

SYLLABUS

Crossing the Line: Exploring The Thin Boundaries of Entrepreneurial Ethics

Topics: #Entrepreneurship, #Leadership, #Innovation, #Governance, and #Ethics.

Date: Wednesday, January 8th – Thursday, January 9th, 2025

Format: 2-day elective

Students: Executive MBAs, Sloan Fellows

Faculty: Fiona Murray, Alon Shklarek

Summary

In the thrilling journey of entrepreneurship, where ambition fuels innovation and growth, there is a thin and precarious boundary between bold leadership and ethical missteps. "Crossing the Line" invites entrepreneurs, intrapreneurs, and leaders to explore the nuanced ethical frontiers of entrepreneurship and innovation. From addressing controversial mantras like "fake it till you make it" to navigating the pressures of stakeholder expectations, this course confronts the ethical dilemmas that define and differentiate successful entrepreneurs and their ventures.

Our course is structured as a two-day, immersive elective. It is tailored for students who seek to navigate the complex terrain of governance, risk, and ethical decision-making with integrity and foresight. Through a dynamic blend of theory and case studies, students will dissect the ethical dilemmas in a number of real-world startups and later-stage ventures. The curriculum uses a "bad apples, bad barrels, and bad orchards" framework, shedding light on how individual actions, organizational culture, and societal norms intertwine to shape ethical conduct in business.

"Crossing the Line" offers more than just insights; it equips you with practical strategies for ethical leadership to foster environments where integrity and ambition coexist harmoniously. In the two-day course, we will find time to engage in rigorous debates, individual reflections, and group work to scrutinize the grey areas of entrepreneurship. Whether you're steering a startup, driving change within an established corporation, or leading innovative projects as an intrapreneur, "Crossing the Line" prepares you to anticipate ethical challenges, forge paths toward success, and lead with integrity in today's fast-paced, innovation-driven world.

Course Objectives

1. **Understand the Multidimensional Aspects of Destructive Behavior:** Explore the "bad apples, bad barrels, and bad orchards" framework to comprehend how individual behaviors, organizational structures, and broader subcultural norms contribute to unethical practices. Develop the ability to identify destructive behaviors in various contexts and understand the motivational archetypes and cognitive biases contributing to these blind spots.
2. **Identify and Design Elements of Good Governance:** Understand the principles of effective governance and how they can be applied to prevent fraud and other destructive behaviors. Examine the roles, responsibilities, and influences of various stakeholders (founders, co-founders, employees, investors, family, etc.) in fostering an ethical environment and the dynamics that may compel entrepreneurs to engage in deceit, for example, to avoid disappointing stakeholders.
3. **Address Ethical Dilemmas and Answer Hard Questions:** Engage with complex ethical questions, such as the implications of the "fake it till you make it" philosophy prevalent in entrepreneurial cultures, to evaluate the fine line between aspiration and deception critically. Broaden the understanding of destructive behaviors beyond fraud, to include deceit, withholding critical information, harassment, discrimination, blackmail, etc., and explore how these behaviors can interconnect and amplify one another.
4. **Navigate the Impact of Cultural and Subcultural Norms on Ethical Behavior:** Assess how the pervasive norms and values of specific cultures and subcultures, such as those found, for example, in Silicon Valley, Wall Street, and beyond, can influence organizational behavior and ethical decision-making, and develop strategies to foster ethical practices within these contexts.

This course is designed as an interactive blend of theory, case studies, individual reflections, group discussions, and presentations to provide a comprehensive learning experience. By analyzing real-world cases and engaging in collaborative discussions, you will develop practical strategies to understand, identify, and mitigate unethical practices in entrepreneurship. Additionally, the course emphasizes personal growth through individual reflections. Reflecting on your experiences and beliefs will give you insights into strengthening your ethical decision-making skills. This multifaceted approach empowers you to navigate the complex landscape of modern entrepreneurship with integrity and foresight.

COURSE OUTLINE (High Level)

Time		DAY 1
08:30am	11:30pm	Introduction and Course Overview
		Motivational Archetypes & Destructive Behaviors (Case 1)
		Break
		Case 1 (continued)
		ABO Framework
11:30pm	01:00pm	Lunch
01:00pm	04:00pm	Stakeholder Analysis (Case 2)
		Case 2 (continued)
		Break
		Ethical Dilemmas
		Reflection & Day wrap-up

Time		DAY 2
08:30am	11:30pm	Recap
		Governance & Diversity (Case 3)
		Case 3 (continued)
		Break
		Groupwork (Case 4)
11:30pm	01:00pm	Lunch
01:00pm	04:00pm	Group Presentations
		Ethics at The Frontier - Technology and Responsible Use
		Break
		Ethics Under Pressure
		Reflection & Course wrap-up

READINGS

Mandatory Readings:

- Case 1- Following Lance Armstrong: Excellence Corrupted (HBS Case Study)
- Case 2 - Watch the documentary “The Inventor: Out for Blood in Silicon Valley” (HBO, Amazon)
- Case 3a - Watch episodes 3,4 and 5 of the documentary “Super Pumped: The Battle for Uber” (Netflix)
- Case 3b- Why Uber and Airbnb needed a different kind of CEO (HBR article)

Optional readings

- Wheelmen: Lance Armstrong, the Tour de France and the Greatest Sports Conspiracy Ever (Reed Albergotti and Vanessa O'Connell) - for more detail into Case 1.
- Bad Blood: Secrets and Lies in a Silicon Valley Startup (John Carreyrou) - for more detail into Case 2
- Organizational Blueprints for Success in High-Tech Start-Ups: Lessons from the Stanford Project on Emerging Companies (James N. Baron, Michael T. Hannan)
- The Righteous Mind: Why Good People Are Divided by Politics and Religion (Jonathan Haidt)
- Leadership on the Line: Staying Alive Through the Dangers of Leading (Ronald A. Heifetz and Marty Linsky)
- How Will You Measure Your Life? (Clayton M. Christensen)
- Blind Spots: Why We Fail to Do What's Right and What to Do about It (Max H. Bazerman and Ann E. Tenbrunsel)

GRADING SCHEME: P/D/F (DRAFT)

- **Pre-Course Assignment: 20%**
- **Class Participation: 30%**
- **Group Presentation: 20%**
- **Post-Course Assignment: 30%**

Pre-Course Assignment

- **Watch the documentary “The Inventor: Out for Blood in Silicon Valley”**
- **Write a Reflection Paper (20% of grade):** 2-page reflection on ethical dilemmas and the role of different stakeholders. The reflection should discuss your perspective on what you see as the core ethical dilemma faced by those around Elizabeth Holmes. Who were the key stakeholders in this case of fraud? For each category outline why you think they spoke up and failed to be heard or why they did not speak up.

Coursework

- **Class Participation (30% of grade):** Active involvement in debates and discussions, demonstrating preparation through reading and reflecting on course materials.
- **(In-Class) Group Presentation (20% of grade):** Analyze a provided case study. Presentations will be on the second day of the course.

Post-Course Assignment

- **Personal Ethics Action Plan (30% of grade):** 3-page document outlining your ethics action plan, influenced by the course readings and discussions, and including the frameworks and tools covered throughout the course. Please first discuss your main takeaways from the course (in less than one page) and then either:
 - describe the tools you will use to deal with future ethical challenges in your work. You may detail how you adapt frameworks from the course (please be specific) or offer other frameworks that you have found helpful (please be detailed in what they are and how you have used them).
 - Or, if you have had a particular ethical dilemma, write up a 1.5-page vignette - following the template of the vignettes used in class, describing the dilemma. Please then add at least a 0.5-page update on how you resolved the dilemma and your reflections on that process.

POLICY ON THE USE OF GENERATIVE AI (GENAI)

In alignment with MIT Sloan's mission to develop principled, innovative leaders who improve the world, we recognize that Generative AI (GenAI) tools are becoming integral in professional environments. Understanding their strengths and limitations is crucial for your future career. However, this course focuses on the nuances of ethical dilemmas entrepreneurs and leaders face, and your engagement with the material is essential.

Class Participation:

- **Engagement with Readings:** We expect you to engage deeply with the assigned readings, drawing from your experiences to enrich class discussions. While you may use GenAI tools to deepen your understanding, relying solely on AI-generated summaries can diminish the depth and quality of classroom interaction and, therefore, your classmates and your own learning experience.

Written Assignments:

- **Reflection Essays:** Your 2-3 page essays should be original reflections that synthesize your learning and personal insights from the course. We discourage the use of GenAI to generate content in these essays.
- **Language Assistance:** You may use GenAI tools to improve the fluency and clarity of your writing. This use is acceptable as long as the ideas and analysis are your own.
- **Disclosure:** If you use GenAI tools in any capacity for your written assignments, you must include an appendix detailing all the prompts and interactions you had with the AI.

Ethical Considerations:

We encourage you to perform a "gut check" regarding your use of GenAI:

- **Collective Impact:** If other students used GenAI in the same way, would it diminish the collective learning experience?
- **Personal Mastery:** Are you using GenAI to genuinely enhance your understanding of the material?
- **Instructor Expectations:** Would your use of GenAI align with the educational values emphasized by MIT Sloan and your instructors, Fiona Murray and Alon Shklarek?

Academic Integrity:

We aim to foster an environment of trust and intellectual honesty. Be transparent about your use of GenAI tools and take responsibility for ensuring that all submitted work reflects your own understanding and effort. Inappropriate use of GenAI tools - such as submitting AI-generated content as your own original work without proper disclosure - constitutes academic misconduct and will be handled according to MIT Sloan's policies on academic integrity.

Conclusion:

Your active participation and honest engagement are vital to the success of this course. By thoughtfully integrating GenAI tools where appropriate, you can enhance your learning while upholding the highest standards of academic integrity.