

MASTER OF BUSINESS ADMINISTRATION PROGRAM

- COURSE NUMBER:** MBAD 260 (11)
- COURSE TITLE:** Business and Public Policy **CREDIT UNITS:** 2
- OFFERED:** Spring 2007 (Mondays)
- COURSE DESCRIPTION:** Political, legal, social, economic and ethical forces acting upon business. Interaction of the market system and public policy process in the development of law and regulation.
- INSTRUCTOR:** D. Jeffrey Lenn, Ph.D.
Professor of Strategic Management & Public Policy
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Office: Funger Hall 615D
- REQUIRED TEXTS:**
- o Archie B. Carroll & Ann K. Buchholtz, Business and Society: Ethics and Stakeholder Management, Sixth ed. (Mason, OH: South-Western, 2006) (C&B)
 - o Pietra Rivoli, The Travels of a T-Shirt in the Global Economy: An Economist Examines the Markets, Power and Politics of World Trade Hoboken, NJ: John Wiley & Sons, 2005) (R)
- SUPPLEMENTAL READINGS:** Additional readings and case studies will be utilized to supplement the texts in order to highlight key concepts in the course.
- RECOMMENDED READING:** Daily newspapers such as **The Washington Post**, **The New York Times** and **The Wall Street Journal**. Contemporary periodicals and journals such as **Business Week**, **The Economist** and **The National Journal**.
- COURSE OBJECTIVES:** This course provides a foundation for understanding business in its broader social context. It focuses on the political, legal, economic, social, and ethical environments in which business operates. It highlights the interaction of the market system and the public policy process in the development of law and regulation. Students will analyze specific contemporary public policy issues involving business and its various external and internal stakeholders. A key objective is to enhance student

managerial skills in dealing with the complex public policy issues confronting the contemporary business enterprise.

**ASSIGNMENTS &
EXPECTATIONS:**

Participation

Preparation, attendance and active participation in every class is essential to the shared enterprise of learning, a series of events that includes both the instructor and students. Each student will be responsible for preparing one of the major cases in the course, using a suggested format, and will act as a "class expert" during the class discussion that night.

Stakeholder Analysis

Each student will complete a comprehensive stakeholder analysis of a company, governmental agency or not-for-profit organization. The analysis will utilize the stakeholder model that is introduced in class. This is an individual assignment.

Issue Brief

Each student will complete an issue brief on a current public policy issue that is having a major impact on business. A suggested format for this assignment will be distributed at the beginning of the semester. This assignment can be completed individually or in partnership with one other class member.

Final Examination

There will be one examination in the course. It is designed to assess a student's grasp of key concepts as well as his or her capacity to understand management practice.

GRADING:

Evaluation of student performance will be based on the following formula:

Stakeholder Analysis	30 %
Issue Brief	30 %
Final Exam	25 %
Class Participation	15 %

Evaluation of the course and the instructor will be completed on the final evening of class.

DATE SESSION TOPICS AND ASSIGNMENTS

I. INTRODUCTION TO BUSINESS & PUBLIC POLICY

Jan. 22	1	A. The Current Debate about Business & Public Policy Overview of the course. Introductions to each other. Overview of the field of study. Discussion of current issues. Exercise: "Business in the News"
Jan. 29	2	B. The External Environment of Business The dynamic external environment of business. Models of the business and public policy process relationship. Managing on the corporate "boundaries." Reading: C&B, Ch. 1 Case: "The Global Compact" (HO and online)

- Feb. 5 3 **C. Society, the Market System and Business**
 The institutional foundations of society. Evolution of the market system within societies.
Reading: R. Buchholz, "Conceptual Foundations of Public Policy" (HO)
- Feb. 12 4 **D. Markets, Power and the Politics of World Trade – Part 1**
 The impact of globalization on societies and economies. Domestic farming and global commodity markets. Manufacturing and "The Long Race to the Bottom."
Reading: R, Parts I & II (Chs. 1 – 6)
Case: "Travels of a T-Shirt (A)"
- Feb. 19 **PRESIDENT'S DAY**
- Feb. 26 5 **E. Markets, Power and the Politics of World Trade – Part 2**
 The impact of globalization on domestic industries. Trade policy and protectionism. Differential impact of globalization on developed and developing countries.
Reading: R, Parts III & IV (Chs. 7 – 11)
Case: "Travels of a T-Shirt (B)"
- II. BUSINESS RESPONSE TO THE PUBLIC POLICY PROCESS**
- Mar. 5 6 **A. Business, Stakeholders and Society**
 Competing theories of the firm – shareholders vs. stakeholders. The stakeholder model as an analytical and managerial tool. Mapping, managing and responding to stakeholders.
Reading: C&B, Ch. 3
Case: "Wal-Mart: The Main Street Merchant of Doom" (#1, p. 633+)
- Mar. 12 **SPRING BREAK**
- Mar. 19 7 **B. Corporate Social Responsibility and Citizenship**
 Societal demands and corporate responsiveness. The corporation as citizen. Corporate social responsibility and performance.
Reading: C&B, Ch. 2
 "Rethinking Corporate Social Responsibility" (HO)
Case: "Corporate Social Responsibility in 3 Companies" (HO)
- Mar. 26 8 **C. Ethics in Business**
 Markets, business and ethics. Ethics as a discipline and a framework for managerial decision making.
Reading: C&B, Chs. 6 & 7
 D.J. Lenn, "Ethics in a World of Corporate Social Responsibility" (HO)
Cases: "Jon Huntsman" (HO)
 "Phantom Expenses" (#10, p. 663 – CB)

III. MANAGING THE RELATIONSHIP BETWEEN BUSINESS AND SOCIETY

- Apr. 2 9 **A. Strategic Management and Public Affairs Management**
Strategic management as the integrator of corporate activity. Corporate public affairs and strategic management. Utilizing the tools of issues management and crisis management.
Reading: C&B, Chs. 4 & 5
Case: “Collaborating with Activists: How Starbucks Works with NGOs” (HO)
- Apr. 9 10 **B. Government, Business and Society**
Government as an institution and interest group. Government and the market process – owner, partner, regulator. Regulation of business.
Reading: C&B, Ch. 10
Cases: “With Swiss Cheese, It’s All in the Eyes” (HO)
“Harvesting Cash” (HO)
- Apr. 16 11 **C. Formulation and Implementation of Corporate Political Strategy**
Political strategy development and execution. Executive, legislative and judicial foci. The special case of electoral politics.
Reading: C&B, Ch. 11
J. Mahon, “Corporate Political Strategy” (HO)
Case: TBA

IV. KEY BUSINESS STAKEHOLDERS AND PUBLIC POLICY ISSUES

- Apr. 23 12 **A. Owners and Shareholders**
The split between ownership and management. The agency theory of management. Corporate governance issues.
Reading: C&B, Ch. 19
Case: “How We’re Fixing Up Tyco” (HO)
- Apr. 30 13 **B. Employees**
Key market assumptions about work, labor and employees. Employee protection – employer, government or union responsibility? The impact of globalization on employee issues.
Reading: C&B, Chs. 16, 17 & 18
Cases: “Nike, Inc.” (# 17, p. 670+)
- May 2** 14 **C. Consumers**
The role of consumers in the market system. Consumer protection—seller or government responsibility? The special case of product liability.
Reading: C&B, Chs. 12 & 13
“Calling Customers to Action at Timberland” (HO)
Case: “The Coffee Spill Heard ‘Round the World” (McDonald’s)
(#25, p. 691+)

TBA FINAL EXAMINATION

(** Designated Monday on GWU Calendar)