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## COURSE SYLLABUS

### GENERAL INFORMATION:

Professor: Nicholas Epley  
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Office hours: by appointment before and after class

Teaching Assistant: Elizabeth Clark-Polner ([clarkpolner@uchicago.edu](mailto:clarkpolner@uchicago.edu)), Ph.D., Post-doctoral  
Research at the Center for Decision Research, Chicago Booth.

Meeting Times and Locations: August 10, 11, 13, 14, 15; 2-5 PM, Harper Center, Room C08

Auditing: See me after the first class if you would like to audit the course.

### PREREQUISITES:

None.

### COURSE CONTENT:

This class rests on the simple assumption that you want to live a “good life,” in three senses of the word. First, “good” in the sense of being successful. Second, “good” in the sense of being ethical and honorable. Third, “good” in the sense of well-being, living a life rich in happiness, meaning, and purpose. If you wanted to increase your odds of living a good life in all three senses, what would you do? If you wanted to lead an organization that not only did well but did “good,” how would you lead it? If you wanted to manage a team that also lived a good life, how should you manage them?

This is primarily an ethics course, but it is not a *typical* ethics course. We will not spend time discussing ethical dilemmas, or trying to decide what is right or wrong in ethical gray areas. Science simply does not offer any definitive moral authority on these issues. Instead, we will adopt a psychological approach to understanding ethical behavior. We will try to provide some answers to the most fundamental problem in all of ethics: why do good people sometimes do bad things? Answering this question requires an understanding of the fundamental psychological processes that govern human thought and behavior in ethical domains. It requires understanding the processes underlying moral psychology. These psychological processes can lure anyone—including you and me—into the ethical lapses that ruin careers, destroy businesses, and bring shame to individuals and organizations. Understanding these processes will give you insights into how you would design your life, your organization, and your team so that you not only do well in life, but also live a good life.

We will end this course by discussing what scientists have learned about the other aspect of a good life: wellbeing, happiness, meaning, and purpose. Ethics and hedonics are sometimes

described as opposites: either you do good or you feel good, but you don't do both. The existing empirical evidence on wellbeing demonstrates that this is simply untrue. I will describe surprising research showing how doing good can provide the kind of meaning and purpose in life that also enables people to feel good.

The goal of this course is to change the way you think about yourself and others, giving you insights and tools that help you design a good life for both yourself and others. Research demonstrates that those who take business ethics classes behave no more ethically than those who do not take such classes. I think this is because the standard business ethics class takes the wrong approach. It tries to teach ethical principles rather than ethical design. It takes a philosophical or theological approach rather than a data-driven psychological approach. It tries to influence your ethical beliefs rather than trying to help you live by ethical principles that you already have, and share with most other people. It treats ethical lapses as a belief problem rather than as a design problem. This course is an attempt to teach ethics more effectively.

## **MATERIALS:**

—**Course website:** The course syllabus, discussion groups, and all relevant course information can be accessed here: <https://chalk.uchicago.edu/>

—**Readings:** All readings, except for the two books, will be posted in digital form on the Chalk website.

—**Books:** There are two books assigned for the course:

1. Bazerman, M.H., & Tenbrunsel, A.E. (2011). *Blind spots: Why we fail to do what's right and what to do about it*. Princeton University Press: Princeton, NJ.
2. Haidt, J. (2012). *The righteous mind: Why good people are divided by politics and religion*. Vintage Books: New York, NY.

You will read most of Bazerman and Tenbrunsel's book, but only the opening chapters of Haidt's book. I ask you to buy the entire book both because the entire Haidt book is well worth reading when you have the time, but also because it's less expensive to buy the entire book than to excerpt multiple chapters.

—**Video:** It's hard to think about ethics in modern business without thinking about Enron, the energy giant that went bankrupt because of corrupt ethical practices. To help us gain some perspective on this case and the psychological lessons we can learn from it, I will show the definitive documentary about the company after class on August 11th from 5:30 until 7:30. We will serve dinner and drinks during the movie. We will then have a case discussion on the documentary in the first half of class on August 13<sup>th</sup>.

—**Lecture notes:** I will post .pdf versions of the lecture slides on the course website as quickly as possible **after** the classroom session, in the Labs/Lectures link on the Chalk website. I will **not** distribute them before class for two reasons. First, I will be revising material right up to the beginning of each class. I want to make sure you get the slides I actually present in class. Second, although having my slides during the lecture seems like a good way for you to learn the material, the experimental evidence suggests that it actually impairs learning because students tend to take fewer notes of their own during class. Taking

notes in class is a terrific way to encode the course material (or any material, for that matter), and passively watching the lectures because you have the notes is a terrible way to encode the course material. I want to facilitate learning in this course, not impair learning. All of my lecture slides will be numbered in the lower-left corner. My advice is to keep notes during the lecture tagged with these slide numbers, and then match them up with the slides when you download them after class.

## **COURSE REQUIREMENTS AND GRADING:**

**Individual and Group Thought Papers (70%; 500 word limit for each paper):** This class is a group effort, and I expect you to have read, understood, and thought about the readings for each class so that you can discuss them constructively in class. To facilitate this discussion, you will write a thought paper for each day of the class. You will write your paper individually on the first and last day of class (August 10<sup>th</sup> and August 15<sup>th</sup>), and will write it with your class study group for the middle three days of class (August 11<sup>th</sup>, 13<sup>th</sup>, & 14<sup>th</sup>). I will provide some guidance each day for things you should consider when writing your papers, but will also give you sufficient latitude to write about your own interests.

These thought papers serve three purposes. First, writing these papers will help you learn and remember the course material so that you are better able to participate in class discussions. They will require you to process the class readings more deeply than you might otherwise. Second, writing these papers will enable you to learn from your peers' insights—insights that might not come up in class discussion. Third, writing these papers will engage you in discussions with other members of the class. You will likely learn a lot from their experiences that will help you to remember the course content.

To facilitate all of these goals, you will be assigned to a virtual discussion group before the first day of class (with roughly 4 people in each group, based on random assignment). Your thought paper is **to be posted in the Groups section of the Chalk website by noon on each day of class**. Papers posted after 12:00 according to the time tag on the course website—no matter how shortly after—will be considered late and will not be awarded credit for that day. **There are no exceptions to this rule.** Before class, I would like you to take a few minutes to read what others in your group have written about the day's readings and topic, or read what other groups have written when you have a group assignment. Reading these papers is not assigned reading for the class, but I think it will be very useful to you because it will give you additional perspectives on the class topics. I hope you will learn a lot from your classmates through these papers.

Each of these five thought papers will include 2 parts: Response to Readings and Real Life. In the "Response to Readings" section I will ask you to consider some questions I will post on Chalk related to the readings for each day. These questions will require you to think carefully about the readings and apply them to contexts beyond those discussed in the text. The course readings and lectures will cover basic core knowledge from psychology and other related fields that are useful for understanding ethical behavior. These questions will be posted in the "assignments" folder on the course's Chalk website. The "Real Life" section will ask you to identify an example from everyday life that is relevant to this basic knowledge from the lectures and readings. These examples can come from almost anywhere—from popular news stories to historic examples to experiences in your everyday work (or personal) life. You may apply material from the class to analyze these examples,

suggest solutions to a problem from everyday life based on the course lectures or readings, or describe an example that clearly exemplifies a topic we have discussed in the course or covered in the readings. The best Real Life examples are likely to be those from current events that everyone in the course can relate to and understand. You may describe examples that are relevant to a previous day's lecture or to the readings on a given day. You may post links to news stories, YouTube videos, or anything else that will clarify your example, but those links cannot be substitutes for a thoughtful analysis of the example.

To encourage concise writing, **your thought paper cannot be longer than 500 words in total for both sections.** These thought papers will comprise 70% of your final course grade. We will use a check-plus, check, check-minus grading system. Your papers will be evaluated in terms of their depth of analysis, insight into the readings, and clarity and constructiveness of your examples. Better papers will be more specific (vs. general), deeper (vs. broader) and more prescriptive (vs. descriptive). Your assignments should build on or extend the lessons and concepts covered in the readings; they should demonstrate your comprehension, as well as analytical and psychological sophistication. Your examples should be informative, memorable, and provide clear examples of the course content that will help you and your classmates to understand and remember the course material better.

**Ethical Audit Final Paper (30%; 2,000 word limit):** You will conduct an ethical audit of an organization you know well (either one you work for currently or one you have worked for in the past) and write a paragraph describing your conclusions as the final paper for this course. Your final paper cannot be longer than 2,000 words, and will be due on September 7<sup>th</sup>, 2015 by 11:59 PM (CST, "Chicago Time"). I will happily accept papers early, but cannot accept any late. You will be required to describe basic details of the organization, identify likely points of ethical risk in the organization based on course content, describe how the organization currently handles these ethical risks, and describe design solutions that could minimize these risks. Your goal will be to design as "good" an organization as you can out of one you are familiar with. I will give more details about this final paper assignment in class.

**Class Participation:** Much of the knowledge you will gain in this class will come from other students—from hearing, evaluating, and discussing ideas presented in the thought papers or during class discussion. Participation in class is therefore a key component of the learning experience in class, and I expect you to contribute to class discussion whenever you have something interesting and constructive to say. I will not, however, grade your class participation explicitly each day. My assessment of your overall class participation in the daily thought papers and the lecture discussions may be used as a deciding factor if you are on the bubble between grades at the end of the course.

## **CLASSROOM ETIQUETTE:**

Classroom sessions need to be structured so that you and the other students in the course have as ideal a learning environment as possible. We will therefore establish the following ground rules for classroom sessions:

1. **Be constructive.** Comments directed at other students need to be constructive rather than destructive. Do not attempt to deliberately disparage or humiliate another student for a comment made in class, no matter how subtle your attempt may be. It is a virtual certainty that disagreements raised in the course are produced by differences in perspective or the context of discussion, rather than another person's profound stupidity or fundamental lack of understanding.
2. **No laptops.** Laptop computers and tablets are to be turned off and put away during the class period. Doing non-class work is simply too tempting for some to use them completely constructively. Surfing the web is fun, and reading e-mail the moment it arrives is of obvious importance, but it does not enable the ideal learning environment for either you or your fellow students who may be distracted by whatever you might be doing. If you'd prefer to take notes on your computer, you will learn the material better if you take notes on paper during class and quickly transcribe them later. Exceptions to this general rule will be made only in very unique circumstances.
3. **No cell phones.** Turn off and tuck away all cell phones. Although you may feel that it is indiscrete to check your email on your phone under the desk, remember that I am looking right at you and wondering why you have such an intense fascination with your thighs. It's distracting for you and puzzling for me. Class will be unplugged in an effort to help you focus on the class material.
4. **Arrive on time.** We will start promptly. In return, I will do my absolute best to end the class precisely 3 hours after I have started. I will be happy to stay late to answer any questions you might have for as long as you would like.

# COURSE SCHEDULE:

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## Day 1: August 10th—Ethics, by Design

Readings: *The Moral Instinct*, by Pinker  
Chapters 1-4 of *The Righteous Mind*, by Haidt  
Chapters 1 & 2 of *Blind Spots*, by Bazerman & Tenbrunsel

Class Exercise: The Kidney Case

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## Day 2: August 11th—Ethical Awareness

Readings: *How Markets Crowd Out Morals*, by Sandel  
Chapters 3 & 4 of *Blind Spots*, by Bazerman & Tenbrunsel  
Chapter 3 of *Mindwise*, by Epley  
*The Case Against Empathy*, by Bloom

Evening event—Screening of *Enron: The Smartest Guys in the Room*, from 5:30-7:30. Dinner served.

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## Day 3: August 13th—Ethical Cultures, Conflicted Interests

Readings: *Why I Am Leaving Goldman Sachs*, by Smith  
*The Talking Cure*, by Surowiecki  
*See Red Flags, Hear Red Flags*, by Greenstone  
*Why Good Accountants Do Bad Audits*, by Bazerman, Leowenstein, & Moore

Class discussion of *Enron: The Smartest Guys in the Room*

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## Day 4: August 14th—Ethical Action

Readings: Chapters 5, 6, 7, & 8 of *Blindspots*, by Bazerman & Tenbrunsel  
*The Whistleblower's Quandary*, by Waytz, Dungan, & Young  
*GM Recalls: How General Motors Silenced a Whistle Blower*, by Higgins and Summers  
*The Parable of the Sadhu*, by McCoy

Class Case: *Through the Eyes of a Whistleblower*

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## Day 5: August 15th—Hedonics

Readings: *How Customers Can Rally Your Troops*, by Grant  
*In the Company of Givers and Takers*, by Grant  
*Don't Indulge, Be Happy*, by Dunn & Norton

Class Case: *Zappos's CEO on Going to Extremes for Customers*, by Hseih