

Anderson School of Management

University of New Mexico

**Ethical, Social, Political, and Legal Environment of Business**

**MGMT 508.001**

Spring 2015

Instructor: Jens Deichmann

Class hours: Monday 7:00- 9:30 PM

Room: ASM 1064

Phone: 681-2536 (cell)

Office: ASM 2135

E-mail: [jdeichmann@unm.edu](mailto:jdeichmann@unm.edu)

Office Hours:

Monday & Tuesday 6:15 – 7:00 PM and by  
appointment

**Course goals, and why take this course**

All accredited business schools are required to cover topics like those we'll be covering in this course. The Anderson School of Management accomplishes this through a standalone course, and other business schools will do so by covering such material in other courses.

There are many reasons why business-school accrediting bodies require that material related to the ethical, social, political, and legal environment of business be covered in our curriculum. Some of the high-profile reasons include the stories of such companies as Enron, WorldCom, Tyco, and American International Group. These companies, and many others, illustrate what happens when top-level managers fail to take account of ethical, social, political, and legal considerations. Beyond these more obvious cases, business schools and accrediting bodies are also responding to business organizations which increasingly expect their managers and leaders to be ethically aware and literate. More and more business leaders and corporate stakeholders recognize 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. We'll use concepts of corporate social responsibility, stakeholder analysis, and business ethics to illustrate 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. Government at all levels has a profound impact on how businesses operate. While stakeholder expectations for business often get codified in law and regulation, businesses also 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. Further, all organizations need good relationships with key stakeholders.

Throughout this semester, we'll discuss issues related to both particular functional areas of business and to the formation of organizational strategies. Finally, because so many of the topics we'll be discussing are in the news, we'll devote the first 15 minutes or so to current events that touch on course-related topics. I expect you to bring ideas and articles to class for this purpose.

Because of the nature of the course (graduate students, lots of controversial and interesting topics with multiple appropriate solutions) it will be your responsibility to engage in lots of interaction and discussion.

Finally, my goal is for you to leave this class with an understanding and appreciation of how business can truly serve society and advance the triple bottom line of people, planet, and profit.

### **Course materials**

We will use one text, multiple sources in the literature of business ethics and society, and on-line resources. Study groups will be formed to identify, critique, and report on relevant articles in the academic literature that are of particular interest to them.

*Required Text:*

Carroll, Archie B. and Buchholtz, Ann K. 2015. *Business & Society: Ethics, Sustainability, and Stakeholder Management* (9th edition). Cincinnati, OH: Southwestern. [Abbreviated C&B.]

*Supplemental articles will be drawn from the many sources available through the University libraries, e.g., Journal of Business Ethics and Business Ethics Quarterly*

*These and other materials will be posted on Blackboard or handed out in class.*

### **Course requirements**

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

- your participation shows evidence of thoughtful analysis,
- your participation fits in with the flow of class discussion and demonstrates that they have been listening to and responding to others' viewpoint,
- you are able to influence the class to consider important avenues that it has neglected,
- you 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 since this is a course that relies heavily on class discussion and presentations.

***Paper the film Capitalism: A Love Story (CALs).*** 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 two concepts that we’ve covered in the course so far. Include a conclusion summarizing the evidence presented. This assignment should be no shorter than 7 pages. This assignment will be submitted via UNM Learn Blackboard. It is due as indicated in the course calendar.

**Team stakeholder analysis.** Working with 2 other students, 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 should be no shorter than 15 pages. The due date for this assignment is midnight the day of our scheduled final. Presentations by the study groups will be made on the last scheduled class meeting.

### **Instructions for all writing assignments**

1. **YOUR PAPERS MUST CONTAIN PROPER CITATIONS.** Organize your references in any style you like. The important thing is that someone else 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
2. The format for all papers is a 12 point font, **double spaced**, with 1” margins on every side.
3. Number all pages after page one.
4. Submit all Reflection Papers only via UNM Learn Blackboard
5. Submit remaining assignments by hard copy and UNM Learn Blackboard
6. Staple pages together. DO NOT paper clip or fold pages together.
7. If you don't already own a writing handbook, buy one. *The Elements of Style* by Strunk and White is a good one. Whichever one you prefer, use it well.
8. Use topic headings to improve the flow of your paper.

### **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'll be able to use our time together discussing, evaluating, and applying them to real business situations.

Please turn off cell phone ringers and put them away. Use of other electronic devices such as laptops, tablets etc. shall only be used during group research and writing activities. They are to be put away during lectures and class discussions.

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

If you are a qualified person with disabilities who might need appropriate accommodations in this class, *please communicate with me as soon as possible*. It is often the case that we will need to coordinate accommodating activities with other campus offices.

### **Grading**

Grades will be assigned based on the following criteria and corresponding points for a total possible 1,000 points.

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| • Class participation/contribution to discussions            | 300 |
| • Reflection papers (30 pts/paper)                           | 300 |
| • CALS paper   | 200 |
| • Final stakeholder team assignment – presentation and paper | 175 |
| • Group members' assessments of your contribution            | 25  |

Point Range	Letter Grade
971 – 1000	A+
931 – 970	A
900 – 930	A-
871 – 899	B+
831 – 870	B
800 – 830	B-
771 – 799	C+
731 – 770	C
700 – 730	C-
600 – 699	D
< 600	F

**Tentative course calendar (subject to change)**

<u>Date</u>	<u>Text/Reading</u>	<u>Topic(s)</u>
1/12	Syllabus	<p>Introduction to the course</p> <ul style="list-style-type: none"> <li>• Goals of students and instructor</li> <li>• Structure of class</li> <li>• Establish study groups</li> <li>• Approaches to learning</li> <li>• Initial discussions on the course subject based on experience, philosophy, etc.</li> </ul>
1/19	C&B text	<p>Chapter 1 - The Business and Society relationship Chapter 2 - Corporate Citizenship: Social responsibility, responsiveness, and performance</p> <p><b>Assignment:</b> In this 2-page reflection paper, you will weigh the evidence presented on pages 40-42 of the C&amp;B text concerning arguments for and against CSR. What are your beliefs concerning this debate? Give evidence to support your opinion.</p>
1/26	C&B text	<p>Chapter 3 – The Stakeholder Approach to Business, Society, and Ethics</p> <p><b>Assignment:</b> A 2-page reflection (#2) on your understanding of roles and importance of direct and indirect stakeholders, and how they may come to overlap. Use the case studies to illustrate and support your views.</p>
2/7	The Future of Capitalism, Zsolnai, L., 2011.	<p><b>Assignment:</b> Read and reflect on Zsolnai’s rationale, his conclusions, and implications. What might a “radical transformation of business” look like? Provide a critique. 2-3 pages Reflection #3 Available at: <a href="#">zsolnai_future_of_capitalism.pdf</a></p>
2/14	C&B text	<p><b>Assignment:</b> Read Chapter 7 - Business Ethics Fundamentals</p> <p><b>In class activity:</b> <i>Capitalism: A Love Story (CALs)</i>, movie and class discussion</p>
2/21	C&B text and book review	<p>Chapter 8 - Personal and Organizational Ethics Christopher McMahon, <i>Authority and Democracy</i> 4pp.</p> <p><b>Assignment:</b> Reflection #4</p> <p><b>In-class group activity:</b> Designing an organizational ethics program. Apply what you learned from Chapters 7&amp;8</p>
2/28	C&B text	<p>Chapter 5 - Strategic management and corporate public affairs Chapter 6 - Issue management and crisis management</p> <p><b>Case:</b> Nike, Inc. and Sweatshops pp. 601-609</p> <p><b>Assignment:</b></p> <ul style="list-style-type: none"> <li>• Bring in one article which exemplifies either a public issue or a company dealing with a corporate crisis</li> <li>• Reflection #5 on case and its relationship to the chapter readings</li> </ul>

3/6	Generational equity and business	Article available on Blackboard: <i>Can Businesses Move Beyond Efficiency? The Shift toward Effectiveness and Equity in the Corporate Sustainability Debate</i> William Young and Fiona Tilley, 2006 <b>Assignment:</b> Turn in paper on CALS movie
3/13	<b>No Class</b>	<b>Spring Break</b>
3/20	C&B text	Chapter 11 - Government as stakeholder: Business, government, and regulation Chapter 12 - Business influence on government and public policy <b>Assignments:</b> <ul style="list-style-type: none"> <li>• Reflection paper #6</li> <li>• Bring in an article illustrating how a business is behaving as a political actor. Be prepared to discuss in class</li> </ul>
3/27	C&B text	Chapter 4 - Stockholders as stakeholders: Corporate governance <b>Case:</b> The HP Pretexting Predicament, case on Blackboard <b>Assignment:</b> Reflection #7 on Case in context of the chapter reading
4/3	C&B text	Chapter 13 - Consumer stakeholders: Information, issues, and responses Chapter 14 – Consumer stakeholders: Product and service issues <b>Case:</b> Walmart: The Main Street Merchant of Doom, pages 569-578 <b>Assignments:</b> <ul style="list-style-type: none"> <li>• Reflection #8 on Walmart. What are the issues presented, what are the costs and benefits to society on balance?</li> <li>• Bring in an article about a consumer boycott. Was it effective?</li> </ul>
4/10	C&B text	Chapter 17 - Employee stakeholders: Workplace Issues Chapter 18 - Employee stakeholders: Privacy, Safety and Health <b>Case:</b> To be assigned <b>Assignment:</b> Reflection #9
4/17	C&B text	Chapter 15 - The natural environment as stakeholder Chapter 16 - Business and community stakeholders <b>Case:</b> The Hudson River Cleanup and GE, pages 640-645 <b>Assignment:</b> Reflection #10
4/24	Reading from the Economist	<i>Self-made Wealth in America: Robber barons and silicon sultans</i> Class discussion
5/1		Presentations on team stakeholder analyses

**Stakeholder analysis paper due by midnight, May 8**