



University of Cologne
Chair of Corporate Development and Business Ethics

Advanced Seminar Corporate Development and Business Ethics

Moral and Social Norms
- The Challenge of Creating Ethical Corporate Cultures -
Syllabus - Winter term 2017/18

Instructor: Mira Fischer mira.fischer@uni-koeln.de

Time & Location: **Kick-off:** October 18, 17:00 – 18:30h, room: 3.206 (SSC, Studierenden Service Center)

Block seminar: December 7, 8:00 – 17:00h, room tba; December 8: 8:00 – 17:00h, room: 310 (WiSo building)

COURSE OVERVIEW

How to create ethical corporate cultures? For both practitioners and researchers this question is a considerable challenge due to manifold corporate scandals (e.g. at Volkswagen) in recent years. **Social norms** have a strong influence on the behavior of individuals in an organizational context and may interact with or dominate employees' personal **moral norms** (referred to as "social preferences" in behavioral economics). As such, both may play a role in explaining corporate scandals.

The aim of the course is to better understand the concepts 'social norm', 'social preference' and 'corporate culture' and to relate these to each other. We will also investigate how social norms evolve and can be influenced, and discuss to what extent this knowledge can be used to foster more ethical corporate cultures.

The course is based on experimental research papers that focus on defining and measuring social norms and social preferences and on investigating their effect on people's behavior.

COURSE STRUCTURE

The seminar will be held as a block seminar. A kick-off meeting, in which seminar requirements will be explained in detail, will be held on October 18.

After the kick-off meeting, each student sends an e-mail indicating which three of the research papers s/he would be most interested in studying. Based on these preferences students are assigned one research paper to present during the block seminar (and, depending on the number of participants, students are allocated in groups of 2-3). This research paper will usually also be the central topic of a student's term paper.

During the block seminar on December 7 and 8, students present their assigned research paper and prepare a short discussion of another participant's presentation. Students then write a term paper (due: March 1, 2018). In this term paper, the topic of the presentation should be further elaborated by contrasting several studies and/or discussing them in light of the (given and/or independently researched) background literature. Practical implications of the insights for the promotion of ethical corporate cultures should be thoroughly discussed.

GRADING

Grades are based on: 1. Presentation and discussion during the seminar (40%), 2. Term paper (60%), 3. Bonus Points for participation.

COURSE REGISTRATION

Students need to apply for participation in the seminar through Klips during the registration period. (If you do not get a place during the registration period, you may still come to the kick-off meeting as you may get a place if some registered students do not show up.) Students then register bindingly for the course credit during the kick-off meeting.

COURSE LANGUAGE

English

Research Papers:

1. Bicchieri, C., & Mercier, H. (2014). Norms and beliefs: How change occurs. In *The Complexity of Social Norms* (pp. 37-54). Springer International Publishing.
2. Bicchieri, C., Lindemans, J. W., & Jiang, T. (2014). A structured approach to a diagnostic of collective practices. *Frontiers in Psychology*, 5.
3. Burks, S. V., & Krupka, E. L. (2012). A multimethod approach to identifying norms and normative expectations within a corporate hierarchy: Evidence from the financial services industry. *Management Science*, 58(1), 203-217.
4. Cappelen, A.W., Nielsen, U.H., Tungodden, B., Tyran, J.-R. & Wengstrom, E. (2015). Fairness is Intuitive. *Experimental Economics*, 19 (4), 727-740.
5. Carpenter, J. & Seki, E. (2011). Do Social Preferences Increase Productivity? Field Experimental Evidence from Fishermen in Toyoma Bay. *Economic Inquiry*, 49, 612–630.
6. Frey, B., & Meier, S. (2004). Social Comparisons and Pro-Social Behavior: Testing "Conditional Cooperation" in a Field Experiment. *The American Economic Review*, 94(5), 1717-1722
7. Gaechter, S., Gerhards, L., & Nosenzo, D. (2015). The importance of peers for compliance with norms of fair sharing. *IZA Working Paper*.
8. Gneezy, U., Leibbrandt, A. & List, J. A. (2016). Ode to the Sea: Workplace Organizations and Norms of Cooperation. *Economic Journal*, 126. 1856–1883
9. Kaptein, M. (2008). Developing and Testing a Measure for the Ethical Culture of Organizations: The Corporate Ethical Virtues Model. *Journal of Organizational Behavior*, 29(7), 923-947.

10. Krupka, E. L., & Weber, R. A. (2013). Identifying social norms using coordination games: Why does dictator game sharing vary?. *Journal of the European Economic Association*, 11(3), 495-524.
11. List J. A. (2006). The Behaviorist Meets the Market: Measuring Social Preferences and Reputation Effects in Actual Transactions. *Journal of Political Economy*, 114 (1), 1-37.
12. Schram, A., & Charness, G. (2015). Inducing social norms in laboratory allocation choices. *Management Science*, 61(7), 1531-1546.

Background Literature:

- Axelrod, R. (1986). An evolutionary approach to norms. *American Political Science Review*, 80 (4), 1095-1111.
- Bicchieri, C. (2016). *Norms in the Wild: How to Diagnose, Measure, and Change Social Norms*. Oxford University Press.
- Bicchieri, C., & Mercier, H. (2014). Norms and beliefs: How change occurs. In *The Complexity of Social Norms* (pp. 37-54). Springer International Publishing.
- Binmore, K. (2010) *Social Norms or Social Preferences?*, *Mind and Society*, 9, 139-157.
- Burchell, K. R. & Patel, K. (2013) Marketing social norms: Social marketing and the “social norm approach”, *Journal of Consumer Behavior*, 12, 1-9.
- Camerer, C. F. & Fehr, E. (2004). Measuring Social Norms and Preferences Using Experimental Games: A Guide for Social Scientists, In: *Foundations of Human Sociality*, 55-95.
- Fehr, E. & Schmidt, K.M. (2006) *The Economics of Fairness, Reciprocity and Altruism – Experimental Evidence and New Theories*, In: *Handbook of the Economics of Giving, Altruism and Reciprocity*, vol. 1, 615-691.
- O'Reilly, C., Chatman, J., 1996. Culture as social control: corporations, cults, and commitment. In: Staw, B.M., Cummings, L.L. (Eds.), *Research in Organizational Behavior*, 18, JAI Press, Inc., Greenwich, 157–200.
- Posner, E. A. (2000). *A Model of Cooperation and the Production of Social Norms*, In *Law and Social Norms*, 11-35, Harvard University Press.
- Risser, D. T.: 2. Moral Responsibility of Formal Organizations, Collective Moral Responsibility, Internet Encyclopedia of Philosophy: <http://www.iep.utm.edu/collecti/>
- Trevino, L.K., Nelson, K.A. (2011). *Ethics As Organizational Culture*. In: Trevino and Nelson, *Managing Business Ethics*, 5th Edition, John Wiley.
- Cristina Bicchieri's online course on social norms: <https://www.coursera.org/learn/norms>
- <http://plato.stanford.edu/entries/social-norms/>
- <http://www.socialnormsresources.org>
- <http://socialnorms.org/>