



**University of Cologne**  
Chair of Corporate Development and Business Ethics

Behavioral Ethics

**Moral and Social Norms**  
**- The Challenge of Creating Ethical Corporate Cultures -**

**Syllabus - Summer term 2016**

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Instructor: Prof. Dr. Bernd Irlenbusch

Team: Dr. Julian Conrads  
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Time & Location: Kick off, weekly sessions and final  
block seminar

**Kick off:** April 13, 14:00 – 15:30  
**Weekly sessions** on Wednesdays:  
14:00 – 15:30 and 16:00 – 17:30  
Room No.: 3.206  
Universitätsstraße 22a  
(Studierenden Service Center)  
Final **block seminar** July 28 & 29: all-day  
Room No.: 3.206

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**COURSE OVERVIEW**

How to create ethical corporate cultures? For both, practitioners as well as for researchers this question is a considerable challenge. The manifold corporate scandals highlight the importance of this topic (e.g. at Volkswagen). **Social norms** seem to play a crucial role in organizations in determining the ethicality of a corporate culture. Besides social norms, individuals have their personal **moral norms** by which they evaluate their own behavior and which influence their individual decision making. Often social norms dominate moral norms. At worst, ethical moral norms are suppressed by unethical social norms, e.g. within the social context of a firm. The aim of the course is to better understand the concepts of moral and social norms and apply these concepts to corporate culture. Thereby questions shall be answered how social and moral norms interact and relate to each other, how they can be influenced and activated, and finally whether or not they are capable of shaping a corporate culture to be more ethical.

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## COURSE STRUCTURE

The course is structured in **three** basic parts:

**Part I** focusses on theoretical and empirical research papers on moral and social norms. Within twelve weekly sessions students present research papers. Therefore each student selects one research paper (see below), which has to be presented. After the presentation, the research paper is discussed and evaluated in class (the paper allocation process will be announced in the first session). At the end of part I, an exam about the research papers is written.

**Part II** has the goal that students elaborate an own research project and develop own theoretical/ empirical/ experimental research designs that relate moral and social norms to corporate culture. The first ideas of the research project will be discussed with a supervisor in coaching sessions (“interim presentation”).

**Part III** completes the course with a two day block seminar at the end of the semester where final project presentations have to be given. Besides one’s own presentation students take over the role of a discussant for another presentation.

Part II and III aim to potentially prepare research projects to be implemented subsequently to the course: For master students potential projects for master theses could be initiated and for PhD students potential research projects for the dissertation could be discussed and evaluated.

**Special guest: Erin L. Krupka** (University of Michigan)

Professor Krupka is an expert in experimentally studying and identifying social norms. She will give a **guest lecture on June 29** to the entire course. Afterwards she will be available for PhD students to discuss research projects.

## TYPEs OF COURSE PARTICIPANTS AND GRADING

There are three potential types of course participants: (i) Students studying within the **old** examination regulation, (ii) students studying within the **new** examination regulation, and (iii) **PhD** students.

The following table informs about the different requirements and the grading for the three potential types of participants:

	Old examination regulation	New examination regulation	PhD
Credit Points	6	12	6
Course requirement	Part I (incl. presentation and exam)	<ul style="list-style-type: none"> <li>Part I (incl. presentation and exam)</li> <li>Part II</li> <li>Part III</li> </ul>	<ul style="list-style-type: none"> <li>Part I (<b>excl.</b> presentation but exam has to be written)</li> <li>Part II</li> <li>Part III</li> </ul>
Grading	<ul style="list-style-type: none"> <li>Presentation in part I (30%)</li> <li>Exam in part I (70%)</li> <li>Bonus point for active participation</li> </ul>	<ul style="list-style-type: none"> <li>Presentation in part I (20%)</li> <li>Exam in part I (30%)</li> <li>Interim presentation in part II (20%)</li> <li>Final presentation and discussant role in part III (30%)</li> <li>Bonus point for active participation</li> </ul>	<ul style="list-style-type: none"> <li>Exam in part I (30%)</li> <li>Interim presentation in part II (20%)</li> <li>Final presentation in and discussant role in part III (50%)</li> <li>Bonus point for active participation</li> </ul>

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## COURSE REGISTRATION

Students studying within the old or new examination regulation mandatorily register for the course in the **first session**.

PhD students register via email to [j.conrads@wiso.uni-koeln.de](mailto:j.conrads@wiso.uni-koeln.de) until **April 1**.

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## COURSE LANGUAGE

English

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## Research papers for part I:

1. Akerlof, G. A., & Kranton, R. E. (2005). Identity and the Economics of Organizations. *The Journal of Economic Perspectives*, 19(1), 9-32.
2. Bettenhausen, K. L., & Murnighan, J. K. (1991). The development of an intragroup norm and the effects of interpersonal and structural challenges. *Administrative Science Quarterly*, 20-35.
3. Bicchieri, C., & Mercier, H. (2014). Norms and beliefs: How change occurs. In *The Complexity of Social Norms* (pp. 37-54). Springer International Publishing.
4. Bicchieri, C., & Xiao, E. (2009). Do the right thing: but only if others do so. *Journal of Behavioral Decision Making*, 22(2), 191-208.
5. Cohen, T. R., & Morse, L. (2014). Moral character: What it is and what it does. *Research in Organizational Behavior*, 34, 43-61.
6. 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.
7. Cialdini, R. B., Reno, R. R., & Kallgren, C. A. (1990). A focus theory of normative conduct: recycling the concept of norms to reduce littering in public places. *Journal of personality and social psychology*, 58(6), 1015.
8. Cialdini, R. B., & Trost, M. R. (1998). Social influence: Social norms, conformity and compliance.
9. Elster, J. (1989). Social norms and economic theory. *The Journal of Economic Perspectives*, 3(4), 99-117.
10. Fleenon, W., Furr, R. M., Jayawickreme, E., Meindl, P., & Helzer, E. G. (2014). Character: The Prospects for a Personality-Based Perspective on Morality. *Social and Personality Psychology Compass*, 8(4), 178-191.
11. Gaechter, S., Gerhards, L., & Nosenzo, D. (2015). The importance of peers for compliance with norms of fair sharing. *IZA Working Paper*.
12. Gibson, R., Tanner, C., & Wagner, A. F. (2015). Do situational social norms crowd out intrinsic preferences? An experiment regarding the choice of honesty. *SSRN 2557480*.

13. Krupka, E., Leider, S., & Jiang, M. (2013). *A meeting of the minds: informal agreements and social norms*. Working paper.
14. 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.
15. López-Pérez, R. (2008). Aversion to norm-breaking: A model. *Games and Economic behavior*, 64(1), 237-267.
16. Mackie, G., Moneti, F., Denny, E., & Shakya, H. (2012). What are social norms? How are they measured. *University of California at San Diego-UNICEF Working Paper, San Diego*.
17. Ostrom, E. (2014). Collective action and the evolution of social norms. *Journal of Natural Resources Policy Research*, 6(4), 235-252.
18. Schram, A., & Charness, G. (2015). Inducing social norms in laboratory allocation choices. *Management Science*, 61(7), 1531-1546.