

COURSE SYLLABUS

GENERAL INFORMATION:

Professor: Nicholas Epley
E-mail: epley@chicagobooth.edu
Phone: 773-834-1266
Fax: 773-834-9134
Office: Harper Center Room 407
Office hours: by appointment before and after class

Teaching Assistants:

Justin Landy, Ph.D., Post-doctoral Researcher at the Center for Decision Research,
Chicago Booth. Email: Justin.Landy@chicagobooth.edu.

David Tannenbaum, Ph.D., Post-doctoral Researcher at the Center for Decision Research,
Chicago Booth. Email: David.Tannenbaum@chicagobooth.edu

Meeting Times and Locations:

Section 01: Tuesdays, 8:30-11:30 AM, Harper Center, Classroom 04

Section 81: Tuesdays, 6:00-9:00 PM, Gleacher Center, Classroom 206

— You may attend another section if an extenuating circumstance arises, but you cannot do this routinely out of fairness to students who are actually enrolled in a given section.

Auditing: In order to audit this course, you need to commit (in writing) to attending every class and doing all of the readings just as if you were enrolled. Auditors will not, however, completely the class assignments. 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 feeling good, living a life rich in happiness, meaning, purpose, and well-being. 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. You will participate in a few class activities that might also leave you feeling 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 suggests 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, Movies, Podcasts:** All class material, except for the two books, will be posted in digital form on the Chalk website. We will use an eclectic set of materials for the course including readings, two movies (*The Smartest Guys in the Room*, and *Inside Job*), and a podcast (*Petty Tyrant*, from the NPR program, *This American Life*).

—**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.

—**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:

Midterm Exam (30% of course grade): There will be a midterm exam for this course, comprised of essay-type questions. The 90-minute midterm will be held in class during Week 6. It is a checkpoint for your progress in the course up to this point. I will give more information about the content and format of this exam in Week 5.

Final Group Paper, Ethical Audit (30% of course grade): As part of a group of 2-3 students, you will conduct an ethical audit of an organization that you, or someone in your group, knows well. Your final paper cannot be longer than 2,000 words, and will be due at the end of the final scheduled exam period for the class. As part of this assignment, 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. More details are posted on the Chalk website in the “Assignments” folder.

Weekly Thought Papers (30% of course grade): 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 intelligently. To facilitate this discussion, you will write weekly one-page thought papers. I will provide some guidance each week 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. Posting them for other students to read and evaluate also makes you more accountable for writing high quality content. 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 Good Life Group before the second week of class. Each class will have 8 different groups. Your weekly thought papers are **to be posted by 5:00 P.M. on the day before class (i.e., Monday evening by 5 PM)** on the course website for your particular discussion group, so that others in your group have an

opportunity to read what you have written, and to enable you to read what others in your group have written as well. Papers posted after 5:00 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 week. **There are no exceptions to this rule.** Before class, I would like you to read what others in your group have written about the week's readings and topic. **Others' thought papers are required reading for each week.**

Each week, at least one person from each discussion group will be designated as the Group Discussion Leader. The only additional job for the Discussion leader is to post a question at the end of his or her paper for the group members to respond to. **Group Discussion Leaders will be required to post their papers by Sunday at 5:00 P.M.** so that others in the group can read and respond to the thread starter. My hope is that these group discussion sections will operate a little bit like a group blog that enables some back and forth discussion of the course content online.

Each of these thought papers will include 3 separate parts: Response to Readings, Real Life, and Group Discussion. In the "Response to Readings" section, I will ask you to consider some questions I will send out over e-mail related to the readings for that week. 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 widely applicable in your work and professional life. These questions will be posted each week 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 prior week's lecture or to the readings on a given week. You may post links to news stories, YouTube videos, or anything else that will clarify your example, but you must explain how this content is relevant to class. Simply posting a link without any commentary is not sufficient. The final "Group Discussion" section will require you to respond to your discussion leader's discussion question (or to post a question if you are the week's Group Discussion Leader).

These thought papers will comprise 30% of your final course grade. Fifteen percent of this grade will come from the teaching assistants for the course who will read each of the thought papers. 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 insightful (vs. mundane), 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. A check reflects meeting our high expectation for a Chicago MBA student. You will receive a check-plus if you do a particularly outstanding job that week compared to other students,

writing an especially insightful, specific, deep, or prescriptive paper. A check-plus will be fairly rare. You will receive a check-minus if your paper is not as strong as what we see from other students in the class. If you receive a check-minus, the TA will provide you some suggestions for what you could do in future weeks to write a stronger paper. You are always free to talk with me if you have questions about how to write a strong weekly paper. Your grades will be entered into the gradebook on the Chalk website.

And additional 10% of this grade will come from other students' evaluations of your contribution to your virtual discussion group. At the midterm and again at the end of the quarter, you will rate each person's contribution to your virtual study group and identify the three people (excluding yourself) whom you believe contributed most to the discussion group over the course of the quarter. I will say more about these student evaluations on the first day of class.

The final 5% of this grade will come from providing conscientious evaluations of your other group members. If you evaluate the contributions of your other students thoughtfully and honestly, then you will earn full credit. If you do not do these evaluations, or do them thoughtlessly (such as giving everyone exactly the same ratings, or giving random ratings), then you will not earn full credit.

Please note that we will be unable to give you detailed feedback about these thought papers each week. You will receive an e-mail from a course TA or myself if you receive a check-minus, but will not necessarily receive an e-mail if you receive a check or check-plus. These papers are meant for you and for your classmates as part of the learning experience in class.

Write-up of Class Exercises (10% of course grade): You submit a short write-up of two class exercises, one in Week 8 (Your Best Self) and one in Week 10 (Personal Responsibility Statements). You will complete these exercises outside of the classroom. Your summary of what you did in the exercise, and what you learned, will be 500 words, maximum. You will be able to add an appendix including materials that you created for the exercise without any word limit. I will give more details about these exercises in class the week before each is due.

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.

Note on grading written content: All written assignments will be evaluated in terms of their depth of analysis, clarity, and insight. 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. Be sure that your main point, and any ancillary points, are described clearly and concretely.

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 or tablets.** Laptop computers and tablets are to be turned off and put away during the class period. I have nothing against technology except that it's so interesting that students sometimes have a hard time paying attention in class when this technology is present. 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. I know that many students prefer to take notes on a laptop, but you can always transcribe your handwritten notes later. Doing so will provide additional engagement with the course material and will help you learn it even better. 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 and others around 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:

Week 1: January 5th—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
The Hidden Costs of Organizational Dishonesty, by Cialdini, Petrova, & Goldstein

Week 2: January 12th—Ethical Awareness

Readings: Chapters 3 & 4 of *Blind Spots*, by Bazerman & Tenbrunsel
Chapter 3 of *Mindwise*, by Epley
The Case Against Empathy, by Bloom

Class Exercise: The Kidney Case (Complete as part of your Good Life group)

Week 3: January 19th—Conflicted Interests

Readings: *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 *Inside Job*

Week 4: January 26th—Moral courage: Speaking truth to power

Readings: Chapter 5 of *Blindspots*, by Bazerman & Tenbrunsel
The Whistleblower's Quandary, by Waytz, Dungan, & Young
GM Recalls: How General Motors Silenced a Whistle Blower, Higgins & Summers
He told. He suffered. Now he's a hero., by Eichenwald

Class Case: *Through the Eyes of a Whistleblower*, by Waytz

Week 5: February 2—Incentives

Readings: *How Customers Can Rally Your Troops*, by Grant
Creative Compensation, by Lublin
How Markets Crowd Out Morals, by Sandel

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

Week 6: February 9th—Midterm (first half of class); Status, Power, & Ethics (second half)

No readings for this week. Study for the midterm, or get ahead on reading for next week.

Week 7: February 16th— Ethical cultures, by design

Readings: Chapters 6, 7, & 8 of *Blindspots*, by Bazerman & Tenbrunsel
Chapter 10 of *The Righteous Mind*, by Haidt
Why I Am Leaving Goldman Sachs, by Smith

Cases: Patagonia
Merck & Co.

Week 8: February 23rd—Reputation

Readings: *Universal Dimensions of Social Cognition*, by Fiske, Cuddy, & Glick
The Organizational Apology, by Schweitzer, Wood Brooks, & Galinsky

Cases: Southwest Airlines Flight 1248
Unintended Acceleration: Toyota's Recall Crisis

Write-up of Class Exercise Due: Your Best Self

Week 9: March 1st—Hedonics

Readings: *In the Company of Givers and Takers*, by Grant
If Money Doesn't Make You Happy..., by Dunn, Gilbert, & Wilson
The How ... of Happiness, by Layous & Lyubomirsky

Class Case: *Zappos's CEO on Going to Extremes for Customers*, by Hseih
Class Exercise: Random Acts of Kindness

Week 10: March 8—Values, Habits, & Character; Course wrap-up

Readings: *Making StickK Stick*, by John, Norton, & Norris.

Class Exercise: Gratitude Letter

Write-up of Class Exercise Due: Personal Responsibility Statement

Week 11: March 15th— Final Group Paper Due