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BUS 682 POLITICAL, SOCIAL, LEGAL AND ETHICAL ENVIRONMENT OF BUSINESS

Spring 2009
BUS 682.11
PREREQUISITES: BUS 360* & MGMT 405
BUS 108

COURSE SYLLABUS
F 1300-1545

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Business organizations are finding that their success or failure is increasingly dependent on events outside the traditional spheres of company concern. The environmental changes are frequent, rapid and often unpredictable and can generate significant threats and opportunities for individuals, firms, industries and countries. The aim of this course is to broaden student perspective by examining the role of business in the larger context and by analyzing the viewpoints of many constituencies on a few selected issues of importance to business.

The types of questions we will investigate from a variety of viewpoints are the following:

What occurrences could be so important to a company that organizational resources should be spent to monitor, analyze and adapt to the environment.

Should resources be spent to try to modify the environment?

How much effort to modify the environment is enough?

More specifically the aims of the course are:

A. TO DEVELOP THE FOLLOWING STUDENT SKILLS:

1. Analytical case-analysis skills;
2. Verbal skills in the presentation and defense of (arbitrarily) assigned positions on controversial subjects important to business.
3. Listening and speaking skills in group discussions;
4. Research skills applied to sources of varying reliability;
5. Decision-making skills in grey areas; and
6. Role-playing skills.

B. TO EXPOSE STUDENTS TO A SAMPLE OF THE ISSUES THAT ARISE BETWEEN BUSINESS AND ITS VARIOUS ENVIRONMENTS

1. To broaden student perspectives on the changing challenge of being a manager by sensitizing students to the range of issues that can arise in an organization's environment and to the forces that generate them;
2. To explore the variety and nature of relationships between organizations and the parties in their environment;
3. To develop principles and conceptual frameworks for understanding how issues arise and how they are resolved in public and private policy processes; and
4. To practice predicting nonmarket, collective and political behavior and the consequences of various managerial alternatives.

The course consists largely of class discussion of cases and student debates. This is not a lecture course, and significant student participation is demanded. See the attachment on the meaning of class participation.

The text for the course is:

BUSINESS AND SOCIETY, Lawrence, Anne and Weber, James, 12th edition, 2008 McGraw-Hill

Course grades depend on:

- (5%) Company paper
- (15%) Case write up (3-page maximum)
- (30%) Chapter applications to your chosen company (3)
- (25%) one primary "debate" responsibility
- (25%) case and other class discussion not included above

See the attached handout on "The Meaning of Class Discussion."

All case analyses (especially the written submissions) should follow the "problem - goals - measurement - alternatives -implementation" format explained in the attached handout. Students may choose the case to write up according to their interests. You may wish to volunteer to present your analysis of the case you have chosen to write up--both to receive class response to your approach and to force yourself to participate in class.

DEBATES:

A list of past debate topics is included as part of the course syllabus. A debate signup sheet will be circulated early in the semester. At the time of signing up you will know only the date of the debate. Debate topics will be announced four weeks in advance along with the assignment of individuals to teams and the assignment of team positions to be defended. [My preference would be to give people practice working with people they dislike in the defense of a position they do not support].

Debates will require each primary debater to do the following:

a) to make an initial prepared presentation of the reasoned argument in support of the position your team has been assigned. The team should coordinate their presentations so that duplication is minimized. Assume your audience is made up of people who are bright but mostly ignorant and neutral about the issue of the debate. (2-minute maximum)

b) to engage in a free-for-all discussion among "primary debaters" about the most crucial issue/major bone of contention in the debate (this will be determined with the aid of the instructor)

c) to act as an expert source of information (no longer are you tied to defend your position) for questions, when the instructor opens discussion to the remainder of the class.

DATE

	Text Chapters	Written	Case
1 – 30	Videos:	Managing Our Miracles, Affirmative Action, Team Formation,	case
2 – 6	1 – 2	Company Paper	GlaxoSmithKline and AIDS Drugs for Africa
2 – 13	3 – 4		Cisco, Wal-Mart
2 – 20	5	A1 (Ch 1 – 4)	Hurricane Katrina, Gap, Warhead Cable
2 – 27	6		Shell in Nigeria, PPG
3 – 6	7		Johnson & Johnson, Conflict Diamonds
3 – 13	8		Merck, U.S. Steel
3 – 20			The Transformation of Shell
3 – 27	SPRING BREAK		
4 – 3	9 - 10		Enron, New Business..., Microsoft
4 – 10	11 – 12	A2 (Ch 5 – 12)	Kimpton, Damming the Yangtze, Digging Gold
4 – 17	13 – 14		Internet Dark Side, Downloading Music
4 – 24	15 – 16	A3 (Ch 13 – 20)	Nike/Oregon, Turmoil Magic, Fat Liability
5 – 1	17 – 18	Case Analysis	Odwalla, Timberland, No Smoking
5 – 8	19 – 20		Dukes, Grand Theft Auto

5 - 15 DEBATES

5 – 22 DEBATES

All papers will be graded on a 0 to 100-point basis. 90/80/70/60, respectively, will be the minimum scores for A/B/C/D consideration. Grades will depend on content (50%), English (30%) and Organization (20%).

I. February 6: COMPANY

Describe (name) the company/organization you wish to analyze and represent during the course (needs to be done only once, unless changed) 1-page (500-word) maximum

1. Indicate the company you would like to work for ten years from now, or specify another target date. You may not choose your current firm. The organization can exist in the future (an entrepreneurial venture) and it may be located anywhere in the world.
2. Indicate as precisely as possible what position/division/department you would like to work for
3. List the classification according to the North American Industrial Code System (NAICS).

Available at:

www.census.gov/epcd/www/naics.html

4. Place the company into context by describing the "five forces" from Michael Porter (use Internet search)
 - a. Internal rivalry (competitors)
 - b. Supplier power
 - c. Buyer power
 - d. Potential entrants
 - e. Substitutes and complements (a rival company **cannot** be a substitute)

2. Applications (A1 – A3, various dates)

Apply one concept from the chapters since the prior application day to the company you chose on February 6.

Each team should submit at least one paper from a single member for each chapter. For example, if there are four members on a team and three chapters, the team must decide who does which chapter. Write for your supervisor who reads business literature regularly. You may "pretend" your supervisor is in any country, at any executive level and has asked your advice about an issue facing the firm. The purpose is to apply the concept or model from the chapter to create value for your firm. Value might come, for example, from exploiting an opportunity, avoiding a threat, reducing risk or changing a mindset. Value does not come from praising current company people, policies or actions, but rather would be a surprise—something new and different that the company had not thought of in the past. Creating such value will prove to be difficult, since company officers spend much time contemplating the company, its environment and its prospects.

3. May 1 Case Analysis

Choose any case from the text, including those already discussed in class if you wish. Analyze the case following the attached "Guidelines to the Case Analysis Format. Outside research will be necessary for a grade of 90 or more.

MEANING OF CLASS DISCUSSION

Verbal skills are critical to general managers, and this class will place a high priority on developing student ability to present ideas clearly and concisely and to convince your peers of the wisdom of your analysis and approach. A substantial portion of most of the class sessions will involve a discussion of a case or a current topic, and I urge each student to volunteer his or her views early in the course. For those who are shy about speaking in such a large group, I suggest you sign up for an early debate or case presentation to get your feet wet. Occasionally there will be class time to discuss cases in smaller groups in preparation for the discussion by the entire class.

To start the discussion I will either call on someone to begin or will ask for volunteers. I may either ask a question or allow you to begin any way you would like. Occasionally preparation questions will be distributed in advance of the session. The quality of your class participation is more important than the quantity, and the following points tend to characterize effective participation.

1. Are the points made substantive and relevant to the discussion? Are they linked to the comments of others?
2. Do comments show the participant has been listening?
3. Do comments clarify and highlight the important aspects of earlier comments and lead to a clearer statement of the concepts being covered?
4. Is the participant willing to interact with other class members?
5. Do comments show evidence of analysis?
6. Do comments add to our understanding of the situation?
7. Does the participant distinguish among different kinds of data (i.e. facts, opinions, beliefs, etc.) and between positive and normative analysis?
8. Is there a willingness to test new ideas or are all comments "safe" (e.g. repetition of case facts without analysis and conclusions).
9. Is there a willingness to participate?

GUIDELINES TO THE CASE ANALYSIS FORMAT FOR THE Dr.Ericson POLITICAL, SOCIAL, LEGAL AND ETHICAL ENVIRONMENT OF BUSINESS

The case method of instruction is probably new to most students in this course. You are likely to be familiar with studying texts, taking notes during lectures, doing research in the library and performing laboratory experiments. The case method asks that you develop some new skills--both in the style of analysis and in the active participation in case discussions. This note will provide some guidelines on the mode of analysis, and the accompanying note entitled "The Meaning of Class Participation" outlines the method Of evaluating classroom participation.

While the case method is the normal means of instruction in law schools, only the Harvard Graduate School of Business has made it the main means of instruction in business education. You will encounter this method again in the policy and strategy course that is a natural "twin" to this environment course.

The case method is particularly well adapted to material where the set of facts is unique to the situation, where there is uncertainty about the outcome, where the process of analysis is probably more important than remembering specific details, and where there is no single "right" answer.

Cases provide the "vehicle for an intensive discussion" (1) of the issues arising from a specific situation. Students should "not spend their time memorizing facts but rather...(using) the data in the cases to form opinions about the issues which they present. A case discussion must be more than merely a regurgitation of the facts that a case presents. It demands that students take an active and aggressive stance in developing and presenting their views based on those facts. Facts are the means, not the end. You must think beyond the data provided. The (text and) instructor may supply you with study questions to encourage this process. You will discover that many of these questions have no one right answer and present problems as controversial today as when they first arose." (1)

Cases allow students to simulate some of complexity of the decision-making situations they will be facing in the future, as well as to investigate some of the issues in the environment of business. The cases are real and permit updating. There will usually be too much detail of some kinds (often the legal aspects) and too little information of other kinds (especially about the private thoughts of the individuals involved).

Cases are to be approached with a decision-making orientation of a single individual at some specific point in time. Students should take the approach that allows them to show the greatest depth of insight into the case.

1. Select a single person whose role you will play in the case. (Initially these will be assigned beforehand).

Normally this person will be mentioned by name or by position in the case. Once you have chosen an individual, you must be that person as much as possible for the analysis. You cannot imbue this person with "desirable" characteristics that differ from those directly given or indirectly deducible from case facts and evidence. You are stuck with this person's strengths, weaknesses, history, preferences, power and limitations. Once you have chosen an individual, you cannot assume that this person possesses all case facts. If there are case facts that your individual would not normally know, you must at least give a hint as to how this individual obtained this information.

2. Select the decision to be made (e.g. the most difficult, the most important, and/or the most interesting). This decision can be one that has been made before the case begins, that occurs during the period of the case, or that must be faced at some time subsequent to the end of the case. The decision selected should be a challenging one and should provide significant opportunity for the student to demonstrate a thorough understanding of the issue.

3. Select a single point in time. Once you have chosen, you are stuck with the information that was known at that time. You cannot assume this individual has knowledge of case facts that are known to you, but that had not occurred by the time chosen for your analysis. There is one exception to this limitation.

For the person you have chosen, you may use future actions/statements by that person as indications of that individual's character. Presumably the individual's values are known to that individual, but the reader finds these out only during the case events, some of which may take place after your selected point in time.

4. Do not summarize the case. Use case facts only to support your analysis; they have no independent value. Students may not modify case facts, but may interpret, supplement or challenge them as they see fit.

5. There is never "enough" information in cases. The cases are real and you may supplement your knowledge by library or other research. It is difficult, though not impossible, to receive an "A" grade without demonstrating outside research. Each case has a bibliography at the end.

If there is still some piece of information that is both missing and critical, you may assume some "logical" fact (provide me with a footnote or some other hint to your analysis of why this missing information is important and why your assumption is "logical").

Present your case analysis in the following format:

a. At the top of the paper indicate your choices of individual and point in time.

b. "Problem finding" is frequently the most difficult part of the analysis. It is a skill that takes intellect, creativity, effort and practice. State the problem faced by this individual succinctly (one clear sentence if possible). This statement should reveal the issue you see as the focus of your analysis and should necessitate a decision on the part of your chosen individual. This sentence is often the last one to be written in final form, since your views will change as you go deeper into the analysis. A provisional statement will be enough to get you started, since it is likely to be revised more than once.

The remainder of this paragraph will explain why this is such a problem for this individual. This explanation might include such items as individual strengths/weaknesses, constraints (time, power, information), opportunities, complicating factors and how they are important to understanding the problem.

"Problem finding" may be the most difficult part of the analysis, since it should not be stated to obviate any particular choice among alternatives. You may find particular difficulty when the "problem" is clear to you, but is unlikely even to be sensed by the individual you have selected.

c. Indicate the goals and objectives this person has that are directly related to the problem above.

"Maximizing profits" is probably too general to help in a specific instance. Be as precise as possible. Individuals are not limited to "worthy" motives. Organize this section around 2 or 3 major goals; otherwise confusion and conflict will result from a "laundry list" of desirable outcomes. These goals and objectives should form the foundation for your analysis of the alternatives.

d. Devise the means by which this individual can measure the attainment (or progress toward achieving) these goals. If you cannot measure goal attainment, then perhaps you ought to reword your goals.

e. Order the major alternative solutions-rejected solutions first. There should be at most 2 or 3 alternatives.

i. For each rejected solution, indicate first, the reasons why the individual considered this alternative at all. What are the positive aspects of this course of action? (Relate to the goals and objectives section). [If there are no positive aspects, then this is not a viable alternative and should not be included here (any fictitious and unrealistic alternatives will be termed "straw man" choices). If an "alternative" is not truly viable and realistic, then put its rejection into the problem paragraph as a constraint or totally eliminate it.] Then for each rejected alternative, you should indicate why it is rejected (based on goals and objectives).

ii. For the chosen alternative, indicate first, any drawbacks this individual sees in following this path. Then indicate why this is the best alternative. This is often a lengthy analysis and would include some assessment of the uncertainties involved.

f. Indicate any specific actions this individual will take to implement and enforce this decision. Be as specific as possible. The analysis does not end merely by making a choice among alternatives. If an action is common to all alternatives, it probably belongs in the implementation section.

7. When finished, the case analysis should "hang together" in the sense that the chosen alternative should have some chance of solving the problem and achieving the stated goals. You will frequently find that you will have to reevaluate your statement of problems and goals continuously as the analysis proceeds.

(1) Chandler, A.J., Jr. and Tedlow, R. Manaqerial Capitalism, 1985, page ix.

DEBATE TOPICS

Odd-numbered teams are to agree and support the statement; even-numbered teams are to disagree and dispute the statement.

Each pair of teams may modify the statement, if both teams agree and if the instructor agrees.

Teams

1&2. NAFTA should be extended immediately and unconditionally to all of the Americas.

3&4. San Francisco Airport should be allowed to proceed with its preferred new runway plan.

5&6. The U.S. should declare Affirmative Action has been a success in fostering diversity in the workforce and return to merit as the main criterion in the workplace in order to enhance the competitive position of the U.S. in the international economy.

7&8. Catellus Development Corporation should give UCSF 40 free acres in its Mission Bay Development to ensure the continued preeminence of the S.F. Bay Area in biotechnology.

9&10. Developing countries should be exempted from environmental and labor standards.

11&12. President Bush should be given FAST TRACK authority to negotiate a new round of trade negotiations.

Grading weights for debates:

- (40%) A. Prepared presentation (each team member does one--maximum of four minutes)
- (10%) B. identification of the weaknesses of the opponent's presentation (each team member does one--maximum of one minute)
- (50%) C. Parts 3 (open debate among the primary debaters) and 4 (primary debaters become experts on the subject for questions from the class and may abandon their assigned positions)

NOTE THAT HALF THE GRADE REMAINS TO BE DETERMINED AFTER PARTS "A" AND "B" HAVE BEEN COMPLETED.