

# NYU-STERN SCHOOL OF BUSINESS

## PROFESSIONAL RESPONSIBILITY

COR2-GB.3101 Section W4, HAIDT

Feb 3, 4, & 5, 2017

Location: KMC 2-90

Final syllabus (1/13/17)

### INSTRUCTION

**Faculty:** Prof. Jonathan Haidt

**Office:** KMC 7-98

**Office Hours:** Monday 5-6pm, Thurs 4-6pm

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### COURSE OBJECTIVES

- 1) You learn about the types of traps that lure business professionals into ethical lapses and criminal behaviors
- 2) You learn enough moral psychology to understand how well intentioned professionals can get lured into such traps
- 3) You learn conceptual frameworks that help you to navigate ethical grey zones with more confidence and better results.
- 4) You develop a greater understanding of your own values and motives, which can help you avoid ethically ineffective or destructive professional choices.
- 5) You commit yourself to a standard of professional conduct that will help to make your work more fulfilling and honorable.

### ACADEMIC INTEGRITY

Integrity is critical to the learning process and to all that we do here at NYU-Stern. As members of our community, all students agree to abide by the NYU Stern Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method that provides an unfair advantage.
- **Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.**
- Acknowledge your own prior work: If you re-use text or even just research from something you wrote for a previous class, say so in a footnote, to allow the professor to assign a proper grade for the work you turn in.

The full NYU Stern Code of Conduct can be found here:

[http://www.stern.nyu.edu/sites/default/files/assets/documents/con\\_039512.pdf](http://www.stern.nyu.edu/sites/default/files/assets/documents/con_039512.pdf)

*The policy of the Business and Society Program is that students who commit plagiarism or exhibit other major failures of integrity are given a grade of F for the course.*

### COURSE REQUIREMENTS

1. Attend and participate actively in all 6 sessions.
2. Complete 3 brief integration papers (1 page, see below).

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3. Final Paper Plan (1/2 page)
4. Final Paper (6-9 pages, double-spaced)

### ATTENDANCE

There are only 6 sessions for this course (two on each of our 3 meeting days). Therefore, you are required to attend all sessions in their entirety. If you do not attend all 6 sessions then you will not receive credit for the course. If work or personal circumstances are likely to prevent you from attending all 6 sessions you should drop this section & register for another section.

### GRADING

The weights I'll use for your overall grade are:

Class Participation	40%
Integration papers:	15%
Final Paper	45%

### READINGS AND PREPARATION FOR CLASS

Nearly all required cases and readings for this course are located on our "NYU Classes" page under "Resources." All readings are free. Most are PDF or Word files. A few are webpages you should explore, or videos you should watch. Each of our six three-hour class sessions consists of one to three study modules. Each study module contains several readings, mostly quite short. Your primary obligation in this course is to prepare for class discussion by thorough reading and analysis of assigned materials. Class discussions are an essential part of the course. I will do some cold calling, and there will be some group work in which others will be counting on you to have done the reading.

### INTEGRATION PAPERS – Due one hour before the start of each class

It is easy to skim through many readings, but hard to remember what you've read unless you do some higher-level integrative processing. To help you do so, please submit three short "integration papers," one for each day we meet. Each one has two parts:

**Part 1: Summaries.** For each reading, try to capture the main idea of the reading **in a single sentence.** (It can have a few clauses in it; a semicolon is permitted). OR, if that is not feasible (e.g., some of the cases can't be described briefly) then your sentence can be the main lesson you take away from the reading. Do this for all the readings, web pages, and videos assigned for each day. (Use the Word file template provided).

**Part 2: Application and integration:** Apply the ideas in the readings to your own life, workplace, or career, or link readings together, or to other parts of our course. This should be a full paragraph, or two at most. Don't try to cover every reading in the session, but you should mention or draw on at least two of them. Find connections, ways to use the ideas in the future, or good examples of the ideas from your work experience. This paragraph is the main thing you'll be graded on, so see if you can derive some novel insight or offer a non-obvious connection.

Keep the whole thing short, and single-spaced; 2 pages max so I can print it easily. Be sure to put your name at the top. Submit your integration papers on NYU Classes under Assignments. They will be graded on a 1-3 scale where 2="check", which means that you meet our normal high standard for Stern work, 3 = "check plus," reserved for the few people (at most 20%) who showed unusual depth, insight, or creativity, and 1

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= “check minus.” Each paper only counts for 5% of your grade; these are designed to help YOU get the most out of the reading.

### **FINAL PAPER PLAN – due the day after our last class**

Email a short (1-2 paragraph) description of your final paper plan to me the day after our last class, or bring a printout to our last class to discuss in person during the breaks. By the end of the last class, you should have some idea of what you’ll be writing about for your final paper.

### **FINAL PAPER - due one week after our last class (i.e., 2/12 at 5pm)**

The purpose of this paper is to allow you to apply principles of professional responsibility to an actual, specific business situation. You should describe a situation with which you have first-hand familiarity. You may have been a major or minor actor in the situation, or may have merely witnessed the situation. In any event, the requirements are that the situation raise ethical or legal issues and that you were there. It would not be appropriate to analyze a situation if you were not in a position to observe it directly. The paper should be 6-9 pages double-spaced, 12-point font (not including bibliography or appendices), with your last name and the page number in the upper right header. Submit your paper on NYU Classes under Assignments as a Word file.

A suggested structure for the final paper is as follows:

- **Context:** Provide a description of the context within which the situation arose, including the industry, business practices, and other relevant issues, including team dynamics, personalities, etc. This description must be detailed and rich enough to allow the reader to get a clear sense of the ethical/legal dilemma(s) (~1-2 pages).
- **Analysis:** Analyze the dilemma using concepts or methods from the course readings. You may consider the dilemma from the point of view of different stakeholders, comparing and contrasting different analytical perspectives. Apply some methods of ethical, psychological, and/or legal reasoning to the situation and examine the results of this application. Ultimately, what do you think is/was the right thing to do in the situation? (~3-6 pages).
- **Resolution & Conclusion:** Describe how the situation was actually resolved. Discuss this resolution in light of your analysis from section 2. What significance does this dilemma and your response to it have for you as a business professional? Please end with your **revised professional amulet**. What is it? Would it have helped you in this case? (~1-2 pages).

#### ALTERNATIVE TOPIC: ETHICAL SYSTEMS DESIGN:

Conduct an “ethical audit” of a company you know well. Drawing on concepts from multiple modules, identify risk points, and describe how the organization currently handles ethical risks. Drawing on course content and on at least three research pages from EthicalSystems.org, offer specific recommendations for how the organization could make changes that would improve its ethics and decrease its ethical and reputational risk going forward. (End with your revised professional amulet – what is it, and how might it help you?)

**Evaluation of Final Paper:** Good performance (hence a good grade) consists of

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systematically and critically analyzing the situation or organization using relevant concepts and methods from the course, and reflecting on its significance for you as a business professional. **Please put course concepts and terms in bold.**

**Confidentiality of Final Paper:** The contents of the final paper projects are held strictly confidential. The papers are only read by the professor and are not disseminated in any fashion to anyone else. Please change the names of the people involved. And feel free to change the name of the company, particularly if you are describing any illegal activity.

<b>COURSE SCHEDULE</b>
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### SESSION 1: Fri. Feb 3, 9am – noon

<b>MODULE 1: INTRODUCTION:</b> --WHAT IS PROFESSIONALISM? --MARKET FAILURES & PROFESSIONAL DILEMMAS
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**READINGS**

De Officiis	Cicero ( <a href="#">link is here if you want to read more</a> )	Word file (4 pgs)
Making an Ethical Decision	Terry Halbert & Elaine Ingulli	PDF (4 pgs)
Handout on Market failures	Rachel Kowal	Word file (4 pgs)
*The Price of Lobster Thermidor	The Economist	PDF (2 pgs)
The social responsibility of business	Milton Friedman	PDF (5 pgs)

\* indicates a reading we'll treat as a case – a situation we'll discuss in detail. So you should read this carefully the night before class.

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### SESSION 2: Fri. Feb 3, 1pm-4pm

<b>MODULE 2: AGENCY &amp; FIDUCIARY DUTY</b>
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**READINGS**

*The Man Who Paid the Price for Sizing Up Enron	Richard A. Oppel, Jr.	Pdf (2 pgs)
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--May be given out in class: *Disloyal Agents* (Cavers)

<b>MODULE 3: TRUTH &amp; DISCLOSURE</b>
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**READINGS**

Bluffing	Jim T. Priest	Pdf (2 pgs)
*Bitter Pill	Ralph T. King, Jr	Pdf (7 pgs)

<b>MODULE 4: GIFTS, SIDE DEALS &amp; CONFLICTS OF INTEREST</b>
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**READINGS**

Conflicts of Interest	EthicalSystems.org, research	<a href="http://www.ethicalsystems.com">http://www.ethicalsystems.com</a>
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	page on Conflicts of Interest. Explore the page and its links	<a href="http://www.ethicalsystems.org/content/conflicts-interest">org/content/conflicts-interest</a> (about 4 pages)
*Buynow Stores	Bruce Buchanan	Pdf (3 pgs)

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**SESSION 3: Sat. Feb 4, 9am - Noon**

**MODULE 5: CONTROL BY LAW**

READINGS

Law page at EthicalSystems.org	Jeff Kaplan	<a href="http://www.ethicalsystems.org/content/law">http://www.ethicalsystems.org/content/law</a>
*Pollution Case Highlights Trend to Let Employees Take the Rap	Dean Starkman	Pdf (2 pgs)

- To be shown in class: *Video of Preet Bharara at Stern* (starting at minute 19)
- May be given out in class: *Living within the Sentencing Guidelines* (Kaplan)

**MODULE 6: INSIDER TRADING**

READINGS

What is Insider Trading?	<a href="http://www.sec.gov/answers/insider.htm">http://www.sec.gov/answers/insider.htm</a>	Please explore the SEC website, and print out the pdf file which has 2 of the SEC pages on it; read the first 9 pages of that.
*How a Wall St. Lawyer Turned Insider Trader Eluded FBI	David Voreacos	Pdf (3 pgs)

**MODULE 7: SOCIAL PSYCHOLOGY AND PROFESSIONAL RESPONSIBILITY**

No readings		
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**SESSION 4: Sat. Feb 4, 1-4pm**

**MODULE 8: WHISTLE BLOWING & LOYALTY  
MORAL PSYCHOLOGY**

READINGS

Whistle Blowing page	EthicalSystems.org	<a href="http://www.ethicalsystems.org/content/whistleblowing">www.ethicalsystems.org/content/whistleblowing</a>
*He Told. He Suffered. Now He's a Hero	Kurt Eichenwald	Pdf (7 pgs)

- May be given out in class: *What to do if your boss asks you to break the rules* (Coleman)

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**MODULE 9: SALES AND MARKETING**  
 READINGS

Disorders Made to Order	Brendan I. Koerner	Pdf (6 pgs)
FTC Endorsement Guides	Federal Trade Commission	PDF (25 pages, but just read pages 2-6, to get the idea)
Ethics and Flow Automotive	Interview with Don Flow	Word file (9 pgs), from Ethix Magazine

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**SESSION 5: Sun. Feb 5, 9 am - noon**

**MODULE 10: DISCRIMINATION AND EMPLOYMENT LAW**  
 READINGS

Equal Employment Opportunity Commission	<a href="http://www.eeoc.gov">http://www.eeoc.gov</a>	PDF (24 pgs) Skim all, understand all types, but don't need to read all text
*A colleague drank my breast milk	Maureen Sherry	Word file (3 pgs)

--Link to be sent out: *survey of discrimination experiences*

**MODULE 11: CORPORATE CULTURE AND ETHICAL SYSTEMS DESIGN**  
 READINGS

Business Friendly Ethics	Jon Haidt & Jeff Kaplan	PDF (3 pgs)
Audit of the Ethical Culture	Linda Trevino & Katherine Nelson	PDF (3 pgs), from ch. 5 of <i>Managing for Business Ethics</i>

--We'll also talk about *Flow Automotive*, from module 9, and look at a current corporate scandal

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**SESSION 6: Sun. Feb. 5, 1pm-4pm**

**MODULE 12: SOCIAL RESPONSIBILITY**  
 READINGS

Social Responsibility that Rubs Right Off	David Gelles (NYT)	Word file (3 pgs)
Conscious Capitalism	John Mackey, from ch. 2	PDF file (9 pages, but you can skip the first 3; start on p. 30 of the book)

--We'll also return to *Friedman*, from Module 1

**MODULE 13: POSITIVE PSYCHOLOGY AND PROFESSIONALISM**  
 READINGS

Happiness Comes from Between	Haidt, Happiness Hypothesis ch. 10	PDF (Just read first 11 pages)
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--Link to be sent out, to [Via Signature Strengths survey](#).