

Harvard
Extension School



MGMT E-5790 Ethics, Economics & Organizations

Spring 2016

HYBRID FORMAT

Course Syllabus - OVERVIEW

Course Logistics

This course features three methods of delivery: A live web conference portion, an online-only portion that extends discussion over a four day period in each instance, and, finally, a mandatory on-campus workshop that extends over three days. The delivery dates for the portions of the course are as follows:

Web Conference Component: Thursdays, 7:40pm-9:40pm on the following dates:

January 28, February 11, April 7, April 21, and May 5

Interactive Online Component: **February 23-26** (Tues-Fri) and **March 22-25** (Tues-Fri)

Mandatory On-Campus Component Friday, **March 4** (5PM-8PM), Saturday, **March 5** (9AM-5PM), and Sunday **March 6** (9AM-1PM) on the Harvard campus at One Story St. Rm 304 (on the third floor).

Prior to the first web conference session, participants must attend a “**Check In**” session starting 45 minutes before the beginning of class. During the Check In, students can ensure that their headset and computer equipment is functioning properly for the course software and learn more about how the course will be conducted.

Course Prerequisites

Meet Harvard Extension School requirements for English Proficiency. For details see:

<http://www.extension.harvard.edu/tuition-enrollment/course-registration/english-proficiency-requirement>

Instructor

Michele Jurgens, PhD

Chair, Master’s Program for Business Ethics & Compliance, New England College of Business & Finance; Former Research Fellow, Geneen Institute for Corporate Governance Bentley University

Office Hours: Available by appointment; email me at: michele.jurgens@necb.edu

About the Course

Course Description

At a time when society's views on personal morality, social aims, and the environment often appear to conflict with business culture and goals, this course takes a closer look at how managers make decisions in results-driven enterprises. Students will explore common organizational situations involving apparent trade-offs between profit or productivity goals and more qualitative values such as loyalty, reciprocity, fairness, honesty, or altruism.

The organizational contexts explored in the course will include those involving marketing and commerce (price gouging in a crisis, for example), firm collaborations (transparency in partnerships), negotiations (trust), international development (standards and responsibility), lay-offs/downsizing (impacts), environmental crises (prevention and recuperation), and the management of corporate culture (values and leadership). In one of the first cases, students will study the actions of Aaron Feuerstein, the former owner and CEO of Malden Mills who refused to lay off his workers when the firm's facilities burnt to the ground. Students will consider Feuerstein's choices and his struggle to save the business and his workers' jobs.

Another important part of the course will be devoted to practicing the skills needed to engage and influence colleagues (and bosses) in discussions involving value trade-offs. Students will be trying out techniques from, for example, Mary Gentile's work on 'giving voice to values'. Students will also test themselves on value preferences and carry out several negotiation exercises in order to better understand their own particular behaviors in decision-making.

Course Aims and Objectives

This course is suited to any present or aspiring manager who is faced with making choices that involve complex human or societal issues and who wishes to increase their preparedness and/or develop their skills for handling such issues in the workplace. Students will develop managerial judgment and decision making acumen through the exploration of various decision criteria and the teaching of systematic approaches for applying those criteria in a business setting.

While a few discussions will focus on personal choices, in most cases students will be considering questions and issues at the level of the organization and/or the larger community. While corporate social responsibility will not be a focal point of our discussions, students will study instances when managers must assess the firm's responsibility and determine viable courses of action involving interaction with multiple stakeholders.

Course Policies and Expectations

Developing strong skills in critical reasoning and decision making involves a lot of relevant reading, a good deal of practice expressing one's thoughts, and the careful development of logical arguments. In this course, please be prepared to spend considerable time in these activities as you proceed through the course and explore a wide range of approaches to complex issues.

It is expected that you will do additional library research on your own, as needed, to better understand some of the issues raised in class or to complete several of the assignments. Through the Harvard Extension School, you have access to a rich selection of online reference sources. I strongly suggest that you take advantage of the opportunity to read and explore the topics in this course using those resources.

Participation in class is required and all students are to come to class well prepared to discuss the case (if there is one) and the assigned readings. Participation will be graded based on your presence, your level of preparation, and your contribution to class discussions. Only one absence is permitted in the semester and ONLY for one of the five Blackboard Collaborate sessions. Full attendance is required at all other class sessions, including each day of the online discussions. Absences due to major health issues or family emergencies will be dealt with on a case-by-case basis.

Please remember, per Harvard Extension policy, to receive credit for this class, students must be in attendance for the entirety of the on-campus workshop – no exceptions.

Materials and Access

This course has a **required** course pack available from Harvard Business Publishing. All of the readings are available from the course pack, unless otherwise indicated. They are available in digital format although most can also be mailed to you in hard copy by special request. There is a cost to purchase the course pack and to make the purchase, you will need to first register with Harvard Business Publishing.

The link to Harvard Business Publishing and the course pack will be provided directly to enrolled students by email closer to the date of the start of the course.

Noise Canceling Headset for VoiP:

You must have a combination headphone/microphone compatible with your computer system. You will need a noise cancelling type of headset used for VoiP (Voice over Internet Protocol, e.g. Skype). Participating without using correct equipment (using your phone instead of a headset) can create a recurring echo in the audio, which is distracting for all those present in the course.

Course Platform

This course will be using the learning management system called Canvas. After gaining access to Canvas, you will use it to discuss with fellow students during the two four-day online virtual discussion sessions. You will also use it to post your assignments, access the final syllabus, have access to course slides and recordings, see your grades, connect with your classmates, and more.

Assignments and Grading Procedures

A student's final grade in this course will be based on the following weighting for each of the assignments listed below:

20%	Assignment #1 – Business Lapses: What Went Wrong?
20%	Group Assignment – Convince Me (Lakeside Case)
35%	Assignment #2 – Research Paper: Issues in Economics and Ethics
10%	Assignment #3 - Going 'Pro-Social'? Tell me how.
15%	Preparation and Discussion Participation

This is a graduate-level course and graduate-level work, which includes active participation in class discussions and activities as well as high-quality written work, is expected.

Note on Written Assignments

The assignments are intended to test your understanding of the concepts covered in the course and your ability to apply them in a real world situation. Written work should be clear, logical, grammatically correct, spell-checked, and persuasive and backed up by references and citations for any data, ideas or other content used. It should represent the student's best effort.

All assignments should be **single-spaced** and should use APA format for citations and references (please no abstracts for your papers).

Note on Deadlines

All assignments must be submitted in canvas on the specified day and time indicated. Late work will be downgraded by one-half a grade e.g. from a 'B' to a 'B-'. ***Work submitted more than 24 hours after the time of the session will not be accepted.*** Medical or family emergencies will be dealt with on a case-by-case basis.

Academic Integrity

Harvard Extension School Academic Standards

Please refer to the policies and standards of the college regarding course expectations, computer and network use, library use, scientific research, conduct, academic integrity, and the procedures in the case of a violation of School policies. They are available on the Harvard Extension School website at: <https://www.extension.harvard.edu/resources-policies/student-conduct/academic-integrity> and at: <https://www.extension.harvard.edu/resources-policies/student-conduct/expectations> .

The School's Honor Code should be respected in its entirety. It is available at: the [Honor Code](#).

Please note that plagiarism is not tolerated. The link above provides access to guidelines for using sources in your work and for how to cite them properly. Collaboration with other students is prohibited unless specified in the assignment instructions. Please be particularly careful using the internet and coping information from those sites. Refer to the policies and rules on citation to be certain that you are not plagiarizing without intending to do so.

Accommodations for students with disabilities

Students needing academic adjustments or accommodations because of a documented disability must present their Faculty Letter from the [Accessible Education Office](#) (AEO) and speak with the professor by the end of the second week of the term, (*fill in specific date*). Failure to do so may result in the Course Head's inability to respond in a timely manner. All discussions will remain confidential, although Faculty are invited to contact AEO to discuss appropriate implementation.

Course Schedule

Below you will find a brief outline of the course schedule, session by session. A more detailed version will be provided to students enrolled in the course several weeks prior to the start of class.

Course Outline and Schedule

Session 1: Thursday, January 28, 7:40-9:40PM **Balance**

Introduction – Striving for

Web Conference on Blackboard Collaborate

Topic: Managers face critical decision-making moments on a daily basis. In this session, we will explore the case of Malden Mills, a situation in which ‘doing the right thing’ threatened the viability of the business. As an introduction to the course, this case illustrates well some of the difficult decisions managers must make when striving for the proper balance between economic benefit and the respect of individual and collective values.

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Session 2: Thursday, February 11, 7:40-9:40PM **Schemas**

Impact of Lay-Offs & Value

Web Conference on Blackboard Collaborate

Topic: This week we continue our discussion of the impact of economic activity on stakeholders by looking closely at the impact of lay-offs on employees, firm productivities, and the communities involved. We will also begin exploring values and the effect of variation in our value preferences on decision-making in corporate contexts.

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Session 3: Tuesday, February 23rd – Friday, February 26th
Values & Public Perception

Corporate Culture,

Interactive Online Session in Canvas – This session is completely online and runs from Tuesday morning to Friday evening at midnight EST. Students must participate in the online discussion at least once a day.

Topic: In this session, we will look at the role of corporate culture as it pertains to the framing of business decisions within the firm and the public perception of the firm externally. To appreciate how these issues play out in the business world, we will discuss the case of a pharmaceutical company's activities in South America.

Assignment due: This week the first course assignment is due – *Business Lapses: What Went Wrong?* Students are asked to analyze a recent case of corporate missteps with the aim of identifying the values at issue in the scandal and the connections between managerial decisions/actions and public outcry.

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Mandatory On-Campus Workshop: Friday, March 4th at 5PM to Sunday, March 6th
at 1PM

Part 1: Bird in the Hand – the Appeal of Opportunity

In this session, we will explore why individual decision-makers tend to prefer short term gain over longer term potential for even greater benefits and the role of reciprocity and trust in reversing these tendencies. In order to have a tangible understanding of how these concepts play out in our everyday environments, we will carry out several 'experiments' in class and discuss their implications.

Part 2: How Far Does Faith Carry You? – Exploring Trust in Negotiations

As a next step, the class will test business practices that potentially lead to higher outcomes for all parties in negotiations. We will then explore the use of these practices in real world cases, including a real estate case and a competitive price setting case.

Part 3: Bringing Justice, Equality, Fairness, Loyalty, etc. into the Workplace – Speaking Up to Be Heard

Finally, the class will do role playing using scenarios involving ethical issues that might be taken into account in business decision-making. The exercises are intended to help students in develop convincing arguments and be comfortable delivering those arguments in a business setting. We will draw from Mary Gentile’s “Giving Voice to Values” for these exercises.

Assignment due: Following the on-site, you will be asked to carry out a group assignment, “Convince Me” based on the Lakeside case. In this assignment, you will agree on a strategy for approaching the gentleman with the house on the Lake. Then, you will present and argue in favor of your strategy in a written paper. You will need to convince me why the alternative strategy is a bad idea.

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Session 4: Tuesday, March 22nd – Friday, March 25th **Conflict of Interest and Agency Theory – Managing Subconscious (or Conscious) Managerial Bias**

Interactive Online Session in Canvas – This session is completely online and runs from Tuesday morning to Friday evening at midnight EST. Students must participate in the online discussion at least once a day.

Topic: In this session, we will look at how businesses have dealt with conflicts of interest at the highest level of decision-making. Agency theory as applied to corporate governance concerns the possibility that managers might not always act in the best interests of shareholders, but rather, in their own. Using the example of a case on stock option pricing, we will explore the challenges inherent in separating one’s own interests from those of the firm.

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Session 5: Thursday, April 7th, 7:40-9:40PM **Dealing with Externalities**

Web Conference on Blackboard Collaborate

Topic: Business activity creates ‘externalities’ – positive or negative unintended consequences resulting from creating and running a business. In international business the norms of ‘proper’ business behavior as it relates to externalities may be different in different countries. In the US,

business norms are largely driven by our legal system and government regulatory compliance, although in some areas, views on this topic are evolving. In this session, we will look at externalities and at the potential costs of ignoring extra-legal standards of acceptable practice. To do so, we will look at the well documented case of Shell in Nigeria.

Assignment due: For individual assignment # 2, you will be asked to complete a research paper on one of several key topics covered in this course. The goal will be to better understand the concepts around this topic and the nature of the debate and the possible solutions proposed from a business manager' perspective.

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Session 6: Thursday, April 21st, 7:40-9:40PM **Preventing the Tragedy of the Commons; How to Foster Pro-Social Behavior**

Web Conference on Blackboard Collaborate

Topic: Economists has long warned us of the dangers of ‘free riders’ in economic systems where some contribute to the common good and other benefit without doing so. But to avoid the tragedy of the commons – a state in which valuable common goods and resources are destroyed through abuse – business entities, governments, and society as a whole must cooperate. Climate change, perhaps one of the best examples of a ‘tragedy of the commons’ in the making, will be the focal point of this week’s discussion and set the stage for a consideration of approaches that can be used by managers to encourage the ‘pro-social’ behavior of their peers.

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Session 7: Thursday, May 5th, 7:40-9:40PM **Leading with Values**

Web Conference on Blackboard Collaborate

Topic: Managers who lead with their values are extolled and held up as examples to us all. Yet to use a phase coined by Joseph Badaracco and Allen Webb, managers ‘in the trenches’ regularly face situations that test them and their ability to deliver on those values. In wrapping up this course, we will explore several examples of managers who have mastered the art of incorporating values into their managerial style and policies. These examples will include practices that deal with personal value trade-offs as well as with trade-offs at the firm level,

allowing the firm to deliver value both for shareholders and for the stakeholder communities they serve.

Assignment due: For your last individual assignment – “Going Pro-Social? Tell me How?” - you will be asked to study approaches being used by managers for implementing policies and practices that respect ‘pro-social’ goals as well as the profit and efficiency goals of the firm. In this paper, you will also be asked to identify possible ways in which these same policies or practices may be lacking if viewed from alternative value perspectives.