The University of Texas at Austin
McCombs School of Business

THE SCIENCE OF GOOD BUSINESS
DESIGNING BEHAVIOR FOR BETTER DECISIONS

SPRING 2022

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Course Number: MKT 372.28 (Unique: 05995)
Meeting Time and Location: Tuesdays and Thursdays, 3:30-5pm, CBA 5.330
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Course Overview
Ask any fly on the wall during a corporate luncheon, boardroom meeting, or phone conversation between colleagues and she’ll tell you that one of the most common phrases that’s overheard is “that’s just good business!” What, exactly, is meant by the term “good business?” This class is built on the premise that the word “good” has multiple meanings: People want to do well (or be successful and productive), people want to be good (or act ethically and morally), and people want to feel good (or live happy and satisfying lives). Using insights from the social sciences—consumer-oriented marketing, behavioral economics, decision-making, psychology, and other related fields—the course will examine how individuals and organizations can achieve all three in a business context. A primary focus will be on using theory and data to guide practical applications; empirical evidence can result in actions that can actually be implemented in the workplace. We’ll emphasize how one’s environment can be designed in such a way that the good in one’s career can be maximized. Further, we will explore and discuss how the different definitions of what “good” is are inherently related to each other. Doing good can lead to both feeling good and doing well.

Objectives
Here at UT, we strive to develop influential leaders. As you’ve likely heard, folks who start here change the world, transforming lives for the benefit of society along the way. If you wanted to lead in a way that not only results in doing well, but also does “good,” how ought you lead? By the end of this semester, you will have a set of tools and the knowledge base that would allow you to do so.

Ethics make up a good chunk of this course, and you should develop an understanding of ethics that is especially applicable to managers at firms. Many forays into ethics spend time discussing ethical dilemmas, assessing beliefs and values especially in those gray areas where it’s not always clear what’s right and what’s wrong. Scientific evidence doesn’t provide much when it comes to these conversations. But data can be helpful with respect to answering the question of why good people sometimes do bad things. Learning about the underlying psychology that guides human thought and behavior in ethical domains, in turn, will serve the goal of preventing ethical lapses. We can all fall prey to these pitfalls and as a result potentially ruin careers, hurt business outcomes, and leave organizations in shambles. It is therefore important to avoid such possibilities as best we can.

A later portion of the class will focus on the empirical study of well-being. Sometimes people think ethics and hedonics are at odds with each other, that people must choose between options that do good and ones that feel good. Myriad studies have found that this is not the case. You can do both. You’ll learn quite a bit about what science can teach us about happiness. What you’re taught may even offer benefits to you as you live your everyday life. As human beings, we all experience the kinds of decisions we’ll discuss on a daily basis, and you may well find yourself thinking about your own experiences through the lens of science.

Above all, the goal here is to change the way you think about yourself and others, giving you insight into doing better, for both yourself and others. Indeed, a focus of The Science of Good Business is on taking what is traditionally thought about in terms of beliefs and thinking about it instead in terms of design. What might seem like a philosophical issue may in fact be addressed by a data-driven approach. Contexts can be shaped in ways that allow good behavior to flourish. You’ll learn how.
Please note that this course carries the Ethics flag for undergraduate students. The class is designed to equip you with skills that can help promote ethical decision-making in your personal and professional life.
Also: Let’s have some fun!

Required Materials

Traditional textbooks, in my opinion, typically tend to be too expensive. You won’t have to buy one for this class.

There are, however, two (more affordable) non-fiction trade books written for popular audiences that you should purchase. These were made for mass audiences to enjoy and are available in paperback or as e-books from many sellers. They are:


All other assigned readings will be made available to you online for free. These include news articles, pieces from outlets like Business Reviews, and peer-reviewed research papers from scholarly academic journals. You are expected to complete each reading before a given week’s classes.

Evaluation

Your assessment this term will be determined as follows:

| Weekly Contributions | 40% |
| Exam | 30% |
| Ethical Audit Project | 30% |

And this is the basis by which grades will be calculated:

- A 93 and above
- A- 90-92
- B+ 87-89
- B 83-86
- B- 80-82
- C+ 77-79
- C 73-76
- C- 70-72
- D+ 67-69
- D 63-66
- D- 60-62
- F below 60

Description of Assignments

Weekly Contributions

This course is meant to provide an environment in which students can engage with the material in an informed, intellectual, and respectful manner. The class going well is really a group effort, and so it’s essential that you come to each meeting prepared. Note that your contributions enrich everyone’s understanding, and as we consider these ideas, the hope is that we ultimately learn things any individual would not have arrived at on their own.

In order to promote better interaction, it’s important that you have read and considered the content for each class before we meet. To facilitate this, every week you will submit a question that the group could discuss. Not all discussion questions are created equal, and it will take some time to craft one that could actually facilitate a meaningful dialogue. I expect these questions to be thoughtful, engaging, and relevant to the week’s topic. Questions can relate the week’s reading to previous readings in the course, deal with experimental design issues, provide ideas for future studies, or discuss potential implications for real life that stem from what you’ve read.

I believe that coming up with a good question will help you process the material more deeply than you might otherwise and stimulate conversation. Note that reading for this course is broken up by week. You should complete the reading for a given week before our first Tuesday meeting that week (the one exception being Week 1), and we will cover related content on Tuesday and Thursday. To ensure that you’re doing this—and so that your reactions can be taken into account—your thought questions are due each week on Monday by Noon; that’s 12:00 in the Central time zone if you prefer your deadlines described like that. Questions submitted after this time will not receive credit for the week. No exceptions. Early is fine, though! Please plan accordingly. You are allowed to miss two of these with no penalty.

These contributions comprise 40% of your final grade, so it’s integral that you take them seriously. Each thought question is technically graded out of a possible 2 points (0 points for late/missing questions; 1 point for particularly poor questions; 2 points for submitting a thoughtful and relevant question on time). On very rare occasions, truly exceptional questions may receive 3 points for being especially insightful. You can consider this potential extra credit.

Exam

You will take one test in this class. It will last 75 minutes and will be held on the Thursday of Week 7 (March 3rd).
Ethical Audit Project

At the end of the course, you will conduct an “ethical audit” of an organization and submit this paper by the first day of the finals period. For this assignment, you’ll be asked to summarize basic details of the organization, identify likely points of ethical risk in this organization based on course content, describe how the organization currently handles those ethical risks, and propose design solutions that could minimize these risks. The recommended length of this paper is 5-7 pages (double-spaced; size-12 font; 1-inch margins). The paper is due on Wednesday, May 11th by Noon—again, earlier is fine, but later is not.

Classroom Etiquette and Professionalism in the Business School Environment

Display names during class and be constructive discussants. Discussion is aided when everyone knows whom they’re talking to. And remember that your name reflects your reputation. We are all part of a community, and comments directed at each other should be constructive (not destructive). Even when we disagree, we can respect views that are different from our own. It is much more beneficial to everyone if we attempt to understand another person’s perspective.

No cell phones, please. It’s unprofessional to have your phone ring or buzz in the middle of a meeting, and our time together is no different. As with other gadgets, these devices are unlikely to augment your learning. It’s not that I’m a luddite; it’s just that technology can sometimes be so attention-capturing that it prevents you from having an easier time paying attention to what someone is saying. It can be tempting to reply to an e-mail or consume other content while you’re in class, but it isn’t ideal for the kind of learning environment we’re trying to create. It isn’t only distracting for you—it’s also distracting to your fellow students. You might predict that it’s discreet when you check your phone under a table, but in reality, I’m often looking out at you and wondering what it is that’s so fascinating down there. It’s actually distracting for everyone. Be considerate.

Arrive on time. Your experience, other students’ experiences, and my experience are all enhanced when you are prompt. Distraction and dis-engagement also pop up when people arrive late. I’ll reciprocate your kindness by doing my best to end class on time as well.

Respect the McCombs emphasis on diversity and inclusion. Students come from diverse backgrounds and my intent is for all students to take something from this course. Expression of the diversity students bring to the class is explicitly encouraged. This is a resource, strength, and benefit to all of us. Please feel free to come to me at any time with concerns about this.

Additional Policies and Resources

Academic honesty. Wouldn’t it be ironic to cheat in the midst of learning about ethics? Let’s not go down that path together. It’s not a fun road to travel. Don’t damage your own reputation or the reputation of our school by engaging in dishonest behavior. And don’t forget that this disrespects your fellow students, the majority of whom are engaging in honest behavior.

- University of Texas Policy on Integrity - Each student is expected to abide by the University of Texas Honor Code: “As a student at the University of Texas at Austin, I shall abide by the core values of the University and uphold academic integrity.” The core values of the University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community. This means, in part, that the work you do should be your own and that you cite sources for words or ideas that are not your own.

- McCombs School of Business Policy on Scholastic Dishonesty – The McCombs School of Business has no tolerance for acts of scholastic dishonesty. Students who violate university rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the university. Dishonesty harms the individual, all students, the integrity of the university, and the value of our academic brand. Policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs to access the official university policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty. Scholastic dishonesty includes (but is not limited to) cheating and plagiarism. Students should be aware that assignments may be submitted to a plagiarism-detection tool. These tools are software resources intended to address plagiarism and improper citation. The software works by cross-referencing submitted materials with an archived database of journals, essays, newspaper articles, books, and other published work. Other methods might additionally be used to determine the originality of a paper, too. This software is not intended to replace or substitute for a faculty member’s judgment regarding plagiarism.

Students with disabilities. Qualified students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://diversity.utexas.edu/disability
Religious holy days. UT Austin policy requires that you notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, examination, work assignment, or project for a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Title IX reporting. This is a federal law that protects against sex and gender-based discrimination, harassment, assault, inappropriate conduct of a sexual nature, domestic violence, and stalking at institutions like ours. We are committed to fostering a learning and working environment free from discrimination in all its forms. I am required to report any Title IX-related incidents that are disclosed to me in writing, discussion, or one-on-one. Please consider this before talking with me, or with any faculty or staff member, about such an incident. If you would like to speak with someone who can provide support without making an official report to the school, please contact advocate@austin.utexas.edu.

FERPA statement and sharing of materials. Any meeting recordings are reserved only for students in this course for educational purposes and are protected under FERPA. Such recordings should not be shared outside the class in any form. Violation of this restriction by a student could lead to Student Misconduct proceedings. In fact, no materials used in this course, including (but not limited to) documents, videos, and assessments may be shared online or with anyone outside the class unless you have my explicit, written permission. This is considered a violation of the University’s Student Honor Code and an act of academic dishonesty. Any suspected unauthorized sharing of class materials will be reported to Student Conduct and Academic Integrity in the Office of the Dean of Students. These reports can result in major sanctions, including failure in the course.

Campus safety. Please note the key recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767:

- Occupants of buildings on the University of Texas at Austin campus are required to evacuate buildings and assemble outside when a fire alarm is activated
- Familiarize yourself with all exit doors of each classroom and building you may occupy
- If you need evacuation assistance, inform the TA in writing as soon as possible
- In the event of an evacuation, follow the instruction of faculty or class instructors
- Do not re-enter a building unless given instructions by Austin or UT police or fire authorities
- More information is available at https://preparedness.utexas.edu
- The Behavior Concerns Advice Line can be reached at 512-232-5050
- In case of emergency, further information will be available at http://www.utexas.edu/emergency

Schedule

^Note that this information is tentative and subject to change^~

Week 1 (week of January 16th) – Introduction to The Science of Good Business & Treating Ethics as a Design Problem
Readings: Bazerman & Tenbrunsel, Chapters 1-2 of Blind Spots; Pinker, The Moral Instinct; Cilaldini, Petrova & Goldstein, The Hidden Costs of Organizational Dishonesty
Important notes and deadlines: No thought question due this week, but don’t forget to think anyway!

Week 2 (week of January 23rd) – Ethical Awareness
Readings: Bazerman & Tenbrunsel, Chapters 3-4 of Blind Spots; Bloom, The Case Against Empathy
Important notes and deadlines: Weekly contribution due by noon on Monday, 1/24

Week 3 (week of January 30th) – Conflicted Interests
Readings: Suroweicki, The Talking Cure; Greenstone, See Red Flags Hear Red Flags; Bazerman, Loewenstein & Moore, Why Good Accountants Do Bad Audits
Important notes and deadlines: Weekly contribution due by noon on Monday, 1/31; in-class discussion of the film Inside Job
Week 4 (week of February 6th) – Moral Courage
Readings: Bazerman & Tenbrunsel, Chapter 5 of Blind Spots; Waytz, Dungan & Young, The Whistle-Blower’s Quandary; Higgins & Summers, How General Motors Silenced a Whistle-Blower; Waytz & Kilibarda, Through the Eyes of a Whistleblower
Important notes and deadlines: Weekly contribution due by noon on Monday, 2/7; in-class discussion of Citibank case

Week 5 (week of February 13th) – Incentives
Readings: Grant, How Customers Can Rally Your Troops; Lublin, Creative Compensation; Sandel, How Markets Crowd Out Morals
Important notes and deadlines: Weekly contribution due by noon on Monday, 2/14; in-class viewing of the film Enron: The Smartest Guys in the Room

Week 6 (week of February 20th) – Status, Power, and Ethics
Readings: Bazerman & Tenbrunsel, Chapters 6-7 of Blind Spots
Important notes and deadlines: Weekly contribution due by noon on Monday, 2/21; in-class discussion of the case of Enron

Week 7 (week of February 27th) – Ethical Cultures
Readings: No assigned reading requirements for this week; study for your test instead!
Important notes and deadlines: No thought question due this week; EXAM DURING CLASS THURSDAY, 3/3

Week 8 (week of March 6th) – Please use the week after your test to begin working on your Ethical Audit Project while the content concerning ethics that we have covered so far is still fresh in your mind. We will not meet as a class this week.

SPRING BREAK

Week 9 (week of March 20th) – Ethical Cultures and Reputations, by Design
Readings: Smith, Why I Am Leaving Goldman Sachs; Fiske, Cuddy & Glick, Universal Dimensions of Social Cognition
Important notes and deadlines: Weekly contribution due by noon on Monday, 3/21; in-class discussion of Merck & Co. case

Week 10 (week of March 27th) – Managing Reputational Crises
Readings: Schweitzer, Wood Brooks & Galinsky, The Organizational Apology
Important notes and deadlines: Weekly contribution due by noon on Monday, 3/28; in-class discussion of SW Airlines case

Week 11 (week of April 3rd) – Values, Habits, Character, and Crafting a Personal Responsibility Statement
Readings: Bazerman & Tenbrunsel, Chapter 8 of Blind Spots
Important notes and deadlines: Weekly contribution due by noon on Monday, 4/4; in-class mission statement exercise

Week 12 (week of April 10th) – On Doing, Having, and Treating Yo-self
Readings: Dunn & Norton, Prologue and Chapters 1-2 of Happy Money; Gilovich & Kumar, We’ll Always Have Paris; Nelson, Meyvis & Galak, Enhancing the Television-Viewing Experience through Commercial Interruptions
Important notes and deadlines: Weekly contribution due by noon on Monday, 4/11
Week 13 (week of April 17th) – It’s About Time / Anticipatory Delight
Readings: Dunn & Norton, Chapters 3-4 of Happy Money; Mogilner, Chance & Norton, Giving Time Gives You Time
Important notes and deadlines: Weekly contribution due by noon on Monday, 4/18

Week 14 (week of April 24th) – The Science of Social Spending, and What is Happiness, Anyway?
Readings: Dunn & Norton, Chapter 5 and Epilogue of Happy Money; Dunn, Aknin & Norton, Spending Money on Others Promotes Happiness; Kahneman & Riis, Living and Thinking About It; Kahneman & Deaton, High Income Improves Evaluation of Life but Not Emotional Well-being
Important notes and deadlines: Weekly contribution due by noon on Monday, 4/25

Week 15 (week of May 1st) – Predicting the Future + Course Wrap-Up
Readings: Gilbert et al., Immune Neglect; Wilson et al., Focalism; Grant, In the Company of Givers and Takers; Layous & Lyubomirsky, The How, Why, What, When, and Who of Happiness
Important notes and deadlines: Weekly contribution due by noon on Monday, 5/2

ETHICAL AUDIT PROJECT DUE BY NOON ON WEDNESDAY, 5/11