handbook of Organizational Economics, Palgrave Mcmillan, 2012.  FILES
- “Needed: A New Economic Paradigm” Stiglitz,  FILES
- “An Economy of Liars” O’Driscoll,  FILES
- “Three Ethical Roots of the Financial Crisis” Donaldson,  FILES
- “Recipes for Ruin, in the Gulf on Wall Street” Thaler,  FILES
- “Fab’ Trader Liable in Fraud” Wall Street Journal, 2013  FILES
- Case "Foreign Assignment."  FILES


• “Dangerous Currents” Directors & Boards Donaldson, T. 2004. FILES

• "Parable of the Sadhu" (No assignment: video and discussion)

• Case Study: “Barclays and the LIBOR Scandal” HBS 9-313-075


• Case: “Dorrence Corporation Trade-offs 4” FILES

**Term paper or final exam:** You may choose to submit a term paper or take a final exam.

**Final Paper (Option #1)**

If you opt to submit a final paper, it should be typed (double-spaced) with proper references and a bibliography. You may use any generally accepted format for the references, e.g. MLA. The paper should deal with an issue of relevance to the course. It should defend a policy or an approach to an issue of responsibility in business. You should find a topic that especially interests you, but about which you haven’t already formed strong opinions. Materials from the course can be cited in the paper, but the bulk of the information should come from non-course materials. The sources for the final paper should include at least two peer-reviewed academic articles. The paper should not consist primarily of a case study, although case studies can be cited in the process of defending a particular policy or approach towards an issue of responsibility in business. The paper's length should be approximately 8-10 pages, standard type and margins, double spaced. Your conclusions and recommendations must be supported by your analysis.

An initial proposal indicating the tentative topic (roughly a paragraph long description) is the first requirement for pursuing the final paper option.

An expanded proposal, including a short bibliography and tentative outline or description of the paper's main points, should be submitted later.

Doing either or both of the above does not prevent you from eventually choosing to take the exam; it simply keeps your option for submitting the final paper open. If you have not submitted the tentative proposal, the expanded proposal, and the final paper by the respective due dates, then you automatically default to the exam option.

The final paper is due one day before the last day of class at 9 am.

**Final Exam (Option #2)**
If you do not submit a paper by the due date, you must take the final exam. The exam will consist of three essay questions and the analysis of a case study. The first part of the exam (three essay questions) will be given on the last day of class. The second part of the exam (the analysis of a case study) will be a take-home, due by midnight on the regularly scheduled final exam day. The first part of the exam is designed to take 60 minutes and the second part of the exam is designed to take 90 minutes, but you may take as much time as you need, so long as you turn it in by the due date. Your case study analysis will be subject to a word limit. Both parts of the final exam are cumulative in nature but will emphasize material covered since the mid-term exam.

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 is designed:

To 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;

To 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;

To give you practice in formulating, defending, and planning the implementation of solutions to the practical ethical problems faced by managers; and

To 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 cases student preparation and participation are essential. Students should come to class prepared to discuss the cases and share both their analysis and recommendations.

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