



HARVARD | BUSINESS | SCHOOL

# *LEADERSHIP AND CORPORATE ACCOUNTABILITY*

## COURSE SYLLABUS

**January 2011**

### **Faculty**

Joseph L. Badaracco  
David Bell  
Lena Goldberg  
Rebecca Henderson  
Rob Kaplan  
Robert Pozen  
Henry B. Reiling  
Clayton Rose  
Course Head: Sandra J. Sucher

# LEADERSHIP AND CORPORATE ACCOUNTABILITY

Winter 2011

## Course Introduction

This course is about the responsibilities of business leaders. It is based on the assumption that business, like law and medicine, is a profession whose practitioners carry out an important role in society. When individuals enter the profession, they take on a distinctive set of responsibilities that go with the role. The purpose of the course is to give you a realistic understanding of these responsibilities and to provide you with a set of practical tools to help you carry them out.

Of course, a business leader's specific responsibilities vary from situation to situation. However, in general, they fall into three broad categories: *economic*, *legal*, and *ethical*. Economic responsibilities relate to resource allocation and wealth creation; legal responsibilities flow from formal laws and regulations; and ethical responsibilities have to do with basic principles and standards of conduct.

These categories are not mutually exclusive. Many economic and ethical responsibilities have been written into law; and responsibilities to create wealth and obey the law rest ultimately on an ethical base. Moreover, as society's ethical standards evolve, the law itself often changes in response, and virtually any action can be evaluated from all three perspectives. Indeed, these perspectives are often intertwined. In many cases, an adequate understanding of any one perspective depends on an understanding of the other two.

This triad—economics, law, and ethics—describes the framework within which business leaders are expected to exercise the authority entrusted to them. Through a variety of mechanisms—in the boardroom, the courtroom, and the court of public opinion—they are held accountable for doing so. In practice, this means that business leaders and the companies they lead must make a continuous stream of decisions that *simultaneously* meet all three sets of responsibilities. A growing body of research links success in doing so with the ability to create long-term sustainable value.

### Learning objectives

It is therefore crucial for you, as aspiring business leaders, to

- Know what your role-related responsibilities are;
- Know how to incorporate these responsibilities into your decision making;
- Know how to build organizations that can make good on these responsibilities; and
- Develop the personal strength and resources needed to recognize and carry out these responsibilities in ambiguous, stressful, and fast-changing situations.

These points outline the learning agenda for Leadership and Corporate Accountability (LCA). Although no single course can cover all these topics in full, LCA aims to give you a basic grounding in each.

### Structure and content

Designed to build skills in managing the “grey areas” of business, the course unfolds through a series of leadership dilemmas. You will put yourself in the shoes of decision makers who face competing responsibilities, ambiguous standards, factual uncertainties, hostile stakeholders, and intense time pressures. You will have to decide, for example, how to handle newly discovered evidence of a health risk related to your core product, whether to support a social initiative whose benefit to the company is unclear, whether to apply uniform ethical standards in different parts of the world, and whether to “blow the whistle” on misconduct you observe.

In each case, you will be challenged to make decisions and devise plans of action that meet the relevant economic, legal, and ethical requirements and that fulfill the organization's and leader's values and commitments. Deciding on a course of action will require careful analysis, thoughtful deliberation, and, in

# LEADERSHIP AND CORPORATE ACCOUNTABILITY

Winter 2011

some instances, difficult trade-offs. However, by working through the choices and dilemmas presented, you will hone your skills in decision making and action planning while also learning essential concepts and frameworks.

Using the tripartite framework of economics, law, and ethics, we will consider decisions that involve responsibilities to each of the company's core constituencies—investors, customers, employees, suppliers, and the public. We will develop the LCA decision framework and explore important concepts such as fiduciary duty, conflicts of interest, product liability, transparency, fraud, fairness, externalities, and corporate citizenship.

Leaders and their corporations do not operate in a vacuum. We will examine the roles of management and the board of directors as well as various external parties—such as financial intermediaries, regulators, and law makers—in governing companies and ensuring that they function in a responsible manner. We will also explore the basic tools that leaders use to shape their company's conduct, including organization structure, compensation systems, compliance systems, and cultural systems—and consider, more generally, the impact of the leader's own character and beliefs.

In addition to conveying concepts, tools, and frameworks, the course is also designed to help you develop the personal skills and resources you will need to carry out your responsibilities and live up to your values, especially in complex organizations and given well-known behavioral tendencies. We will explore situations in which individuals are prone to lose their bearings and even to take actions contrary to their own values and beliefs. We will also probe situations in which individuals have taken courageous action to make good on their responsibilities and commitments. Through these materials you will examine the foundations of responsible action and begin to chart a path for your own further development as a leader.

Throughout LCA, you will be encouraged to examine your own assumptions and test them against the views expressed in the course materials and in class discussion. Typically, these discussions will involve controversial and emotionally charged issues. The educational value of the course will depend in large measure on your willingness to engage in candid, but respectful, discussion of these issues and to probe the ideas presented in a rigorous and thoughtful manner. Careful listening is as important as insightful comment. Through genuine appreciation of others' ideas, you will be able to understand your own views more thoroughly and learn from the experiences of your classmates. A brief, ungraded written weekly reflection will enable you to consider the personal implications of each week's classes for your own development.

## **Grading**

The course grade will be based on class participation (45 percent), a final exam (45 percent), and consistent, on-time submission of an ungraded written weekly reflection on your personal learning from the course (10 percent). Class participation will be evaluated on the basis of both quality and frequency. With regard to quality, good contributions have some of the following characteristics: (1) sound, rigorous, and insightful diagnosis, (2) analyses that thoughtfully and responsibly challenge "traditional" or politically safe positions and reasoning, (3) realistic and effective action recommendations, (4) so-called "stupid questions" that no one else is willing to ask but open up productive paths of enquiry, (5) constructive critiques of others' contributions, (6) clarity and effectiveness of presentation, and (7) impact on peers' thinking and section learning. Unexcused absences and lack of preparation will count heavily against a student's grade.

## **Course Materials**

Most of the course materials are distributed in the initial course packet. Additional materials will be distributed from time to time.

## LEADERSHIP AND CORPORATE ACCOUNTABILITY

Winter 2011

### Appointments with Faculty

Each LCA faculty member will provide details on scheduling appointments. In general, however, it is best to contact your professor's assistant to arrange an appointment. Please be sure to let the faculty assistant know if you have an emergency. Contact information for the LCA faculty and assistants is as follows:

**Joseph L. Badaracco**

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# LEADERSHIP AND CORPORATE ACCOUNTABILITY

Winter 2011

## Course Materials\*

### Course Packet 1

<b>Title/Author</b>	<b>Number</b>
Antegren: A Beacon of Hope (A), Joshua D. Margolis, Thomas J. Delong	9-408-025
Oracle vs. PeopleSoft (A), Lynn Sharp Paine, Guhan Subramanian	9-306-058
Meinhard vs. Salmon (Abridged), Henry B. Reiling, Maria Camargo	9-204-103
The Fiduciary Relationship: A Legal Perspective, Lynn Sharp Paine	9-304-064
Law and Legal Reasoning: An Introduction, Henry B. Reiling	9-204-080
Texas Gulf Sulphur: The Timmins Ontario Mine, Henry B. Reiling, Maria M. Camargo	9-204-114
Martha Stewart (A), Lynn Sharp Paine, Christopher M. Bruner	9-305-034
Note on Insider Trading Liability, Lynn Sharp Paine, Christopher M. Bruner	9-305-029
The Fall of Enron, Paul M. Healy, Krishna G. Palepu	9-109-039
Corporate Reform in the United States, Lynn Sharp Paine, Kim Bettcher	9-304-091
Excerpts from: Perspectives from the Boardroom (2009)	N9-310-063
Aubrey McClendon's Special Incentive Compensation at Chesapeake Energy (A), Paul M. Healy, Clayton Rose, Aldo Sesia Jr.	N9-110-047
The LCA Ethics Lens, Sandra J. Sucher	9-610-050
Beech-Nut Nutrition Corporation (A1), Lynn Sharp Paine	9-392-084
Conflict on a Trading Floor (A), Joseph L. Badaracco Jr., Jerry Useem	9-394-060
Is Business Bluffing Ethical? (Abridged), Albert Z. Carr	1-391-298
H & R Block 2006, Peter Tufano, Arijit Roy, Emily McClintock	9-307-091
<i>Excerpts</i> from H&R Block and "Everyday Financial Services," Peter Tufano, Daniel Schneider	9-205-013
James Burke: A Career in American Business (A), Richard S. Tedlow, Wendy K. Smith	9-389-177
On Weldon's Watch: Recalls at Johnson & Johnson from 2009 to 2010, Clayton Rose, Sandra J. Sucher, Rachel Gordon, Matthew Preble	N9-311-029
Fritidsresor Under Pressure (A): The First 10 Hours, Joshua D. Margolis, Vincent Dessain, Anders Sjomana	9-407-007
Martha McCaskey, Bart J. Van Dissel, Joshua D. Margolis	9-403-114
Personal Values and Professional Responsibilities, Joseph L. Badaracco Jr.	9-304-070
Two Tough Calls (A), Joseph L. Badaracco Jr.	9-306-027
Employment At Will: A Legal Perspective, Lynn Sharp Paine, Christopher M. Bruner	9-306-036
Haier Hefei Electronics Co. (A), Lynn Sharp Paine	9-308-075
China's Evolving Labor Laws (A), Lynn Sharp Paine, Aldo Sesia Jr.	9-308-092
Differences at Work: Jenny (A), Sandra J. Sucher	9-408-017
Differences at Work: Erica (A), Sandra J. Sucher	9-408-015
Differences at Work: Will (A), Sandra J. Sucher	9-609-013

\* Materials listed are included in the course pack. Other materials will be distributed later.

**LEADERSHIP AND CORPORATE ACCOUNTABILITY**  
Winter 2011

Note on Human Behavior – Differences at Work: The Individual Experience, Sandra J. Sucher	9-608-068
Note on Human Behavior – Differences at Work: The Leadership Challenge, Sandra J. Sucher	9-609-056
Malden Mills (A), Nitin Nohria, Thomas R. Piper, Bridget Gurtler	9-404-072
Charles Veillon, S.A. (A), Lynn Sharp Paine, Aldo Sesia Jr.	9-307-002
Royal Dutch/Shell in Nigeria (A), Lynn Sharp Paine, Mihnea C. Moldoveanu	9-399-126
Yahoo! in China, Sandra J. Sucher, Daniel Baer	9-609-051
Business and Human Rights, Lynn Sharp Paine, Lara Adamsons	9-309-097
Responding to Market Failures, J. Gregory Dees	9-396-344
The Tip of the Iceberg: J.P. Morgan Chase and Bear Stearns (A), Daniel B. Bergstresser, Clayton Rose, David Lane	9-309-001
Generation Investment Management, Sandra J. Sucher, Daniela Beyersdorfer, Ane Damgaard Jensen	9-609-057
Note on Socially Responsible Investing, Sandra J. Sucher, Daniela Beyersdorfer	9-609-060
Bob Beall at the Cystic Fibrosis Foundation, Robert Steven Kaplan, Sophie Hood	9-409-107
Parable of Sadhu, Bowen H. McCoy	HBR# 97307
Us or Me by Ian McEwan	
Letter from a Birmingham Jail	8-378-091

# LEADERSHIP AND CORPORATE ACCOUNTABILITY

Winter 2011

## Class Assignments

### Introduction

#### Class 1: Monday, January 31, 2011

**Topic:** Introduction to LCA

**Case:** Antegren: A Beacon of Hope (A)

9-408-025

**Study Questions:**

1. How well is Jim Mullen managing the early approval of Antegren? What factors should he be considering in devising his response?
2. If you were Jim Mullen, which of the operational challenges facing Antegren—selecting a manufacturing option, getting patients on therapy, and securing payors' agreement to reimburse—would be your top priority? How would you handle it?

#### Class 2: Wednesday, February 2, 2011

**Topic:** Introduction to LCA, continued

**Study Questions:** TBA

## Module 1. Responsibilities to Investors

#### Class 3: Monday, February 7, 2011

**Topic:** Hostile Takeovers

**Case:** Oracle vs. PeopleSoft

9-306-058

**Readings:** Valuation Worksheet  
Valuation Note

**Study Questions:**

1. What's your appraisal of Oracle's initial offer for PeopleSoft? (Please refer to the "Oracle vs. PeopleSoft Valuation Note" and related Excel worksheet posted on the Course Platform.) In Conway's position, what would have been your response to Oracle's initial offer?
2. As a member of the Transaction Committee set up by the PeopleSoft board, what would be your stance on the proposals (a) to recast the JDEC deal; (b) to approve golden and tin parachutes for employees; (c) to retain the poison pill; (d) to ratify the CAP; (e) to seek antitrust review by the Department of Justice?
3. What are the central issues raised in the Delaware and California litigation?
4. Among the executives whose actions are described in the case – Ellison, Catz, Conway, Duffield – who has done the best job fulfilling the responsibilities of his/her position? The worst?

*Note: there will be NOT a guest speaker in this class.*

# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

### Class 4: Tuesday, February 8, 2011

<b>Topic:</b>	Fiduciary Relationships	
<b>Case:</b>	Meinhard v. Salmon (Abridged)	9-204-103
	Esser and Ackermann at Mannesmann	9-209-095
<b>Readings:</b>	The Fiduciary Relationship: A Legal Perspective	9-304-064
	Law and Legal Reasoning: An Introduction	9-204-080

*Please note that familiarity with the readings will be assumed in the class discussion.*

#### **Study Questions:**

1. Were you surprised by the outcome in Meinhard v. Salmon? Had you been one of the judges, would you have voted with the majority or the dissent? Why?
2. From which of the sources of legal principles discussed in Holmes' "prediction theory" of law did the majority in Meinhard seem to find the justification for its decision? Recall Holmes' three-step analytical process—look first to the relevant statute, if any, then to relevant case law, and then to considerations of social advantage (experts, customs, principles of morality).
3. How does the German concept of "Untreue" (in the Esser and Ackermann at Mannesmann case) compare to the concept of fiduciary duties in the American legal system?
4. Why are fiduciaries traditionally held to a stricter standard of conduct than ordinary contracting parties?

### Class 5: Wednesday, February 9, 2011

<b>Topic:</b>	Insider Trading	
<b>Case:</b>	Texas Gulf Sulphur: The Timmins Ontario Mine	9-204-114
	Martha Stewart (A)	9-305-034
<b>Reading:</b>	Note on Insider Trading Liability	9-305-029
<b>Poll:</b>	Fairness Poll	

#### **Study Questions:**

1. Did any of the following individuals in Texas Gulf Sulphur violate a fiduciary or other duty of trust and confidence: Darke, Stephens, Crawford, Coates, Huntington, and Lamont? Did any of these individuals engage in insider trading?
2. What's your assessment of the Texas Gulf Sulphur press release of April 12?
3. Did Martha Stewart engage in insider trading? If so, by what theory?
4. Has Martha Stewart violated any of her responsibilities to investors in MSLO?
5. From a public policy perspective, what's your appraisal of the U.S. system of restrictions on insider trading? Why have many countries historically allowed insider trading?

*Note: there will be a guest speaker in this class.*

### Class 6: Monday, February 14, 2011

<b>Topic:</b>	Governing the Firm – Enron Day 1	
<b>Case:</b>	The Fall of Enron	9-109-039
<b>Video:</b>	Enron: Jeff Skilling at Burden Hall	

Please note that assignments are subject to change. Be sure to check the course platform prior to preparation for each class.

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# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

### Study Questions:

1. Why was Enron such an admired company prior to 2000?
2. Why did the company fail?
3. Why were the company's internal checks and balances and incentive systems unable to prevent its demise?

*Note for students: The enclosed video provides background information, with Jeff Skilling discussing the company's strategy during a visit to HBS.*

### Class 7: Tuesday, February 15, 2011

**Topic:** Corporate Boards – Enron Day 2

**Readings:** Corporate Reform in the United States

9-304-091

Excerpts from: Perspectives from the Boardroom—2009

N9-310-063

### Study Questions:

1. How much responsibility for the failure of Enron would you assign to its board of directors?
2. If you were the Arthur Andersen partner in charge of the Enron audits, what would you have done differently?
3. Do you think the reforms enacted in the Sarbanes Oxley Act (SOX) would have prevented the demise of Enron?

*Note: there will be a guest speaker in this class.*

### Class 8: Tuesday, February 22, 2011

**Topic:** Executive Compensation

**Case:** Aubrey McClendon's Special Incentive Compensation at Chesapeake Energy (A)

N9-110-047

### Study Questions:

1. What do you think of McClendon's performance as CEO? Be sure to make use of the financial statements and other exhibits in your analysis.
2. Why did the board structure McClendon's 2008 compensation as they did? What do you think of the FWPP?
3. Was McClendon paid appropriately?

### Class 9: Wednesday, February 23, 2011

**Topic:** Managing Conflicts

**Case:** ISS A/S (A)

9-308-054

**Reading:** The LCA Ethics Lens

9-610-050

**Study Questions:** TBA

# LEADERSHIP AND CORPORATE ACCOUNTABILITY

Winter 2011

## Module 2. Responsibilities to Customers

### Class 10: Monday, February 28, 2011

**Topic:** Product Integrity

**Case:** Beech-Nut Nutrition Corporation (A-1)

9-392-084

**Study Questions:**

1. In Andersen's position, what would be your concerns after hearing from the CFO in the parking lot on Monday morning?
2. In Andersen's position, what would be your assessment of the apple juice situation? In Storer's position, what would be your assessment of the apple juice situation?
3. Assume that by the end of the day on Monday Andersen knows everything that Storer knows. What should Andersen's plan of action be?

### Class 11: Tuesday, March 1, 2011

**Topic:** TBA

**Study Questions:** TBA

### Class 12: Monday, March 7, 2011

**Topic:** Customer Communication

**Case:** Conflict on a Trading Floor (A)

9-394-060

**Readings:** Is Business Bluffing Ethical? (Abridged) by Albert Z. Carr

1-391-298

**Study Questions:**

1. How would Carr advise the junior salesperson? Is this sound advice?
2. As the junior salesperson at FirstAmerica, what would you do?

### Class 13: Tuesday, March 8, 2011

**Topic:** Product Design

**Case:** H & R Block 2006

9-307-091

*Excerpts* from H&R Block and "Everyday Financial Services"

9-205-013

*Note: Class discussion will focus on H & R Block 2006. In addition, please read the following sections of "Everyday Financial Services": "H & R Block" pp 2-3 (through first two full paragraphs); "Economics of the Tax Preparation Business" pp 4-6; last two paragraphs p 7; and "The Alternative Financial Services Sector" pp 10-11 (end mid-page).*

**Study Questions:**

1. How is H & R Block doing in 2006?
2. What's your appraisal of the fees and charges associated with the RAL, Express IRA, and Money Now products?

Please note that assignments are subject to change. Be sure to check the course platform prior to preparation for each class.

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# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

3. In Mark Ernst's position, how would you respond to Jackson-Hewitt's Money Now product?

### Class 14: Wednesday, March 9, 2011

**Topic:** Product Safety

**Case:** James Burke: A Career in American Business (A) 9-389-177

Summary of Exhibits 5-8

On Weldon's Watch: Recalls at Johnson & Johnson from 2009 to 2010 N9-311-029

**Video:** Segment 1. Burke's Background

*Note: This is a 100-minute class. You may skim pages 1-4 of the case and refer to the summary of Exhibits 5-8. In addition, please view the 12-minute video on Burke's background. The video provides a glimpse of Burke's upbringing and of HBS when he was a student.*

#### **Study Questions:**

1. What is your appraisal of Burke's leadership of J&J?
2. What should Burke do about the Tylenol poisonings?
3. How can leaders prepare their organizations for crises like the Tylenol poisonings?

### ***Spring Break March 14-18***

### Class 15: Monday, March 21, 2011

**Topic:** Crisis Management

**Case:** Fritidsresor Under Pressure (A): The First 10 Hours 9-407-007

**Reading:** Action Planning: An LCA Perspective 9-605-079

#### **Study Questions:**

1. What are the major challenges the company faces as it develops its response?
2. How could Edwards, Knutson, and Clemens potentially mishandle their responsibilities?
3. Evaluate Lundgren's leadership. What is he doing well? What could he be doing better?
4. What lessons do you take away from the situation Fritidsresor faces and how it is handling that situation?

## **Module 3. Responsibilities to Employees**

### Class 16: Tuesday, March 22, 2011

**Topic:** Human Behavior

**Case:** Note on Human Behavior: Character and Situation 9-404-091

#### **Study Questions:**

1. In the Milgram experiments described in the reading, how much weight would you place on the character of the persons involved and how much on the situation?

Please note that assignments are subject to change. Be sure to check the course platform prior to preparation for each class.

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# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

2. Have you been in a situation where you felt that you were behaving in a manner that was at odds with your true character? What was it about the situation that influenced your behavior?
3. In contrast, have you been in a situation where the strength of someone's character allowed others to rise above the strong influence of the situation?

### Class 17: Monday, March 28, 2011

**Topic:** Employee Responsibilities  
**Case:** Martha McCaskey 9-403-114  
**Reading:** Personal Values and Professional Responsibilities 9-304-070

#### **Study Questions:**

1. Why is McCaskey uneasy about the Silicon 6 project?
2. In McCaskey's position, what would you do? Develop a plan of action for Monday morning.
3. Was McCaskey's situation avoidable? If not, why not? If so, what might she have done to avoid it?

### Class 18: Tuesday, March 29, 2011

**Topic:** Employment At Will  
**Case:** Two Tough Calls (A) 9-306-027  
**Reading:** Employment At Will: A Legal Perspective 9-306-036

#### **Study Questions:**

1. What's your appraisal of the employment-at-will doctrine?
2. Given this doctrine, what responsibilities does the manager in the case have to Terry and Phil?
3. For international students with relevant knowledge: What responsibilities would a manager in this situation have in your country?
4. As the manager in this case, how would you handle these two decisions?

### Class 19: Monday, April 4, 2011

**Topic:** Evolving Labor Laws  
**Case:** Haier Hefei Electronics Co. (A) 9-308-075  
China's Evolving Labor Laws (A) 9-308-092

#### **Study Questions:**

1. Why are the strikers at Haier Hefei so upset?
2. Will the proposed law improve the situation?
3. As a representative of a multinational doing business in China, would you submit a comment to the government about the proposed labor law? If no, why not? If yes, what would you say?

# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

### Class 20: Tuesday, April 5, 2011

<b>Topic:</b>	Managing Differences	
<b>Case:</b>	Differences at Work: Jenny (A)	9-408-017
	Differences at Work: Erica (A)	9-408-015
	Differences at Work: Will (A)	9-609-013
<b>Readings:</b>	Note on Human Behavior – Differences at Work: The Individual Experience	9-608-068
	Note on Human Behavior – Differences at Work: The Leadership Challenge	9-609-056

#### **Study Questions:**

1. Why are social identity challenges so problematic?
2. What should Jenny, Erica, and Will do?
3. How, if you were their manager, would you handle the situation with Jenny, Erica, and Will?

### Class 21: Monday, April 11, 2011

<b>Topic:</b>	Global Diversity and Inclusion	
<b>Case:</b>	Global Diversity and Inclusion at Royal Dutch Shell	N2-610-056

#### **Study Questions:**

1. What arguments are made for pursuing diversity and inclusion at Shell? Which are most compelling to you? Least compelling?
2. What is your assessment of the approach that Shell has taken to D&I? What are its strengths? What, if anything, concerns you?
3. As Vosser, how would you handle the restructuring?

### Class 22: Tuesday, April 12, 2011

<b>Topic:</b>	Employment Security	
<b>Case:</b>	Malden Mills (A)	9-404-072

#### **Study Questions:**

1. What is your assessment of Aaron Feuerstein? Does he deserve to be hailed as a hero?
2. In particular, how well has Feuerstein delivered on his ethical responsibilities in this situation? Please use the framework presented in the note, The LCA Ethics Lens, to answer the question.
3. What should Feuerstein do now?

### Class 23: Wednesday, April 13, 2011

<b>Topic:</b>	Impacts of Layoffs	
<b>Readings:</b>	Layoffs: Effects on Key Stakeholders	N9-611-028
	Layoffs: Management Implications & Best Practices	N9-611-029

#### **Study Questions:** TBA

*Note: This is a 100-minute class*

# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

Class 24: Tuesday, April 19, 2011

**Topic:** International Labor Rights

**Case:** Charles Veillon, S.A. (A)

9-307-002

**Study Questions:**

1. Did Zwahlen terminate relations with existing carpet suppliers too quickly?
2. Is Veillon's management responsible for employment conditions in the company's supply chain?
3. As Zwahlen, what, if any, further action would you take regarding child labor and supplier work practices?
4. If Zwahlen decides to take further action, would you recommend that Veillon act unilaterally or that it collaborate with others? If the latter, what type of collaboration is preferable?
5. In Zwahlen's position, would you accept the invitation to appear on La Marche?

### Module 4. Responsibilities to the Public

Class 25: Wednesday, April 20, 2011

**Topic:** Corporate Citizenship

**Case:** Royal Dutch/Shell in Nigeria (A)

9-399-126

**Study Questions:**

1. Why has Shell become the subject of criticism and controversy?
2. During its time in Nigeria, what, if anything, should Shell have done differently?
3. What is your appraisal of Shell's stated business principle of non-interference in political matters?
4. In Brian Andersen's position, what would you recommend to Shell's Committee of Managing Directors regarding the death sentence for Saro-Wiwa and his co-defendants? What, if anything, would you do personally about this matter?
5. What advice would you give Shell's leadership going forward? What about the liquefied natural gas project?

Class 26: Monday, April 25, 2011

**Topic:** Conflicting Duties and Rights

**Case:** Yahoo! in China

9-609-051

**Reading:** Business and Human Rights

9-309-097

**Study Questions:**

1. Should Yahoo have provided information on Shi Tao to the Chinese government? Why or why not?
2. What were Yahoo's responsibilities in the situation?
3. What is your explanation of the Chinese government's internet policy?
4. What, if anything, could Yahoo have done differently to address the situation?
5. What were the responsibilities of Lantos and his fellow representatives in the U.S. Congress? Did they meet their responsibilities?

*Note: there will be a guest speaker in this class.*

Please note that assignments are subject to change. Be sure to check the course platform prior to preparation for each class.

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# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

### Class 27: Tuesday, April 26, 2011

**Topic:** Property Rights/Public Interest

**Case:** Cipla 2010

**Reading:** Responding to Market Failures

TBA

9-396-344

**Study Questions:** TBA

### Class 28: Wednesday, April 27, 2011

**Topic:** Responsibilities to the Public

**Case:** The Tip of the Iceberg: J.P. Morgan Chase and Bear Stearns, 2008

9-309-001

#### **Study Questions:**

1. What is your assessment of how Bear Stearns was managed? Was it inevitable that it fail?
2. Was Morgan in the position to be the only buyer the government could turn to because it was lucky or smart? What are the strengths and weaknesses of its management processes and culture?
3. Under what circumstances, if any, can a business leader say no to the government? Did Dimon have any ethical responsibilities during the financial crisis?

*Note: Class in conjunction with FIN2*

*Note: there will be a guest speaker in this class.*

### Class 29: Monday, May 2, 2011

**Topic:** Accountable Capital

**Case:** Generation Investment Management

Note on Socially Responsible Investing

**Video:** Generation Investment Management

9-609-057

9-609-060

#### **Study Questions:**

1. Please prepare two slides that you would present, as David Lowish, to the investment team at Generation Investment Management. The two slides should contain (1) your recommendation on ABB India (to include it on the Focus List or not) and (2) your supporting arguments and data. Please bring hard copies of the slides with you to class.
2. What is really distinctive about Generation's approach - compared to standard asset management and Socially Responsible Investing (SRI)?
3. Would you invest in Generation's Global Equity Fund? Why yes/no?

### Class 30: Tuesday, May 3, 2011

**Topic:** Serving the Public Interest

**Case:** Bob Beall at the Cystic Fibrosis Foundation

9-409-107

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# LEADERSHIP AND CORPORATE ACCOUNTABILITY

## Winter 2011

### Study Questions:

1. Why has CFF been successful to date? What key decisions were made that were essential to their success?
2. Critique Bob Beall's performance to date.
3. What should Bob Beall do now to address the various issues he is facing? Please propose specific/actionable steps he should take.

*Note: there will be a guest speaker in this class.*

## Module 5. Personal Responsibilities

### Class 31: Wednesday, May 4, 2011

**Topic:** Personally Delivering on Responsibilities

**Reading:** Parable of the Sadhu  
"Us or Me" by Ian McEwan

HBR #97307

**Study Questions:** TBA

### Class 32: Monday, May 9, 2011

**Topic:** Personally Delivering on Responsibilities

**Reading:** Letter from Birmingham Jail

8-378-091

### Study Questions:

1. Please identify passages in Dr. King's Letter from Birmingham Jail that you find especially meaningful as you consider your future role as a manager and leader.
2. **Exercise:** Please respond to the following question in writing and bring what you have written to class. You should write at least one paragraph in response and no more than one full page. Please bring your written responses to class Tuesday for use in an exercise. Here is the question: The mission of Harvard Business School is to "educate leaders who make a difference in the world." We can all make a difference in many different ways, at many levels, and on many different people—family, organization, community, and even the nation. In what ways do you hope to make a difference in the world? What do you see as the key barriers to having that impact?

### Class 33: Tuesday, May 10, 2011

**Topic:** LCA final session

**Final Exam: Thursday, May 12, 2011**