



Playing BY THE Rules

ETHICS AT WORK

Undergraduate & Graduate Business School Episode Guide

Season 2, Episode 2: The Bank Job

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Major funding for *Playing by the Rules Ethics at Work* was provided by Ronnie and Lawrence D. Ackman. Additional funding was provided by Janet Prindle Seidler, Lawrence and Alice Friedland, Edward and Joan Cohen, David Klafter and Nancy Kestenbaum, James and Barbara Korein, and, Susan and Elihu Rose. ©2018 WLIW LLC. All rights reserved.

Season 2, Episode 2: The Bank Job Instructor Overview

Case Overview

Wells Fargo liked to think of itself as America's main street banker. Nearly all are familiar with its iconic red wagon and the catchy song which celebrates it. But behind that friendly image was a secret. In an effort to boost its bottom line and its reputation on Wall Street, Wells preyed on millions of ordinary customers – fraudulently opening accounts in their names, selling them unnecessary car insurance, and modifying their mortgages on the sly – actions which recently led to a fine of one billion dollars. *Playing By the Rules* talks with several former Wells' employees about the corporate culture which led to the scandal – and whose complaints to management about what was going on fell on deaf ears.

Media Utilization Tips

Ideally, instructors will assign the [full episode](#) (26 minutes) to students to watch in advance of the class, so that they may fully participate in the in-class discussion.

Link to view:

<https://www.wliw.org/programs/playing-rules-ethics-work/>

Key Moments: Instructors may choose to highlight key moments within the episode when key players were faced with a critical decision for students to pause and reflect on the episode. Below are the timestamps of three key decision-making moments:

- 4:40** – What is cross-selling, and how did it impact Wells Fargo's bottom line?
- 10:30** – What strategy did managers tell employees to take in order to meet their goals?
- 17:30** – How did Wells Fargo attempt to downplay the fake accounts?

Reflection Questions: Instructors may also choose to provide students with reflection questions as they watch the episode. Examples of reflection questions include:

- *Describe the parties involved and their interests.*
- *Describe the sales goals that Wells Fargo employees were required to meet. How did this contribute to corporate culture?*
- *Explain the toll that cross-selling demands took on employees like “Casey.”*
- *How could Wells Fargo have set up employee goals to avoid such extreme pressure?*

Key Takeaways

Here are some of the key themes in this episode:

- Employee fraud can often be a direct result of corporate culture. Extreme sales goals and cross-selling demands place pressure on employees to reach seemingly unattainable goals, leading to poor decision making by both employees and their managers.
- In toxic corporate cultures, lower-level employees and mid-level managers end up shouldering the weight of top-tier management’s unrealistic goals and struggle while executives are rewarded.

Supplemental Case Readings

The following articles provide additional information about the Wells Fargo case. Instructors may use this as background reading to prepare to lead the class. Additionally, instructors may choose to assign one or more of the articles as supplemental reading.

- [Wells Fargo's 20-Month Nightmare](#)
(CNN Money, April 24, 2018)
- [How Regulation Failed with Wells Fargo](#)
(The New Yorker, September 12, 2016)
- [The Leadership Blind Spots at Wells Fargo](#)
(Harvard Business Review, October 6, 2016)

Season 2, Episode 2: The Bank Job

Instructor Resources

Below is a suggested structure for class discussion and activities based on this episode. This structure assumes the instructor has assigned students to watch the episode prior to class.

Class Outline:

I. Overview (10 minutes)

- Outline the case and key issues at play.

II. Discussion (30 minutes)

- Open up the floor for class discussion.
- *Discussion questions:*
 - Describe the key dilemma in the Wells Fargo case.
 - Describe the corporate culture at Wells Fargo and how cross-selling put pressure on its employees and managers.
 - How could Wells Fargo have modified their sales goals to relieve some of the extreme pressure on its employees?
- *Suggested themes to highlight:*
 - The role corporate culture can play in ethical dilemmas.
 - Identifying the steps Wells Fargo and its new CEO, Tim Sloan, took after the crisis to shift corporate culture.

III. Activity: Debate (50 minutes)

- See "Extension Activities" on the following page for an activity outline.

IV. Conclude (15 minutes)

Season 2, Episode 2: The Bank Job Extension Activities

I. Case Summary

Assignment: Prior to class, assign students to write a three-sentence summary of the case presented in the episode. The summary should include an overview of the key issue presented in the case, along with the case outcome.

II. In-Class Debate

Corporate culture can have a serious impact on whether employees choose to commit fraud. In the case of TD Bank, the company's wrongdoing has been under recent debate.

TD Bank: In early 2017, the CBC broke a story that TD Bank employees across Canada had broken the law and committed fraud directly as a result of a toxic corporate culture. Some employees reported having to take a medical leave as a result of their anxiety over the pressure to upsell customers. TD Bank responded defending the company's actions and goals.

1. Split the class into three groups: two groups will argue for and against TD Bank, and the third group will serve as judges. The instructor should print and distribute the applicable article to each group. The judges should read both articles.

Pro: *TD Bank did nothing wrong. Company performance goals are realistic and normal for its employees.* [TD Comments on CBC Go Public Story](#) (TD Bank Official Statement, March 10, 2017)

Con: *TD Bank employees broke the law because of undue stress and unrealistic management goals.* [TD Bank Employees Admit to Breaking the Law for Fear of Being Fired](#) (CBC News, March 10, 2017)

2. Distribute the applicable reading assignment to each group and give students time to read independently and discuss as a group (20 minutes). During this time, the judges should read both articles and discuss the key issues at play.

3. Each group should clearly articulate their stance and make an argument as to why they are correct (5 minutes per group).

4. After each group states their case, the judges should pose questions to each group (5 minutes per group).

5. Judges will then leave the room and deliberate, and return with a final verdict and explanation of their reasoning (10 minutes).

III. Editorial

Assignment: Write a 250-word editorial either siding with or critiquing the corporate goals of Wells Fargo and the actions of its senior management team.

Note: Instructors may choose to ask students to use the ethical frameworks included on pages 4-7 of the *Playing By the Rules* Season Two Guide, or other frameworks appropriate to their class in their analysis.

Key considerations:

- *Explain what you would have done if you were an employee or manager at Wells Fargo.*
- *Describe the factors contributing to your decision.*
- *How would you weigh the consequences of your decision?*
- *What effect would your decision have on key stakeholders (shareholders, employees, research teams, the public, consumers)?*
- *Describe one or two ethical frameworks you would use to weigh your decision.*

Alternate Assignment: Write a 250-word editorial describing a similar ethical dilemma you have personally witnessed or experienced. Please do not reveal details about identities, company, etc. Apply the frameworks discussed in class and the major trade-offs faced by the main decision maker in the dilemma.

IV. Related Readings

Instructors may choose to assign additional readings for context on the key issues of this episode, either in advance of class or post-class:

- [How Does Corporate Culture Fuel Fraud? Start With Volkswagen And Wells Fargo](#) (Forbes, September 16, 2016)
- [How Wells Fargo's Cutthroat Corporate Culture Allegedly Drove Bankers to Fraud](#) (Vanity Fair, Summer 2017).