

**SUFFOLK UNIVERSITY
SAWYER SCHOOL OF MANAGEMENT**

**MBA-680 – Managing in the Ethical and Legal Environment
Summer 2007**

**Monday and Wednesday 5:00pm – 7:40pm
Sawyer 808**

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Model Course Syllabus

Course Description

This course utilizes multi-disciplinary analytical techniques and case analysis as strategic management tools to assist executives in successfully navigating an increasingly complex, evolving and highly competitive business environment in which ethical, legal, economic and regulatory forces are continuously reshaping the global marketplace both to create and limit competitive opportunities.

Reading Materials

The reading materials for this course consist of a textbook, a publisher-customized reading packet, and additional handout materials at the discretion of the instructor. It is not expected that all of the textbook and case materials will be covered in every class section. The materials are intentionally broad enough to provide individual instructors with reasonable latitude in selection and treatment.

A. Textbook

M. Jennings, Business: Its Legal, Ethical and Global Environment (7th ed.)

Key Chapters:

Chapter 1 – “Business: Its Legal, Ethical and Judicial Environment”

Chapter 2 – “Business Ethics and Social Responsibility

Chapter 3 – “The Judicial System”

Chapter 4 – “Managing Disputes: Alternative Dispute Resolution and Litigation Strategies”

Chapter 5 – “Business and the Constitution”

Chapter 6 – “Administrative Law”

Chapter 7 – “International Law”

B. Customized Reading Packet (McGraw-Hill)

Contents:

1. James E. Post et al., Business and Society: Corporate Strategy, Public Policy, Ethics (10th ed. 2002 McGraw-Hill/Irwin)

Ch. 1 – “The Corporation and its Stakeholders” (pp. 2-28)

Ch. 2 – Discussion Case: **McDonald’s** (pp. 52-54)
(libel; junk food issues)

Ch. 3 – “Corporate Social Responsibility” (pp. 56-78)

Ch. 4 – Discussion Case: **Van City** (pp. 96-98)
(social auditing; stakeholder analysis)

Ch. 5 – “Ethical Dilemmas in Business” (pp. 100-124)

Ch. 6 – Discussion Case: **PPG** (pp. 148-149)
(global code of ethics)

Ch. 7 – “Business and Public Policy” (pp. 152-183)

Ch. 8 – “Managing Business – Government Relations” (pp. 184-209)

- Ch. 11 – Discussion Case: **Intel/Arizona** (pp. 280-282)
(air/water pollution; agreement with the EPA)
- Ch. 12 – Discussion Case: **E-Commerce** (pp. 302-304)
(ethics issues in e-commerce)
- Ch. 13 – Discussion Case: **Napster** (pp. 324-326)
(copyright issues; music piracy)
- Ch. 14 – Discussion Case: **Archer Daniels Midland** (pp. 3490-351)
(corporate governance; stockholder activism)
- Ch. 15 – Discussion Case: **Smith & Wesson** (pp. 372-373)
(handgun regulation)
- Ch. 17 – Discussion Case: **Kimball Plastics** (pp. 423-425)
(workplace smoking restrictions)
- Ch. 18 – Discussion Case: **Coca-Cola** (pp. 449-451)
(racial discrimination)
- Ch. 20 – Discussion Case: **World Trade Organization** (pp. 498-501)
(globalization/free trade)
- Case Study: **Odwalla, Inc.** (pp. 504-514)
(food safety issues)
- Case Study: **Columbia/HCA** (pp. 524-535)
(health care fraud)
- Case Study: **Tobacco Industry** (pp. 536-547)
(tobacco advertising/regulation)
- Case Study: **Nike** (pp. 570-580)
(use of foreign “sweatshop” labor)
- Case Study: **Shell Oil** (pp. 581-592)
(environmental protection/worker issues in emerging economies)

2(A). L.P. Hartman, Perspectives in Business Ethics (1998, McGraw-Hill/Irwin)

- (a) S. Kelman, “Cost-Benefit Analysis: An Ethical Critique” (pp. 35-40)
- (b) Ayn Rand, “America’s Persecuted Minority: Big Business” (pp. 84-87)
- (c) **Ford Pinto** Case (pp. 340-356)

- 2(B). L. P. Hartman, Perspectives in Business Ethics (2d ed. 2002, McGraw-Hill/Irwin)
- (a) Ronald Merrill, “The Ideas of Ayn Rand” (pp. 116-120)
 - (b) Lynn Sharp Paine, “Venturing Beyond compliance” (pp. 133-137)
 - (c) R. E. Freeman, “A Stakeholder Theory of the Modern Corporation” (pp. 171-181)
 - (d) Milton Friedman, “The Social Responsibility of Business is to Increase Profits” (pp. 225-230)
 - (e) Adam Smith, “The Wealth of Nations” (pp. 237-241)
 - (f) L. K. Trevino et al., “Managing Ethics and Legal Compliance” (pp. 339-348)
 - (g) Ch. 13 – “Ethics in Global Business” (pp. 730-746)
3. Charles W.L. Hill, Global Business Today (2004 McGraw-Hill/Irwin)
- Ch. 2 – “Country Differences in Political Economy” (pp. 42-93)
4. T. McAdams, Law, Business and Society (6th ed. 2001 McGraw-Hill/Irwin)
- Ch. 1 – “Capitalism and the Role of Government: (pp. 3 – 31)
- Ch. 3 – “The Corporation and Public Policy,” Part Two: Corporate Social Responsibility (pp. 89-95)
- Ch. 6 – “International Ethics and Law” (pp. 201-241)
- 5(A). G. A. Steiner and J. F. Steiner, Business, Government and Society: A Managerial Perspective (9th ed. 1999 McGraw-Hill/Irwin)
- Ch. 9 – Case Study: **Airline Deregulation** (pp. ?)
(airline deregulation; balancing regulation and free enterprise)
- Ch. 12 – Case Study: **North American Free Trade Agreement** (pp. ?)
(NAFTA; job loss, environmental and worker issues in Mexico)
- Ch. 13 – Case Study: **Caterpillar Inc. and Global Competition** (pp. ?)
(unions; labor-management relations; staying competitive in a global market)
- 5(B). G. A. Steiner and J. F. Steiner, Business, Government and Society: A Managerial

Perspective (10th ed. 2003 McGraw-Hill/Irwin)

Ch. 6 – Case Study: **Levi Strauss & Co.** (pp. 185-194)
(ethical issues relating to FDI in China)

Ch. 7 – Case Study: **Dow Corning** (pp. 228-238)
(medical device defects; federal regulation of foods and drugs; “junk science” issues)

Ch. 10 – Case Study: **Microsoft** (pp. 331-341)
(antitrust; limits on competition in a mixed economy)

Ch. 12 – Case Study: **Union Carbide** (pp. 413-423)
(environmental hazards/worker safety in an emerging economy)

Ch. 15 – Case Study: **Johns Manville** (pp. 528-536)
(asbestos; bankruptcy; reach of products liability)

6. Paul W. Beamish et al., International Management (2003 McGraw-Hill/Irwin)

Ch. 3 – “The World of International Trade” – Comparative and Competitive Advantage; New Theories of International Trade (pp. 47-56)

Ch. 12 – “Strengthening International Government Relations” (pp. 216-227)

Ch. 44 – Case Study: **Sicom GmbH and CD Piracy** (pp. 687-692)
(copyright; music piracy in foreign countries)

7. Thomas G. Marx, “The Cost of Living: Life, Liberty and Cost-Benefit Analysis,” Policy Review (1938)

8. Keith Davis, “The Case for and Against Business Assumption of Social Responsibilities,” 16 Academy of Management Journal 312 (1973)

9. David Silverstein, “The Litigation Audit: Preventive Legal Maintenance for Management,” 31 Business Horizons 34 (1988)

Course Overview and Pedagogy

This multi-disciplinary course is carefully designed to juxtapose competing ideological/philosophical viewpoints on the ethical, legal, and economic environment of business in the United States and in other countries/regions of the world with related business case studies. The case studies will serve as focal points or springboards for exploring related legal and ethical principles.

As one example, we will see how the avalanche of asbestos litigation, which drove the Johns Manville Corporation into bankruptcy, and which continues to plague American businesses today, was precipitated by a deceptively simple judicial reinterpretation of the statute of limitations doctrine.

As another example, in week 2 of the Class Schedule, Kelman's piercing ethical critique of the pervasive practice of "cost-benefit" analysis will be examined alongside the Ford Pinto case study in which Ford's "bean counters" apparently concluded that it would be less expensive to pay legal damages to injured victims than to recall millions of automobiles to correct the potentially deadly fuel tank defect.

In another example, in week 3 of the Class Schedule, Ayn Rand's famous 1961 lecture on "America's Persecuted Minority: Big Business" (delivered in Boston's Ford Hall Forum), in which she called for repeal of United States antitrust laws, is juxtaposed with the current Microsoft Antitrust case study.

Resolution of the problems at the heart of the business case studies in this course require finding appropriate accommodation among competing underlying legal, ethical, and economic principles. The process of arriving at accommodation further entails a high degree of integration of the various business and social forces at play. A mixture of lecture, class discussion, case analysis, and several major and/or minor individual/group projects are used to relate principles to business cases. Films, simulations, and guest speakers may also be used in some sections of this course.

Students will be challenged to alternatively defend or critique the ways in which management chose to address the problems in the various case studies, to assess whether the problems were foreseeable and preventable, and to propose different, more effective strategies to prevent or ameliorate such problems in the future.

Learning Objectives

Students will learn the essential features of a modern legal system including key differences between a common law legal system (e.g., the United States) and a civil law "code" legal system (e.g., Europe and Japan), the meaning of "rule of law," key differences between civil law and criminal law, basic legal procedures and terminology and management strategies for anticipating and controlling litigation affecting their businesses.

Students will also learn the foundations of the perennial debates over whether and to what extent ethics and social responsibility should play a role in business decisionmaking, approaches

to measuring and allocating the costs and benefits to a business of practicing social responsibility, techniques for carrying out a social assessment and stakeholder analysis, and management strategies for anticipating and perhaps preempting government regulation of business practices.

Using business case studies to synthesize the ethical and legal dimensions of the course, students will learn to formulate and apply appropriate management and leadership strategies to cope with continuously changing legal and ethical environments in the United States and abroad.

Detailed Course Description

Introduction

The course begins by considering why a business manager should ever be concerned with social responsibility. The course will briefly explore the arguments of some scholars and business leaders who believe that corporate social responsibility should be a matter of ethics and altruism and compare these arguments with others who take a more pragmatic, profit-maximizing approach. Subsequent portions of the course will consider the extent to which these different approaches to business ethics and corporate social responsibility can be consistent with, or are already embodied in, current laws, regulations and judicial decisions.

Part 1

The course then continues with an overview of the history, theory and practice of the American legal system and the structure of the American courts, along with cross-cultural comparisons on selected issues to alternative legal systems such as the European civil code system. In this part of the course, you will be introduced to certain key legal terminology, learn how lawsuits are initiated, and how a legal action evolves through the motion and discovery stages to trial and ultimately to appeal. At each stage of the legal process, key management considerations – e.g., timely response to a law suit, the cost and time demands of “discovery,” and the pros and cons of alternative dispute resolution – will be emphasized. Business case studies will be utilized as focal points for demonstrating the importance of key aspects of the legal system to management policy and strategy.

Part 2

With this background, the course moves to the development of an analytical framework for managers to use in addressing the contemporary legal, ethical and economic environment of business. The framework consists of a three-step analysis: 1) analyzing the relevant social/ethical/stakeholder issues; 2) analyzing the relevant business/economic issues; and 3) analyzing the relevant legal/regulatory issues.

Part 3

Finally, in the last part of the course, selected case studies and group case presentations will be used to synthesize principles and techniques learned in the course. The case studies may address, among others, issues relating to the environment, labor relations, consumer welfare,

corporate financial practices, women and minorities in business, as well as international aspects of corporate social responsibility for multinational corporations. In a group class presentation and an individual term paper, students will apply the analytical frameworks developed earlier in the course to these cases in order to develop appropriate strategic policies for managers to avoid or better deal with similar problems in the future in the United States or in another country/region of the world.

Course Requirements/Grading

Grading will be based on an in-class exam (40%), an in-class case presentation (20%) and an individual take-home final paper (40%). Regular and effective class participation, including assisting in discussing the weekly case studies, will be noted and earn extra credit. Students are expected to attend classes regularly; to arrive prepared to discuss the assigned readings, and to actively participate in class discussions. Material and instructions relating to the final paper will be handed out and discussed in class later in the term. In addition to presenting the substantive elements of the course materials, this course is designed to further develop and refine the student's writing and oral communication skills.

Other Matters

1. Required Readings

You are responsible for all of the assigned readings whether or not we actually discuss them in class. In general, classroom time will be used for a broad-based discussion of the assigned topics according to the course outline, not necessarily to discuss specific readings and cases. The readings and cases will provide background you will need in order to participate in our class discussions in a meaningful way. Therefore, it is crucial that you come to class fully prepared.

2. Class Participation

Classes will be conducted partly by lecture and partly by law-school style "Socratic Method". During class, you will be expected to answer questions, give explanations, or offer your own opinions on the cases and topics under discussion.

3. Study Groups

In general, there are no clear "right" or "wrong" answers to many contemporary business and society problems. Instead, there are often just differing points of view reflecting varying approaches to the same factual situations. To cope successfully, understanding the different viewpoints is often more important than being "right".

The best forum in which to test your own intuitive feelings about a case or problem against those of your colleagues is by forming small study groups of 4-6 students to meet regularly at least once a week to discuss the assigned readings and the issues raised in class. You will also have the opportunity to use your study group as the nucleus of your class presentation group.

Popular Movies Related to Course Materials

In recent years, a number of popular movies have revolved around some of the very business-society conflicts which are at the heart of this course. Some of these are better movies and more accurate representations of real life than others, but all of them dramatize the growing importance to business executives of properly managing in the ethical, legal and economic environment. If you are looking for a guilt-free study break this term, try renting and viewing one or more of the following movie videos:

“Silkwood” (1978) – Meryl Streep plays lead role in this drama about a nuclear power plant worker who spills the beans about unsafe working conditions and potentially hazardous operating irregularities to an investigative reporter who is subsequently killed in a suspicious accident

“Norma Rae” (1979) – Sally Field plays a spunky textile factory worker who rebels against low wages and oppressive working conditions to spearhead the effort to unionize a militantly anti-union textile plant in the southern United States during the 1960s

“Class Action” (1991) – a crusading attorney father played by Gene Hackman squares off against his corporate attorney daughter in a class action lawsuit against an auto company accused of knowingly selling cars with a deadly defect – loosely patterned after the Ford Pinto case

“Fearless” (1993) – a plane crash in a Midwestern corn field – not much law here but a lot of moving disaster scenes showing the aftermath of the crash

“A Civil Action” (1999) – film version starring John Travolta of the famous book by local Boston legal celebrity Jan Schlichtmann in his David v. Goliath legal battle to win damages for the victims of a massive toxic waste water pollution in Woburn, Massachusetts

“The Insider” (1999) – conscience gets the better of a former tobacco company scientist played by Russell Crowe whose life is almost ruined as he tries to reveal to Congressional investigators how much the tobacco company executives really knew from early on about the addictiveness and health hazards of smoking

“Erin Brockovich” (2000) – a more gripping portrayal than “A Civil Action” of toxic waste pollution, set in California with Julia Roberts as a very unconventional legal secretary turned private investigator for a lawyer seeking justice for the injured families

CLASS SCHEDULE

Date Topic, Readings, and Class Activities

I. FOUNDATIONS OF BUSINESS ETHICS AND GLOBAL CORPORATE SOCIAL RESPONSIBILITY

Class 1 A. Introduction: Impact of Social and Legal Forces on Business Operations

- M- May 14 (1) Adam Smith, The Wealth of Nations (Reading Packet)
- (2) Milton Friedman, “The Social Responsibility of Business is to Increase Profits” (Reading Packet)

Class 2 B. Ethical, Legal and Business Aspects of Social Responsibility

- W- May 16 (1) Jennings Text, Chapter 2 – “Business Ethics and Social Responsibility”
- (2) Davis, “The Case for and Against Business Assumption of Social Responsibilities” (Reading Packet)
- (3) Kelman, “Cost-Benefit Analysis: An Ethical Critique” (Reading Packet)
- (4) Additional readings (set I.B)
- (a) Alternate views on the economic impacts of government intervention
 - (b) Introductory cases on ethical dilemmas in business
 - (c) News articles on business ethics
 - (d) Charitable contributions – good or bad?
 - (e) Legal attributes of corporations and hybrid forms
 - (f) Criminal liability for corporate wrongdoing

Illustrative Case Study: Ford and the Pinto Automobile

(Reading Packet)

(a) Current Event Perspectives

- E.g.: Firestone tire lawsuits, other recent cases involving automobile or other product defect situations

(b) Ethical Perspectives

- E.g.: Is it ethical for a business to use “cost-benefit” analysis in making product safety decisions? Can lawsuits and money damages awards substitute for morality in business?

(c) Legal Perspectives

- E.g.: Current status of product liability/negligence law in U.S. and abroad; criminal liability of corporate executives for violating product safety standards, workplace safety regulations, or environmental protection laws

II. BUSINESS OPERATIONS UNDER AMERICAN AND INTERNATIONAL LEGAL SYSTEMS

Class 3 A. Business and the Legal Process

- M- May 21 (1) Jennings Text, Chapter 1 – “Business: Its Legal, Ethical and Judicial Environment”
- (2) Additional readings (set II.A)
- (a) Complaint – Sun v. Microsoft
- (b) News articles related to the Microsoft antitrust case
- (c) Rand, “America’s Persecuted Minority: Big Business”
- (d) News articles on tort suits and punitive damages as substitutes for morality in business, and recent tort reform efforts

Illustrative Case Study: Microsoft and Antitrust

(Reading Packet)

(a) Current Event Perspectives

- E.g.: Current status of legal actions against Microsoft by the Justice Dept., state attorneys general, European Community, and competitors such as Sun Microsystems

(b) Ethical Perspectives

- E.g.: Should antitrust law protect consumers or competitors or both? What if what is good for consumers (low prices, consistent standards, interchangeability of applications, familiarity of interface and keystrokes) has the effect of restraining competition? Is it ethical for a business to press a market advantage to the limits of the law?

(c) Legal Perspectives

- E.g.: Procedures and documents involved in filing and prosecuting a civil lawsuit and in selecting a court; foundations of and controversies over antitrust law; differences between U.S. and European Community approaches to regulating anticompetitive conduct

Class 4 B. Management Aspects of a Civil Litigation / Alternative Dispute Resolution

W- May 23 Guest Lecturer/Audiovisual/Possible Quiz

- (1) Jennings Text, Chapter 4 – “Managing Disputes: Alternative Dispute Resolution and Litigation Strategies”
- (2) Additional readings (set II.B)
 - (aa) News articles on asbestos litigation
 - (a) News articles on the costs and delays of civil litigation and recent reform efforts
 - (b) Developments in alternative dispute resolution
 - (c) Contingent fee arrangements in civil actions
 - (d) Jury trials in civil actions
 - (e) Civil action discovery costs and pitfalls
 - (f) Sanctions for frivolous law suits
 - (g) Litigation abuses
 - (h) Statute of Limitations / Affirmative defenses

Illustrative Case Study: Asbestos Litigation Bankrupts Manville

(Reading Packet)

(a) Current Event Perspectives

- E.g.: Recent avalanche of asbestos-related bankruptcies; expanding scope of legal liability in a desperate effort to find a solvent “deep-pocket;” current status of mass tort litigation

(b) Ethical Perspectives

- E.g.: Is it ethical for a business to operate according to the bare legal minimum standards if it knows a higher standard might be needed to protect employees/consumers? Is it ethical for a business to file for a Chap. 11 reorganization to freeze the filing of new lawsuits against the company? Should company stockholders have to pay for the misdeeds of management?

(c) Legal Perspectives

- E.g.: Current status of tort reform and limits on punitive damages; statute of limitations as one example of an “affirmative defense;” judicial modification of the statute of limitations by applying the “discovery rule;” the principle of “living by tomorrow’s law”

Class 5 C. Business and the Court System

M- May 28 -- Memorial Day No Class

W- May 30 (1) Jennings Text, Chapter 3 – “The Judicial System”

(2) Additional readings (set II.C)

(aa) News articles on breast implant litigation

(a) Long-arm jurisdiction, piercing the corporate veil, and parent corporation legal responsibility

(b) News articles on adherence to precedent

(c) Expert witnesses and “junk science” in the courtroom

Illustrative Case Study: Dow Corning and Breast Implants

(Reading Packet)

(a) Current Event Perspectives

- E.g.: Current status of the Dow Corning litigation; status of efforts to expand legal liability to related corporate entities

(b) Ethical Perspectives

- E.g.: Is it ethical for a business entity to limit legal liability by selecting a corporate form of business organization or by utilizing a wholly-owned subsidiary or joint venture? Should testing of new products before marketing exceed minimum legal standards? Is it ethical for a business to avail itself of a legislative “grandfather” exception for new product testing?

(c) Legal Perspectives

- E.g.: The separate legal identity of a corporate entity; limited legal liability considerations in selecting a form of business organization; the principle of “piercing the corporate veil;” “junk science” and evolving rules of evidence regarding expert witness testimony and admissibility of scientific studies

Class 6 D. Business and the Administrative / Regulatory Process

M- June 4 (1) Jennings Text, Chapter 5 – “Business and the Constitution” (on test)

(2) Jennings Text, Chapter 6 – “Administrative Law” (not on test)

- (3) Additional readings (set II.D)
 - (aa) News articles on airline deregulation
 - (a) Constitutional and philosophical outlooks of present and former Supreme Court justices

Illustrative Case Study: Airline Deregulation

(Reading Packet)

(a) Current Event Perspectives

- E.g.: Current status of the airline industry; successes and failures of other attempts at industry deregulation – telecommunications, electric power, banking, etc.

(b) Ethical Perspectives

- E.g.: Is it ethical to use the regulatory process to redistribute costs among different groups of consumers? Is it ethical for business to manipulate a partially deregulated system to try to exclude new market entrants and limit competition?

(c) Legal Perspectives

- E.g.: Status of recent efforts to re-regulate previously deregulated industries; choosing between a regulatory scheme that apportions costs among different classes of consumers v. direct government subsidies financed by tax revenues.

MID-TERM EXAM

W- June 6 -- mid term

Class 7 E. Business and International Law / Adapting to Varying Global Commercial Rules

- M- June 11
- (1) Jennings Text, Chapter 7 – “International Law”
 - (2) Paul W. Beamish et al. International Management, ch. 3 – “The World of International Trade: Comparative and Competitive Advantage” (Reading Packet)
 - (3) Additional readings (set II.E)
 - (a) News articles on NAFTA

Illustrative Case Study: North America Free Trade Agreement

(Reading Packet)

(a) Current Event Perspectives

- E.g.: Controversies over “globalization” and the WTO

(b) Ethical Perspectives

- E.g.: Is international trade ethical? Who gains and who loses in international trade? Fairness of the terms of trade (for example, “fair price” coffee); Developed country v. emerging economy perspectives

(c) Legal Perspectives

- E.g.: The role of NAFTA, the WTO, the European Union, and other multilateral/regional trading associations

III. STAKEHOLDER FORCES IN THE GLOBAL BUSINESS ENVIRONMENT

Class 8

A. Stakeholder Analysis: Theories, Practices and Limitations

W- June 13

- (1) James E. Post et al., Business and Society, ch. 1 – “The Corporation and its Stakeholders” (Reading Packet)
- (2) R.E. Freeman, “A Stakeholder Theory of the Modern Corporation” (Reading Packet)
- (3) Additional readings (set III.A)
 - (a) Excerpt on issues management
 - (b) News articles on managing social issues

B. Applications: Social Assessment Process / Social Assessment Matrix

- (1) James E. Post et al., Business and Society, ch. 3 – “Corporate Social Responsibility” (Reading Packet)
- (2) James E. Post et al., Business and Society, ch. 5 – “Ethical Dilemmas in Business” (Reading Packet)
- (3) Additional readings (set III.B)
 - (a) News articles on alcohol and tobacco advertising
 - (b) News articles on the “stakeholder” concept

Illustrative Case Study: Tobacco Industry

(Reading Packet)

- (a) Current Event Perspectives
- (b) Ethical Perspectives
- (c) Legal Perspectives

IV. DIFFERING ETHICAL AND LEGAL STANDARDS ACROSS THE GLOBAL BUSINESS ENVIRONMENT

Class 9 A. Ethical, Economic and Legal Fundamentals of the Global Business Environment

M- June 18

- (1) L.P. Hartman, Perspectives in Business Ethics (2d ed.), ch. 13 – “Ethics in Global Business” (Reading Packet)
- (2) T. McAdams, Law, Business and Society, ch. 6 – “International Ethics and Law” (Reading Packet)
- (3) Additional Readings (set IV.A)
 - (aa) Overview – “Economic Thinkers Who Made a Difference”
 - (a) “Why liberalism is now obsolete,” an interview with Nobel laureate Milton Friedman (Forbes magazine)
 - (b) Excerpt from Benjamin Higgins, “Historical Theories of the Rise of Capitalism”
 - (c) News articles on the emergence of capitalism

Illustrative Case Study: TBS

- (a) Current Event Perspectives
- (b) Ethical Perspectives
- (c) Legal Perspectives

Class 10 B. Alternative Business/Government Interfaces in the Global Business Environment

W- June 20

- (1) T. McAdams, Law, Business and Society, ch. 1 – “Capitalism and the Role of Government” (Reading Packet)
- (2) Charles W.L. Hill, Global Business Today, ch.2 – “Country Differences in Political Economy” (Reading Packet)

- (3) Additional Readings (set IV.B)
 - (a) Excerpt from Arthur M. Okun, “Our Blend of Democracy and Capitalism”
 - (b) Excerpt from David A. Heenan, “Congress Rethinks America’s Competitiveness”
 - (c) News articles on competitiveness and economic freedom

Illustrative Case Study: TBS

- (a) Current Event Perspectives
- (b) Ethical Perspectives
- (c) Legal Perspectives

Class 11 C. Evolving Regulatory Environments in Industrialized and Emerging Economies

- M- June 25
- (1) James E. Post et al., Business and Society, ch. 7 – “Business and Public Policy” (Reading Packet)
 - (2) D. Silverstein, “The Litigation Audit: Preventive Legal Maintenance for Management” (Reading Packet)
 - (3) T.G. Marx, “The Cost of Living: Life, Liberty and Cost-Benefit Analysis” (Reading Packet)
 - (4) Additional Readings (set IV.C)
 - (a) News articles on economic freedom and rule of law around the world
 - (b) News articles on the pitfalls of transitioning from command to market-based economies
 - (c) News articles on the legal environment in specific countries / regions (Russia, China, Asia, Latin America, etc.)

Illustrative Case Study: TBS

- (a) Current Event Perspectives
- (b) Ethical Perspectives
- (c) Legal Perspectives

D. Managing in Evolving Global Regulatory Environments

- (1) James E. Post et al., Business and Society, ch. 8- “Managing Business Government Relations” (Reading Packet)
- (2) Paul W. Beamish et al., International Management, ch. 12 – “Strengthening International Government Relations” (Reading Packet)
- (3) Additional Readings (set IV.D)
 - (a) News articles on risk-benefit analysis in regulatory policy
 - (b) News articles on the economic impact of excessive regulation
 - (c) News articles on privatization and deregulation
 - (d) News articles on deregulation of specific industries (airlines, telecommunications, mail, gas and electric power, and health care)

Illustrative Case Study: TBS

- (a) Current Event Perspectives
- (b) Ethical Perspectives
- (c) Legal Perspectives

V. **SYNTHESIZING ETHICAL AND LEGAL FORCES IN THE GLOBAL BUSINESS ENVIRONMENT**

A. Readings

- (1) Lynn Sharp Paine, “Venturing Beyond Compliance” (Reading Packet)
- (2) L.K. Trevino et al., “Managing Ethics and Legal Compliance” (Reading Packet)
- (3) Additional Readings (set (V.A))

Class 12

W- June 27 Final Paper/Final Exam/Take Home Final

Class 13

F- June 29 Final Paper/Final Exam/Take Home Final