
Course Number: **MGMT 508**

Course Title: Business & Society

Semester & Year: Fall 2015

Classroom: ASM 1070

Meeting Time/Days: (002) Tue, 12:30-3:00 pm
(001) Tue, 7:30-9:00 pm

Instructor: Wellington Spetic

Email: spetic@unm.edu

Office Hours: ASM 2065, Tue 4-5 pm and by
appointment

1. PURPOSE AND METHOD

Course goals, or why am I here?

The short answer may be “because I can’t graduate without this course.” All accredited business schools are required to cover topics like those we will be covering in this course. The Anderson Schools of Management accomplishes this through a standalone course, and other business schools will do so by covering such material in other courses.

The long answer, however, involves another question: “Why do business-school accrediting bodies require that material related to Business and Society be covered?” Many of the “reasons” we would name would in fact be the names of companies: Enron, WorldCom, Tyco, American International Group and so on. All of these companies (and many others) illustrate what happens when top-level managers fail to take account of ethical, social, political, and legal consideration (you should know that while we will be discussing ethical issues in business, this is not just a course in “business ethics”). Further, business schools and accrediting bodies are responding to organizational demands for managers who are ethically aware. Business leaders and corporate stakeholders are increasingly recognizing that rules and ethical expectations for corporate activities are, *in the long run*, good for individual businesses and the institution of business.

There will be three segments in this course. The first segment will focus on how expectations for the role of business in society change over time. Here we will be using the concepts of corporate social responsibility, stakeholder analysis, and business ethics to make you more aware of how complex the organizational environment is and why it is important (for individuals and organizations) to be able to respond appropriately to stakeholder concerns.

The second segment deals with the legal and political environment. Obviously government at all levels has a profound impact on how businesses operate. Often stakeholder expectations for business get codified in law and regulation, but businesses in turn have considerable influence over political and legal processes.

The concluding segment focuses on organizational relations with particular stakeholder groups, including consumers, employees, stockholders, local communities, the media, and the natural environment. Sometimes expectations for corporate behavior are not codified in law, but organizations still need to respond to them in some way, and all organizations need good relationships with key stakeholders. In this segment, we will also focus on sustainability in business contexts, learn why sustainability has been dubbed the new “megatrend”, and see how sustainability can be used as a source of innovation.

Throughout this semester, we will also be discussing issues relate to both particular functional areas of business and to the formation of organizational strategies. Finally, because so many of the topics we will be discussing are in the news, we will be devoting the first 10 or 15 minutes to current events that touch on course-related topics. Please feel free to bring ideas and articles to class for this purpose!

In terms of my teaching style, because of the nature of the course (graduate students, lots of controversial and interesting topics with multiple appropriate solutions) there will be lots of interaction and discussion.

2. COURSE OBJECTIVES

- to heighten awareness of the complex character of organizational environments and lay a foundation for ethical and responsible behavior to deal with this complexity;
- to understand the political and legal contexts, in addition to the competitive market, that may support or limit the actions that a manager wants to take; and
- to understand the needs and desires of important stakeholder groups and how business can deal with them and issues important to them effectively.

3. TEXT AND/OR OTHER READINGS

There will be no required text for this class.

There is one required book, *Managing for Stakeholders: Survival, Reputation, and Success* by Freeman, Harrison, & Wicks, published in 2007 by Yale Univ. Press, which we will use for the second half of the classes.

All the rest of the material will be posted to UNM Learn.

4. PERFORMANCE MEASURES and GRADING

Grades will be based on class participation, in class quizzes, and individual and group assignments. The weights for these components are as follows:

Individual performance	Weight
Class participation and professionalism	20 %
Quizzes (5)	35 %
Documentary paper	30 %
Total for individual activities	85 %
Stakeholder team assignment	
Presentation	15 %
Total for team activities	15 %

Grading Scale

A+	98 – 100%	B+	88 – 89.9%	C+	78 – 79.9%	D+	68 – 69.9%
A	93 – 97.9%	B	83 – 87.9%	C	73 – 77.9%	D	65 – 67.9%
A-	90 – 92.9%	B-	80 – 82.9%	C-	70 – 72.9%	F	0 – 64.9%

Class participation

Grades for class participation will depend on both quality and frequency of participation. Quality is much more important than frequency. Students will receive high points for class participation when:

- their participation shows evidence of thoughtful analysis;
- their participation fits in with the flow of class discussion and demonstrates that they have been listening to and responding to others' viewpoints;
- they are able to influence the class to consider important avenues that it has neglected; and
- they are able to engage constructively in debating points with other students.

Less value will be placed on participation that repeats facts without analysis, or that disrupts the flow of the class discussion without good reason. Attendance of all classes and other activities is extremely important, as this is a course that relies heavily on class discussion and presentations. Discussion topics may have multiple interpretations and the answer to certain questions many times is "it depends." Feel free to challenge or build upon any material presented by the readings or the instructor. But, in doing so, make sure that you show respect for the viewpoints and opinions of your colleagues and the instructor. Disrespect in any form will not be tolerated.

Paper from the documentary

This assignment requires you to write an essay on any salient issue raised in the film. Construct a thesis statement – a short (25 words or less) summary statement – that encapsulates your position on the issue. You also need to demonstrate how the movie was the inspiration for your paper. In explaining your position make sure you address both the pros and cons of the issue, if applicable. Support your arguments using facts, avoid what you “believe” or “feel”. You should also make reference to three concepts that we’ve covered in the course so far. Include a conclusion summarizing the evidence presented. This assignment is due to me via email at spetic@unm.edu. It is due as indicated in the course calendar (further details will be available in Learn).

Team stakeholder analysis

Working in groups, this assignment requires you to choose any current (within the past 6 months) nonmarket issue facing a corporation. Explain the issue. Conduct a stakeholder analysis of the issue and explain the connection of each stakeholder to the issue. Explain and justify how the corporation should prioritize the different stakeholders in the issue. Construct a response to the issue for the corporation for the most important stakeholder. This assignment will be presented to the class as indicated in the course calendar (further details will be available in Learn).

Instructions for all writing assignments

- Your papers must contain proper citations. Organize your references in any style you like. The important thing is that someone else (like me) can find your information. When using internet material, please include the exact weblink for the page containing the information. Be consistent with the style you use.
- The format for all papers is a 12 point font, double spaced, with 1” margins on every side, and numbers on all pages after page one. Use topic headings to improve the flow of your paper.
- For hard copies, staple pages together. Do not paper clip or fold pages together.
- If you don’t already own a writing handbook, buy one. The Elements of Style by Strunk and White is my favorite. Whichever one you prefer, use it well.

Policies and procedures

Class attendance is a critical element of learning. More than **four** unexcused absences may result in an administrative withdrawal or a failing grade for the course. Equally important is active class engagement. I will assume that you have read the assigned materials before class, so we will be able to use our time together discussing, evaluating, and applying them to real business situations.

Please turn off cell phone ringers during class!

Ethical lapses like plagiarism and cheating will result in a failing grade for the course.

5. ACADEMIC INTEGRITY

Anderson School of Management faculty, staff and students commit to values of trust, honesty, integrity, and accountability. We will not tolerate academic dishonesty. By enrolling in any course at Anderson, the student accepts the Anderson Academic Honesty Code and affirms the following pledge: I will not lie, cheat, fabricate, plagiarize or use any other dishonest means to gain unfair academic advantage.

Any violation of the code of conduct will be taken very seriously and appropriate sanctions will be applied. FOR FULL TEXT OF ANDERSON'S ACADEMIC HONESTY CODE, please visit <http://www.mgt.unm.edu/honesty>

6. ADA STATEMENT

Reasonable accommodation will be given to any individual with a legitimate disability. Please contact the instructor privately for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

TENTATIVE COURSE CALENDAR

MGMT 508 Fall 2015

Prof. Wellington Spetic

Class	Date	Topic	Readings and Activities
1	8/18	Syllabus	Introduction to the course
2	8/25	Business Ethics, I: Utilitarianism, Rights, & Justice	Velasquez, M. Ethical Principles in Business, chapter 2, pp. 70-122 from <i>Business Ethics: Concepts and Cases</i> . Pearson: New York. Case: The Parable of the Sadhu
3	9/1	Business Ethics, II: Organizational ethics	Carroll, A. B. and Buchholtz, A. K. 2014. Personal and Organizational Ethics, chapter 8, pp. 231-256 from <i>Business and Society: Ethics, Sustainability, and Stakeholder Management</i> (9th edition). Cincinnati, OH: Southwestern. In-class activity: Designing an organizational ethics program Quiz 1 – Personal and Organizational Ethics
4	9/8	The Business and Society relationship: What do we mean by CSR anyway?	Maier, P. 1993. The revolutionary origins of the American corporation. <i>The William and Mary Quarterly</i> , Third Series, Vol. 50, No. 1, Law and Society in Early America (Jan., 1993), pp. 51-84. (Read pages 51-60 only) Waddock, S. 2008. The development of corporate responsibility/corporate citizenship. <i>Organization Management Journal</i> , 5: 29-39. Frederick, W. C. 1994. From CSR1 to CSR2: The maturing of business and society thought. <i>Business & Society</i> , 33: 150-164.
5	9/15	<i>No Readings</i>	Assignment: watch the film <i>Inside Job</i> (part of quiz 2)
6	9/22	Corporate Social Performance: The empirical side of CSR	Carroll, A. J. 1979. A three-dimensional model of corporate social performance. <i>Academy of Management Review</i> , 4: 497-505. Wood, D. J. 1991. Corporate social performance revisited. <i>Academy of Management Review</i> , 16: 691-718. Orlitzky, M., Schmidt, F. L. and Rynes, S. L. 2003. Corporate Social and Financial Performance: A Meta-analysis. <i>Organization Studies</i> , 24: 403-441 Quiz 2 – CSR, CSP, and Film <i>Inside Job</i>

7	9/29	Strategic management and CSR Issue management and crisis management	<p>Porter, M. E. and Kramer, M. R. 2006. Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility. <i>Harvard Business Review</i>, December: 78-92.</p> <p>Carroll, A. B. and Buchholtz, A. K. 2012. Chapters 6, pp. 148-174 from <i>Business and Society: Ethics, Sustainability, and Stakeholder Management</i> (8th edition). Cincinnati, OH: Southwestern.</p> <p>Case: Nike, Inc. and Sweatshops</p> <p>Assignment: Bring in one article which exemplifies either a public issue or a company dealing with a corporate crisis.</p>
8	10/6	Stakeholder view of the firm, foundational readings	<p>Freeman, Harrison, and Wicks. 2007. Managing for Stakeholders. Yale Univ. Press. Read Chap. 1</p> <p>Mitchell, R. K., Agle, B. R., and Wood, D. 1997. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. <i>The Academy of Management Review</i>, Vol. 22, No. 4, pp. 853-886.</p> <p>Quiz 3 – Strategy & CSR, Issue & Crisis Management, Stakeholder management</p>
9	10/13	Government as stakeholder: Business, government, and regulation	<p>Freeman, Harrison, and Wicks, chap. 2-3</p> <p>Barry Mitnick. 1981. The Strategic Uses of Regulation – And Deregulation, <i>Business Horizons</i>, 24: 71-83.</p> <p>Case: Should Directors Shine Light?</p>
10	10/20	<i>No Reading</i>	Documentary <i>Merchants of Doubt</i> – movie and class discussion
11	10/27	Stockholders as stakeholders: Corporate governance	<p>Freeman, Harrison, and Wicks, chap. 4-5</p> <p>Case: The HP Pretexting Predicament</p> <p>Assignment: Bring in an article demonstrating a corporate governance failure.</p>

12	11/03	Consumers and employees as stakeholders	<p>Freeman, Harrison, and Wicks, chap. 6</p> <p>Buren, H., & Greenwood, M. 2008. Enhancing Employee Voice: Are Voluntary Employer–Employee Partnerships Enough? <i>Journal of Business Ethics</i>, 81(1), 209-221.</p> <p>Quiz 4 – Business & Government, Corporate Governance, Consumers and Employees</p>
13	11/10	<p>Nature of the legal system & Contracts</p> <p><i>Guest Lecturer:</i> <i>Amelia Nelson</i></p>	<p>Segal, Martin E. 2005. Proper Contract Management from <i>Preventive Law for Business Professionals</i>. Thompson.</p> <p>Hadfield, Gillian K. 2011. Law of Increasing Returns. <i>Miller-McCune</i>, July/August, 38-47.</p> <p>Contracts I: Nature, classification, agreement, and consideration Contracts II: Capacity, legality, consent, and form Contracts III: Discharge, breach, and remedies</p> <p>Paper inspired by the film due.</p>
14	11/17	<i>No reading</i>	Guest speaker – TBD
15	11/24	Sustainability (I)	<p>Nidumolu, R., Prahalad, C.K., Rangaswami, M.R. 2009. Why sustainability is now the key driver of innovation. <i>Harvard Business Review</i> 87(9): 56–64.</p> <p>Lubin, D.A. and Esty, D.C. 2010. The sustainability imperative. <i>Harvard Business Review</i> 88(2): 42–50.</p> <p>Video Documentary: Carbon Nation</p>
16	12/1	Sustainability (II)	<p>Laszlo, C. and Zhexembayeva, N. 2011. Embedded Sustainability: the next big competitive advantage. Stanford business books. 269 p. Read pages 6-29.</p> <p>Video Documentary: Burt’s Bees</p> <p>Quiz 5 – Legal Systems/Contracts, Guest Speaker, and Sustainability</p>
17	12/8	<i>No Reading</i>	Group Presentations (stakeholder analyses)