Stern School of Business

Professional Responsibility
[Markets, Ethics & Law]

SYLLABUS

Term: Spring 2011 (1st Half)  Professor: Roy C. Smith
Time: M/W 10:30-11:50 am    Office: KMEC 9-93
Classroom 1-70               email: rsmith@stern.nyu.edu

About This Course:

There are several of us who teach in the Professional Responsibility program because we think it is an important course for students. However, the last many years of surveys and student ratings indicate that students in general do not agree – they often give the course low marks no matter who is teaching it.

So, two years ago I adjusted the course after asking a student to assemble a panel of colleagues to see what advice the group would have for me on the content of the PR course, and I received a lot of good suggestions.

This course will incorporate several of those suggestions – mainly to make the course more inclusive of current thinking in sociology and psychology about ethical conduct and to try to relate this to the kind of business situations that students can expect to experience personally. As we are neither sociologists nor psychologists we will be exploring the subject matter together entirely as laymen. The main learning in the course will be to understand better what others think about ethically tight spots to see how your own judgment holds up in comparison. Thinking about ethical conduct is a big improvement over just reacting to it viscerally. If you have a wide view as to what possible alternative actions a situation may present, what the consequences of these actions might be, and a growing sense of what you think your own ethical compass says to you, you are likely to select wiser courses of actions.

So, here’s this year’s offering. You can always take the course taught by someone else. You might prefer that and I encourage you to shop around a little, though I do hope someone will show up to take the course I am teaching.

Course Content:

The course will involve a mixture of short readings and cases which will be the basis for what I hope will be lively class discussion.
Required Cases & Readings

All required cases and readings are located either on the Xanadu website or (when indicated) posted on BB. You will have to acquire the Xanadu course packet (see instructions at the end of the syllabus)

Grading:

70% of your grade will be from a final exam; 30% from class participation

Course Outline

PART I      ABOUT OURSELVES

1  Jan 31, 2009   Course Introduction and Orientation

    Read:  Michael Sandel, Justice – The Right Thing to Do  (Chapter 1) (BB)

            Max Bazerman and M. Banaji, “How (un)Ethical Are You?” (BB)

    Test:  Google “Implicit Association Test,” log in to the website and take the (free) test (developed by Harvard Prof. Bazerman, et. al.) to determine your own implicit bias. The test results will be available to you only.

2  Feb 2   Lying

    Read:  Albert Carr, “Is Business Bluffing Ethical?” (BB)

            “When Do Exaggerations and Misstatements Cross the Line?”

            :  Peter Elkind, “You Have the Only Hard Copy.”

3  Feb 7   Cheating

    Read:  David Callaghan, “The Cheating Culture” (BB)

            Tara Parker-Pope “Love, Sex and the Changing Landscape of Infidelity” (BB)
Philip Delves Broughton “MBA Students Swap Integrity for Plagiarism.” (BB)

4 Feb 9 Stealing

Read: Bruce Buchanan, “Stockbroker’s Story” (Trade Secrets in Xanadu)

Bloomberg: “Stolen GS Code (BB)

William M. Carley “Fare Game.” (Trade Secrets)

5. Feb 14 Personal Ethics and Morality

Read: The Social Psychology of Ordinary Ethical Failures (BB)

Bruce Buchanan, “Buynow Stores” (Gifts and Side Deals, Xanadu)

Leslie Wayne, NYT, “A Promise to be Ethical in an Era of Immorality” [The MBA Oath] (BB)

PART II BUSINESS AND LAW

6. Feb 16 Fiduciary Duty

Read: Roy C Smith “Directors and Boards.” (BB)

NO CLASSES FEB 21

7. Feb 23 Law and Enforcement


8. **Feb 28** Corporate Management of Ethical Conduct

**Read:** Roy C. Smith, “Citicorp 2005” (BB)

Ingo Walter, “Marsh McClennan” (BB)

9. **Mar 2** Public Perceptions of Ethical Conduct

**Read:** Joe Nocera, A Billionaire Army of One vs. a Bank, *NY Times* (BB, External Link)

The Magnetar Trade, Pro Publica (BB, External Link)

10. **Mar 7** Ethics and Business

**Read:** Milton Friedman, “The Social Responsibility of Business ins to Increase Profits.” (Social Respy, Xanadu)

Jeffrey Seglin, “The Right Thing: When Good Ethics Aren’t Good Business” (Social Responsibility)

**PART III** BUSINESS ETHICS AND OURSELVES

10. **Mar 9** Whistleblowing

**Read:** Charles Haddad, “A Whistle-Blower Rocks an Industry” (Whistleblowing, Xanadu)

Priscilla Buderiri, “The Return of Qui Tam” (Whistleblowing)

Lynnley Browning, NYT, “Birkenfeld Ex-UBS Banker Aims at Billions for Blowing the Whistle.” (BB)

Jennifer Levitz, WSJ, “Shielding the Whistleblower” (BB)
11. March 21  Sales and Marketing Ethics

Read: Ingo Walter, “West Virginia Consolidated Investment Fund” (Sales and Marketing)

“From Tense Call to Legal Standoff,” (BB, External Link: Steve Ratner)

12. March 23  Discrimination

Read: Thomas Dunfee and Diana Robertson, “Foreign Assignment” (Discrimination, Xanadu)

Roy C. Smith, “Foreign Affair” (BB)

13. March 28  Final Exam
Instructions for Purchasing Access to XANEDU.COM*

On Xanedu.com you will find an additional required reading. To access it you will need to purchase a Xanedu access code from the NYU Professional Bookstore.

*Placing an Online Order for the Xanedu material: *

Go to the NYU Book Store web site: http://www.bookstores.nyu.edu

Click on the "Search for a Book" link

In the "Search by ISBN" option

Enter ISBN 978300047889B to order the B02.3101 Professional Responsibility 2008-2009 Digital Coursepack

Proceed to Checkout and complete your order.

Within one business day of completing your order you will receive an email with your Key Code that will give you access to your digital course pack. Tax and shipping charges will be removed before your credit card is charged.

How to Access Your Xanedu Course Pack*

1. Open a Web browser and go to www.xanedu.com.

2. *ALREADY A REGISTERED XANEDU USER?*
Log in to go to your My Xanedu page. At the bottom of your My Xanedu page is a field labeled ‘Do you have a key for a Course Pack or ReSearch Engine?’ Enter the 16-digit key shown below, including the hyphens, into this field and click ‘Go’.

3*. NOT A REGISTERED XANEDU USER?*
You’ll need to register and create a user name and password. Click the _Register_ link under the “Students” login area on www.xanedu.com. Click the button labeled ‘Student Registration’. Complete the online registration form. Enter the 16-digit key shown below, including the hyphens, at the bottom of the form. Submit the form. Your My Xanedu page is displayed.

4. Select your Course Pack from the My Course Packs list and click ‘Go’.
Important things to know about the key and your digital Course Pack

· You can enter the numeric key shown above only one time. If you have a problem or question, call Xanedu Customer Service at 800-218-5971, Option 3, or send email to contact@xanedu.com.

· Access to your digital Course Pack cannot be resold. Once you enter the numeric key, only you can access the Course Pack.

· You will have unlimited access to your digital Course Pack until whichever comes first:

  six months after the date of purchase,

  Or two months after the last day of your course (as specified by your instructor).

· To access your Course Pack at anytime:

  1. Open a Web browser and go to www.xanedu.com.

  2. Log in with your user name/password combination.

  3. Select the Course Pack from the My Course Packs list on your My Xanedu page.

  4. Click ‘Go’.