

Executive Ethics
B7583
Professor Adam Galinsky

Executive Ethics involves the ability to take the disparate value propositions of various stakeholders and integrate them into a coherent strategy/vision that helps executives and their organizations respond to a wide range of ethical challenges. Doing so requires the capacity to take a stand and to offer a coherent justification for one's decisions. The course helps you develop the ability to consider a wide range of value perspectives and to integrate them when navigating through any ethical quagmire.

We will explore how recognizing and incorporating competing values claims throughout an organization and industry is often facilitated and hindered by a number of economic, psychological, organizational, and cultural processes. Industries, organizations, and individuals in the 21st century confront a daunting set of challenges. Increasing globalization means doing business in countries with radically different values. At the same time, public awareness and scrutiny of business practices have never been higher. Finally, the combination of technology, globalization and ever-present media has produced rapid cultural and ethical transformations. The focus of this course is on helping organizations and their leaders navigate this landscape and become more capable of designing procedures and processes to produce ethical outcomes.

This course will help you understand the range of underlying levers leaders have at their disposal to successfully implement their value objectives, while anticipating the constraints of market and non-market environments. It will both provide self-insight and add depth to your perspective and understanding. Ultimately, you will be wiser after taking this class.

Because executive ethics cuts across every discipline in the school, this will class will be staffed by faculty across the school's divisions. Each faculty will tackle an important issue that their discipline and their expertise illuminate.

DATE & TIME	PROFESSOR	TOPIC
5/13: 12:30pm-3:30pm	Adam Galinsky	Moral Inspiration, Courage, and Redemption
5/14: 3:45pm-6:45pm	Shiva Rajgopal	Is Stakeholder Capitalism Viable?
5/20: 12:30pm-3:30pm	Dan Wang	Strategic and Moral Responses to Social Movements
6/04: 8:30am-11:30am	Modupe Akinola	Stereotyping and Discrimination in Organizations
6/17: 3:45pm-6:45pm	Bruce Usher	Bribery and Corruption
6/1: 3:45pm-6:45pm	Tomasz Piskorski	Mortgage Market Reform: Lessons from the Housing Crisis of 2007 and COVID-19 Pandemic
7/08: 3:45pm-6:45pm	Pierre Yared	Income Inequality
7/09: 8:30am-11:30am	Oded Netzer	Algorithmic Decisions: Ethical Issues with Data Analytics and AI
7/22: 8:30am-11:30am	Michel Pham	Market Manipulation & Marketing Ethics
7/23: 12:30pm-3:30pm	Andrea Prat	Anti-Trust and Business Ethics
8/05: 8:30am-11:30am	Sandra Matz	Privacy in the Age of Personalization
8/20: 12:30pm-3:30pm	Adam Galinsky	Solving Ethical Dilemmas: An Integrative Framework

Course TA: Maren Hoff MHoff24@gsb.columbia.edu

Office Hours: Email to set up a meeting

ASSIGNMENTS AND GRADING

- **Individual course contribution (30%):** Arrival on time to class, completion of pre-class surveys, engagement and participation in the classroom, and generally upholding the values of the Columbia Core Culture.

Pre-Class Surveys: Before each session, you will complete a brief pre-class survey that will help you prepare for the session. All pre-class surveys will be in a link in the calendar and under assignments.

Due Date: Each survey will be due on the Thursday night (8pm) before the session.

- **This I Believe essay (15%):** Effective leaders define their own values, and they communicate their importance to others. To help you in this process, you will write a one-page essay that describes your personal credo and its significance. This assignment is based on the *This I Believe* radio program that reached 39 million listeners. On this broadcast, Americans— both well known and unknown—read five-minute essays about their personal philosophy of life. They shared insights about individual values that shaped their daily actions. The first volume of *This I Believe* essays sold 300,000 copies—more than any other book in the U.S. during that year except for the Bible.

Length: 350-500 words

Due Date: 8:00 pm, June 19

Writing guidelines adapted from: <http://thisibelieve.org/guidelines/>

- **Tell a story:** Be specific. Take your belief out of the air and ground it in the events of your life. Consider moments when your belief was formed or tested or changed. Think of your own experience, work, and family, and tell of the things you know that no one else does. Your story need not be heart-warming or gut-wrenching—it can even be funny—but it should be *real*. Make sure your story ties to the essence of your daily life philosophy and the shaping of your beliefs.
- **Be brief:** Your statement should be between 350 and 500 words. That’s about three minutes when read aloud at your natural pace.
- **Name your belief:** If you can’t name it in a sentence or two, your essay might not be about a belief. Also, rather than writing a list, consider focusing on one core belief, because three minutes is a very short time.
- **Be positive:** Please avoid preaching or editorializing. Tell us what you do believe, not what you don’t believe. Avoid speaking in the editorial “we.” Make your essay about you; speak in the first person.
- **Be personal:** Write in words that are comfortable for you to speak. We recommend you read your essay aloud to yourself several times, and each time simplify it until you find the words, tone, and story that echo your belief and the way you speak.

- **This I Will Implement plan (15%):** In your This I Believe Essay, you had an opportunity to both define and communicate your values. Research shows that in order to actually realize those values at the individual or institutional level, it is critical to identify and communicate an implementation plan. For this essay, I would like you to identify three practices or structures you will put into place to successfully implement your This I Believe essay into your daily and your organization's practices, i.e., a This I Will Implement plan. That is, think about specific actions you can take to actively live your leadership values. Avoid simply restating your values or being overly vague and not specific enough.

Length: 350-500 words

Due Date: 8:00 pm, July 10

- **Integration Paper (15%):** At one point in the class, you will integrate the ethical insights and applications from previous sessions into your own experiences and around a particular topic. Effective papers are integrative in one of three ways: a) they use the concepts to reinterpret their own or other's behavior, b) they use concepts to ask novel questions, c) they use the concepts to play out future scenarios

Length: 350-500 words

Due Date: July 24

- **Ethical Dilemma Team Project (25%):** You will be randomly assigned to five-person teams to explore the ethical dilemmas that each of you have faced. For the team project, you will each write out an ethical dilemma you have or are currently facing at work; typically these are tensions between two or more conflicting values. You will then select the most vexing dilemma from your team. You will then prepare both a written analysis and a presentation for the final class about that selected dilemma. The written analysis and presentation should diagnose this dilemma and offer potential solutions. The written analysis should also include an integration of your team's collective dilemmas to capture key insights.

Length: 2,250-2,750 words

Due Date: 8pm, August 21

Key Elements of the Team Paper

1. Introduction to your Main Dilemma

Describe the main dilemma you focused on. What is the context? Who are the major players? What was the key conflict?

2. Analyzing and Solving the Main Dilemma

Begin by considering the range of values at stake and how each perspective in the dilemma is justified. Consider all of the stakeholders and why their values conflict with one another. Identify those actors, if any, who behaved in an inspiring fashion and those that produced infuriation. For the inspiring actors, highlight what made their

behavior so laudable. Similarly, for the infuriating actors, identify what prevented them from acting in the right way.

You should then organize and focus your analysis towards solving the dilemma. If you had to do it all over again, would you handle the dilemma in the same way? Finally, offer what you think is an ideal solution and explain why.

3. Dilemma Integration and Recommendations for CBS Students

You should consider the full range of dilemmas that members of your team wrote about and seek to integrate them to produce specific principles and lessons for being more ethical in the future. You should identify the similarities and differences in those dilemmas to draw general lessons about what behaviors and strategies produce moral inspiration versus moral infuriation. Consider also how the context can change a behavior from being viewed as inspiring to infuriating. The goal is to develop a set of principles and processes that can help you resolve, in an inspiring way, a variety of dilemmas that you will face in the future. Offer concrete recommendations for being successful as an Ethical Executive.

4. Appendix: Dilemmas

Include a one or two paragraph description of each dilemma discussed in your team. **This is not part of the page limit.**

Key Elements of the Team Presentation: 10-Minute Presentation

The presentation will synthesize your team's paper. It should consist of five parts:

1. **The Context:** Briefly identify the key features of the dilemma
2. **The Dilemma:** Briefly identify the value tensions involved in the dilemma
3. **The Actual Solution** (if any): Describe what was done to resolve the dilemma.
4. **The Ideal Solution:** Describe what you think the ideal solution is. If the ideal solution was the actual solution explain why it was ideal. If the actual solution was not ideal or the dilemma has not been resolved, then articulate what would be the ideal solution and why it would be ideal.
5. **Key Principle:** Identify a key principle that will guide your future approach to ethical dilemmas

Adam Galinsky
Moral Inspiration, Moral Courage, Moral Channels, and Moral Pitfalls

Learning Objectives:

- Understand moral inspiration versus infuriation
- Introduce a process for identifying and resolving value conflicts and ethical dilemmas

Session Description

This session is structured around two themes. First, we will explore your experiences with morally inspiring and infuriating leaders and the conditions that have produced your own moral courage. Second, we will explore the essence of all ethical dilemmas – making tradeoffs between two deeply held values. I will present my Values-Perspectives-Execution model of solving and implementing solutions to ethical dilemmas.

Reading assignment

- Abraham Lincoln, *Letter to Horace Greeley*
- Martin Luther King Jr., *Letter from Birmingham City Jail*
- Kant's Moral Philosophy
- Galinsky, *When New Covid Variants Upend Your Return-to-Office Plans*
- Galinsky, *Three Simple Steps for Managers to Get Vaccine Mandates Right*

Questions for Pre-Class Survey (complete online)

- **Pandemic Inspiration:** Please think of a leader from your life that **inspired** you during the pandemic. What was it about this leader that inspired you during the global pandemic? Please identify the behaviors, traits, or characteristics of this leader that made you feel inspired.
- **Pandemic Infuriation:** Please describe a leader from your life that **infuriated** you during the pandemic. What was it about this leader that infuriated you during the global pandemic? Please identify the behaviors, traits, or characteristics of this leader that made you feel infuriated.
- **Moral Courage:** Please think of a time when, from your own perspective, you were morally courageous (i.e., acted with integrity) and a time when you were morally cowardly. Please identify the key factors that distinguished these two situations
- **Moral Pitfalls:** Please think of a time at one of your organizations when a well-intentioned policy had the unintended effect of either increasing unethical behavior or decreasing prosocial behavior. Please briefly describe both the intended policy and the unintended effect. Here are two brief examples to help stimulate your thinking -- but please try not to be limited by these examples.
 - Paying people to give blood is intended to increase blood donations but can backfire and decrease blood donations because it transforms the donation decision from a moral one to an economic one.
 - Research has found that offering extreme rewards (e.g., a car for the best salesperson) has the intended effect of increasing motivation but also the unintended effect of increasing unethical behavior.

Shiva Rajgopal
Is Stakeholder Capitalism Viable?

Learning Objectives and Session Description:

- Explore the oft quoted but rarely read statement by Milton Friedman about shareholder value is primary responsibility of business.
- Consider the social responsibility of business to a wider range of stakeholders.

Reading assignment:

- Milton Friedman. The social responsibility of business is to increase its profits. New York Times.
- Business Roundtable. Redefining the Purpose of a Corporation to Promote 'An Economy That Serves All Americans.'

Pre-Class Survey (complete online):

- After reading the two articles, please answer the following question: Who is right: Friedman or the Business Roundtable?

Dan Wang
Strategic and Moral Responses to Social Movements

Learning Objectives:

- Provide a framework to assess the legitimacy and efficacy of a social movement
- Develop a response to social movements by mapping an organization's stakeholder environment and predicting its viewpoint on activists
- Analyze the trade-offs of "CEO Activism" as strategic act versus a principled act

Session Description

Increasingly, business leaders are confronted with challenges to not only sustain value creation for their shareholders, but also to address the grievances of the social and political stakeholders on which businesses often depend. Social movements -- i.e., sustained public campaigns of protest about a social or political issue -- surface concerns that leaders are often pressured to respond to. From restrictions on voting rights to racial and environmental justice to immigration reform, how should business leaders think about articulating their stances on such issues while fulfilling their obligations to shareholders, investors, employees, and customers? This session will offer students a framework for interpreting the signals of a social movement and analyzing their effects on various stakeholders that sustain business performance. It will also help you weigh the trade-offs of responding to social movements in a principled versus strategic way. We will use contemporary examples and a case discussion of the challenges of CEO activism to contextualize these ideas within current events.

Reading assignment

- Michael W. Toffel, Aaron Chatterji, Julia Kelley. 2019. "CEO Activism (A)." Harvard Business School Case

Questions for Pre-Class Survey (complete online)

Consider PayPay CEO Dan Schulman's dilemma regarding North Carolina's HB2 legislation -- among the options below, which action would you have advised Schulman to take? Please select one option below and write 2-4 sentences explaining your choice.

- Do Nothing
- Make a Public Statement
- Rally Other Company Leaders to Make a Joint Statement
- Pause Expansion
- Cancel Expansion Entirely and Invest Elsewhere

Modupe Akinola
Stereotyping and Discrimination in Organizations

Learning Objectives:

- Explore the role stereotyping and discrimination play in organizational life
- Discuss individual and organizational structures and processes that can amplify and mitigate discrimination in organizations
- Identify strategies to employ as a potential target of stereotyping and discrimination

Session Description

Despite laws that protect the rights of employees, discrimination persists in 21st century organizations. In this session we will examine individual, group, and organizational-level factors that can influence discrimination in the workplace. Specifically, we will explore how social categories can perpetuate the use of stereotypes and examine how these stereotypes can manifest in the form of prejudice and discrimination at critical junctures in an individual's career. We will also explore strategies individuals, groups, and organizations can use to combat workplace discrimination.

Reading assignment

- [Ann Hopkins Case Study](#)
- Take an implicit bias test (<https://implicit.harvard.edu/implicit/takeatest.html>)

Questions for Pre-Class Survey (complete online)

- What factors contributed to Ann Hopkins' treatment at Price Waterhouse? What could Price Waterhouse have done differently?
- How have stereotypes affected you personally?
- What approach should organizations take to better manage diversity?

Bruce Usher
Bribery and Corruption in Business

Learning Objectives:

- Understand why corruption is a problem
- Evaluate business scenarios involving bribery and corruption
- Consider business strategies to deal with demands for bribery and corruption

Session Description

Bribery and corruption are, unfortunately, common in many developing countries, and sometimes considered “business as usual”. For companies operating internationally, bribery and corruption are a challenge that must be managed, like any other management challenge, but with ethical implications. This session will explain why corruption is a problem, consider a variety of situations involving corruption or bribery and the ethics thereof, and discuss strategies that businesses can employ to avoid or manage corruption.

Reading assignment

- [Goldman Sachs and 1MDB \(IN1745\)](#)

Questions for Pre-Class Survey (complete online)

- What were the compliance or risk management failures that resulted in Goldman Sachs becoming involved in a corruption scandal?
- Who was hurt by the 1MDB corruption scandal?
- Have you experienced a situation in which you were asked to pay a bribe?

Tomasz Piskorski

Mortgage Market Reform: Lessons from the Housing Crisis of 2007 and COVID-19 Pandemic

Learning Objectives:

- Overview of what we have learned from the recent crisis
- Discuss mortgage market reform proposals
- Discuss importance of the ethical factors in mortgage market reform
- COVID-19 and housing market

Session Description

This session will explore two crucial issues surrounding the housing market crisis during the Great Recession and COVID-19 pandemic. First, we will identify the key factors that contributed to the severity of the foreclosure crisis. Second, we will draw implications from this evidence for mortgage market reform. In doing so, we will emphasize the importance of ethical considerations in building a better housing finance system for the future. We will then assess whether these lessons were taken into account in the response of the housing market and policy to COVID-19 pandemic.

Reading assignment

- Piskorski, Tomasz, Amit Seru, and James Witkin, "Asset quality misrepresentation by financial intermediaries: Evidence from the RMBS market," *The Journal of Finance*, 2015, 70 (6), 2635–2678.
- <https://www.economist.com/free-exchange/2013/02/19/a-smoking-gun>
- <https://www8.gsb.columbia.edu/articles/ideas-work/mortgage-debt-relief-crucial-economic-recovery>
- <https://www.barrons.com/articles/if-you-want-a-quick-recovery-forgive-debts-51586969309>

Questions for Pre-Class Survey (complete online)

- In your view, what is the main factor that caused the housing crisis of 2007?
- What are the ethical implications of your answer to question 1?
- Compared to 2006, was the housing market stronger or weaker prior to Covid-19?
- Under the federal stimulus plan, called the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which President Trump signed into law on March 27, 2020, homeowners with federally backed mortgage loans who've been affected by COVID-19, regardless of delinquency status, can get a loan forbearance and are also entitled to a foreclosure moratorium that will last at least 60 days. What do you think about this policy and its ethical implications?

Pierre Yared
Income Inequality

Learning Objectives:

- Explore how income inequality is measured and why it matters
- Stimulate discussion on the underlying sources of inequality
- Discuss appropriate policy responses, focusing specifically on estate taxation

Session Description

This lecture focuses on income inequality. We first address how income inequality is measured and why growing income inequality in the U.S. and other countries may be problematic. We then examine the potential causes of growing income inequality as well as various policies which address the issue. We conclude by considering the merits and drawbacks of estate taxation as a means of reducing inequality

Reading assignment

- [Inequality and Globalization, HBS Case](#)
- [The Estate Tax Debate, HBS Case](#)

Questions for Pre-Class Survey (complete online)

First Case:

- Which is a greater concern: poverty or inequality? Should we be concerned with rising inequality in the U.S.?
- What are the causes of rising inequality in the U.S.?
- What policy responses are appropriate?

Second Case:

- What is the right rate and exemption level for the estate tax?
- Why is support for the estate tax not greater among the middle class?

Oded Netzer
Algorithmic Decisions: Ethical Issues with Data Analytics and AI

Learning Objectives:

- How data and analysis can provide alternative truths
- “Lies, damned lies, and statistics” how to become a fierce interrogator of data
- Considering ethical issues with Big Data and Artificial Intelligence.

Session Description

In this session we will learn how data and analysis can lead to different and often opposing insights. We will also learn how to become fierce integrators of data to identify such possible pitfalls. Finally, we will investigate the ethical issues involved in Big Data and Artificial Intelligence with a case study on identifying loan defaults from the text that borrowers write.

Questions for Pre-Class Survey (complete online)

- Please provide one example from the media or your own experience that matches Mark Twain’s quote “There are three types of lies: lies, damned lies, and statistics”. Please be specific about the data and analysis that was used and why you believe it was deceptive.
- When it comes to artificial intelligence, what do you think are the biggest ethical issues that advances in artificial intelligence pose? Please describe in detail at least one such ethical issue.

Michel Pham
Market Manipulation & Marketing Ethics

Learning Objectives:

- Discuss major ethical issues raised by marketing practices, strategies and tactics (e.g., false advertising, price discrimination, customer privacy, customer manipulation)
- Provide a framework for analyzing ethical issues in marketing

Session Description

Marketing practices can potentially raise a variety of ethical issues. These include deceptive advertising, price gouging, price discrimination, customer privacy, questionable sales tactics, gray marketing, product knockoffs, and trademark infringements, among others. This interactive session will provide a framework for structuring and addressing the various ethical issues that modern marketers face. This framework will be discussed in relation to a variety of real-life examples and case studies from diverse industries.

Reading assignment

- N. Craig Smith, *"Ethics and the Marketing Manager,"* in N. Craig Smith and John Quelch, *Ethics in Marketing*, Boston, MA: Richard Irwin, 1993

Questions for Pre-Class Survey (complete online)

- Among the various ethical issues that marketing raises, which one(s) is(are) the most critical in your opinion
- Why?
- How do you suggest we address them?

Andrea Prat
Antitrust and Business Ethics

Learning Objectives:

- Gain familiarity with major trends in contemporary antitrust considerations
- Discuss some recent antitrust cases and form an opinion as to whether the various parties behaved ethically and lawfully
- Develop an ethical compass to navigate antitrust dilemmas

Session Description

Antitrust laws -- broadly interpreted -- ensure companies do not engage in practices that impair competition and harm consumers. Antitrust enforcement is changing fast and it is the subject of heated political debate. The distinction between lawful and unlawful behavior is often blurry, especially for executives of large companies with market power. In this session, we will explore the main trends in contemporary antitrust through an array of fictional and real cases, which we approach as ethical dilemmas, by placing ourselves in the shoes of the CEOs of the companies involved. The goal of the session is to distill a set of ethical principles to guide our behavior in situations where our actions as executives can impact the firm's competitive environment.

Reading assignment

- Carl Shapiro. Protecting Competition in the American Economy: Merger Control, Tech Titans, Labor Markets. *Journal of Economic Perspectives*. Summer 2019.
- Four antitrust vignettes

Questions for Pre-Class Survey (complete online)

- For each of the four vignettes, do you think the company/ies involved behaved ethically? Base your answers on ethical, not legal, principles. Be as explicit as possible about those ethical principles.

Sandra Matz
Privacy in the Age of Personalization

Learning Objectives:

- Understand how seemingly innocuous and anonymous data can reveal highly personal information, and why the notion of privacy needs to be updated as a result.
- Heighten your awareness of how the tension between consumer and company interests in the context of personalization poses new ethical dilemmas.
- Explore different design and technical tools that will help you implement personalization technology in ways that preserve consumers' privacy.

Session Description

In this session we will learn about recent advances in predictive technologies that can turn seemingly innocuous digital traces of human behavior into highly personal consumer profiles. I will introduce the theory of contextual integrity as a guiding framework for an interactive discussion on how the traditional focus of privacy considerations on “who” collects “what” data is becoming increasingly outdated and needs to be replaced by a focus on “how” data is being used. Drawing from your own experiences as users and managers, we will examine how consumer and business needs are both aligned and at odds with each other when it comes to personalization. My goal is to help you develop your own moral compass for how to implement and use personalization technology in an ethical way. Finally, I will introduce a number of different design and technical tools that can help preserve consumers' privacy while still reaping the potential benefits of personalization (e.g. privacy by design, and federated learning)

Questions for Pre-Class Survey (complete online)

- Describe a particular trade-off between personalization and privacy that you have faced in your own personal or professional life. What was most problematic about the situation? How could you have improved the outcome?
- Provide your personal opinion about whether you would like to see predictive personalization technology implemented in a number of different contexts (contexts will be added in the survey).

Adam Galinsky
Solving Ethical Dilemmas: Integration and Presentations

Learning Objectives:

- Establish frameworks for resolving a range of ethical dilemmas
- Develop key principles for ethical dilemmas by considering ideal solutions for past dilemmas

Session Description

This final class will consist of your presentations describing the most vexing dilemma from your team and offering both an ideal solution and a key principle going forward.

Key Elements of the Team Presentation: 10-Minute Presentation

The presentation will synthesize your team's paper. It should consist of five parts:

1. **The Context:** Briefly identify the key features of the dilemma
2. **The Dilemma:** Briefly identify the value tensions involved in the dilemma
3. **The Actual Solution** (if there was an action taken): Describe what was done to resolve the dilemma.
4. **The Ideal Solution:** Describe what you think the ideal solution is. If the ideal solution was the actual solution explain why it was ideal. If the actual solution was not ideal or the dilemma has not been resolved, then articulate what would be the ideal solution and why it is ideal.
5. **Key Principle:** Identify a key principle that will guide your future approach to ethical dilemmas.