

**Management 350
Business and Its External Environment**

Spring, 2011

Tues, Thur, 3:30-4:45

GH 205

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Office Hours: Tue, Thur 2:15-3:15

and by appointment

This course and its associated coursework are being administered under the policies of the University of Illinois at Chicago (UIC) College of Business Administration Honor Code. All students are expected to respect and uphold this code.

Reading Materials

Pagano, Anthony M. and Verdin, JoAnn, The External Environment of Business: Political, Economic, Social and Regulatory, Stipes Publishing Co., 2nd ed. 1997

The Wall Street Journal – daily

The News Hour with Jim Leher – PBS

Handouts on Blackboard

I. Goals and Objectives

1. To introduce the student to the many issues, forces, institutions, laws and other components of the external business environment which impact business organizations. These include the political, economic, social, legal, regulatory and international environment of business.
2. To further examine these issues in relation to the individual in the role of a consumer, employee or member of the general public.
3. To introduce the student to the basic tools for analysis of the relationship of business and the external environment.
4. To introduce the student to concepts of social responsibility and ethics which should help guide a business response to external environmental opportunities and threats.
5. To provide the student with experience in utilizing the internet to examine external environmental factors affecting business.

Course Outline

1. Introduction

An overview of the course, stressing the relationship of elements of the external environment of business to business decision making.

Pagano and Verdin - Chapter 1.

Case: Pullman Standard Corp.

2. Theoretical Foundations: Prices, Markets and Management

A dynamic model of the relationship of business and external environment will be developed. Alternative economic systems and the role of prices in a free market system will be examined.

Pagano and Verdin - Chapter 2.

Case: An Example of Authoritarian Socialism - Poles Survive Collapse of Currency by Using Own System of Barter

3. The Political System: Democracy and Special Interests

Examines the American political system, the role of government in a free society, the public policy process, and strategies for impacting the public policy process. Examines whether business should become involved in influencing public policy. Examines proposals for reform and managerial implications.

Pagano and Verdin - Chapter 3.

Case: The American Trucking Associations and the Motor Carrier Act of 1980

4. Social Responsibility

Examines alternative concepts of corporate social responsibility including what is social responsibility, the concept of public responsibility and levels of social responsibility and managerial implications.

Pagano and Verdin - Chapter 4.

Case: Playskool Inc.

The Social Responsibility of Business is to Increase its Profits - Milton Friedman (Blackboard)

5. Business Ethics

Examines alternative ethical concepts, develops a set of ethical tests based on the concepts and applies these to several ethical dilemmas in business. Managerial implications are examined.

Pagano and Verdin - Chapter 5.

Case: Polaroid In and Out of South Africa

6. Government Regulation of Products, Prices and the Workplace

Examines the regulatory spectrum including the typology of regulation, reasons for regulation, and the costs and benefits of regulation. A variety of federal regulatory agencies are discussed including OSHA, FDA, and CPSC. Alternatives to regulation and proposals for reform are dealt with, along with managerial implications.

Pagano and Verdin - Chapter 6.

Case: Manville Corporation

7. Energy and the Physical Environment

Examines air pollution policy, water pollution policy, Clean Air Act, acid rain, hazardous wastes, and market based approaches to pollution reduction as well as managerial implications.

Pagano and Verdin - Chapter 7.

Case: Union Carbide and the Disaster at Bhopal

8. Regulation of Markets and Competition

Concerns the performance of markets with few competitors. Discusses monopoly, natural monopoly, oligopoly, cartels, price fixing, predatory pricing, and contestable market theory. Federal anti-trust policy and measures of industry concentration are also discussed, as well as the international marketplace and anti-trust. The ethical and social responsibility implications are also dealt with.

Pagano and Verdin - Chapter 8.

Case: The Union Pacific - Southern Pacific Railroad Merger

9. Factors Affecting the Employer of the Future

Concerns unionization and the decline of unions in the United States. Reasons for unions and the future of unionization. Human resource issues include: the changing demographics of the labor force, immigration, social security, health care, workplace diversity, affirmative action, sexual harassment, corporate downsizing. Managerial implications include flextime, compressed work week, work sharing, employee empowerment.

Pagano and Verdin - Chapter 9.

Case: Discrimination and Texaco

Case: Mitsubishi Motors (Blackboard)

10. Impact of New Technology on the Workplace

Discusses major technological breakthroughs, and the future changes resulting from changes in technology including changes in labor markets, increased importance of education, changes in industrial structure and impacts on productivity, incomes and living standards. Alternative public policy choices are examined along with managerial implications.

Pagano and Verdin - Chapter 10.

Case: Home Work - Mountain Climbers, Telluride, Colorado

Students are also required to keep up with the issues of the day affecting business, through daily reading of newspapers, and business periodicals and watching news and public affairs programming on TV. *The Wall Street Journal* and *The News Hour with Jim Lehrer* are required reading and watching. Web sites providing current events information can be found at <http://www.uic.edu/~amp>

Grading

Midterm	25%
Final	30%
Class Participation	25%
Internet Research Project	20%

Two exams, Midterm worth 25%, Final worth 30% of grade. Class participation 25%. Participation grade includes class presentations, participation in class discussions, and participation on internet discussion group (max 2 times per week). Internet research project 20%. Extra Credit possibilities are also available. Honors activity credit also available.

Course Conduct

This is a course that utilizes electronic media, class presentations, discussion, and internet discussions to present and discuss class materials. It is not a lecture class. This is a discussion

class. Accordingly, there are heavy requirements placed on the students to present and discuss materials presented in the class. While the work effort for this course is large, the benefits of developing presentation skills, oral communication skills and internet communications skills will help you succeed in your forthcoming business career.

This course relies heavily on class discussion and the internet to examine critical external issues affecting business today. Accordingly, students must be prepared to discuss topics covered in each class. Students should read course materials carefully before coming to class.

Class Presentations

Students will be responsible for making presentations in class. You will be required to make either a news presentation or a case presentation. You will be assigned to a group for each of the presentations. Groups will consist of 3 or 4 students. Each student in the group will be responsible for developing and presenting a PowerPoint presentation covering a news story or an aspect of the case. The presentations should be put together into one PowerPoint presentation. Each student must participate in the presentation. No more than 5 minutes of presentation per student on either the weekly news update or case presentations. Send PowerPoint slides to Professor Pagano (amp@uic.edu) to be posted on Blackboard prior to presentation.

1. Weekly News Update – Each student in the group will be responsible for a presentation on a major news story. Choose Major news stories having at least 2 sources. Sources should be included in the PowerPoint presentation. At least one story should have the News Hour with Jim Lehrer as a source and at least one story should have the Wall Street Journal as a source. Discuss the implications for business for each story. Your final group presentation should consist of one major news story in each of the following areas:
 - a. Business News
 - b. Political News
 - c. National News
 - d. International News

2. Case Presentations - Case Presentations should cover the following topics:
 - a. Overview and summary of Case
 - b. Update of Case
 - c. Important Issues in the Case
 - d. Recommendations

Making a presentation in class

Not only is content important in your presentation, but how you present is also important.

Be enthusiastic

Smile

Look at your audience

If you are shy, get over it

Pronounce words clearly

Project your voice so all in the class can hear you

Stand straight

Don't read your slides; the slides should be used to emphasize your points

Keep slides simple and to the point

A picture is worth a thousand words

Grading of Presentations

Weekly News Update

1. Major News Stories – Have you covered major news stories in each area?
2. Timeliness – Have you covered stories from the past week?
3. Relevance to Business – Do the stories have relevance to business?
4. Sources – Have you listed sources for each of the stories?
5. Sources (cont) – Does at least one story have the News Hour as a source and at least one story have the WSJ as a source?
6. Presentation Clarity – Do the slides for each of the stories convey enough information about the story, so that it is clear what the story is about?
7. Presentation Style – Are each of the group members doing the presentation in a clear, compelling way?
8. E-mail copy of presentation – Have you e-mailed a copy of the presentation to Professor Pagano amp@uic.edu?

Case Presentations

1. Topic Coverage - Have you covered each of the four topic areas?
2. Sources - Have you listed sources for the case update?
3. Presentation Clarity – Do the slides for each of the topics convey enough information about the topic, so that it is clear what the case is about?
4. Presentation Style – Are each of the group members doing the presentation in a clear, compelling way?
5. E-mail copy of presentation – Have you e-mailed a copy of the presentation to Professor Pagano amp@uic.edu?

Honor Code for the College of Business Administration

As an academic community the College of Business Administration at the University of Illinois at Chicago is committed to providing an environment in which teaching, learning, research, and scholarship can flourish and in which all endeavors are guided by academic and professional integrity. All members of the college community – students, faculty, staff, and administrators – share the responsibility of insuring that high standards of integrity are upheld so that such an environment exists.

In pursuit of these high ideas and standards of academic life, as a student I hereby commit myself to respect and uphold the University of Illinois at Chicago (UIC) College of Business Administration Honor Code during my entire matriculation at UIC. I agree to maintain the highest moral and ethical standards in all academic and business endeavors and to conduct myself honorably as a responsible member of the college academic community. This includes the following:

- Not to seek unfair advantage over other students, including, but not limited to giving or receiving unauthorized aid during completion of academic requirements;
- To represent fact and self truthfully at all times;
- To respect the property and personal rights of all members of the academic community.

University of Illinois at Chicago Code of Classroom Etiquette

The University of Illinois at Chicago Code of Classroom Etiquette has been established to encourage a deeper appreciation of and respect for the classroom environment so as to enhance the learning experience for all students. An understanding of and adherence to this code adds value by creating an environment more conducive to meaningful and constructive classroom discussion.

Students are therefore expected to understand and adhere to basic standards of classroom etiquette based on the following key principles:

- Attendance: Students are expected to attend every class throughout the term, especially during the first week of class. As a courtesy, when students are unable to attend class (due to illness or for other work or school related reasons) they should notify the professor in advance. Students are expected to adhere to the specific attendance policies established by their professors.
- Punctuality: Students are expected to arrive for class on time so that their professor may start and end the class according to his/her schedule.
- Exiting and Entering the Classroom: Students are expected to remain in the classroom for the duration of the class. If a student must depart early due to unavoidable circumstances, the student should inform the instructor prior to the start of class. Students should ensure they return from classroom breaks at the specified time.
- Respect for the Classroom: Students should demonstrate respect for the professor and fellow students during the class period. Students are expected to refrain from activities unrelated to class material, such as disruptive eating and holding side conversations. In addition, students are expected to help maintain the appearance of the classroom by ensuring their work area is clean and discard all trash after class. Students are also expected to turn off all cellphones, pagers, and other devices that may generate disruptive noise during the class.

EXT-ENV-BUS@LISTSERV.UIC.EDU

A listserv entitled EXT-ENV-BUS has been established. The purpose of the listserv is to provide a mechanism for on-line discussions of current events which may affect business decision making. These include all of the political, economic, social and regulatory factors outside the business. In addition, issues discussed in the book and in class will also serve as food for discussion.

Subscribing to EXT-ENV-BUS@UIC.EDU

Subscribing to the listserv is easy, but confusing, especially if you read the directions from the computer center. You must remember three essential points in order to subscribe:

1. You cannot subscribe, send messages or receive postings from the listserv from this page. You must do this through e-mail. Save these instructions, then log on to the system in which you normally send and receive e-mail messages.
2. There are two e-mail addresses that you send mail to. One is the command address in which you send system commands. The command address is:

LISTSERV@LISTSERV.UIC.EDU

3. The second mail address is the one where you send messages and receive postings. This is:

EXT-ENV-BUS@LISTSERV.UIC.EDU

To subscribe, send an e-mail message to the command address LISTSERV@LISTSERV.UIC.EDU. In the body of the note type the following:

subscribe EXT-ENV-BUS First name Last name

For example, you would send the following message:

subscribe EXT-ENV-BUS Hillary Clinton

As you can tell, this listserv can get very political and controversial. You should get a message back from the listserv in a few minutes asking you to verify that you want to be added to the list. Once you send back your OK, you are a member of the list and entitled to join the fray.

Sending Messages

Send an e-mail address to the location EXT-ENV-BUS@LISTSERV.UIC.EDU. The message will be distributed to all the people currently subscribed to the list. When anyone sends mail to the list, it is automatically distributed to everyone on the list. That's all there is to it.

Special Commands

There are a few special commands that are helpful. These should be sent to the command address: LISTSERV@LISTSERV.UIC.EDU.

SET EXT-ENV-BUS REPRO

The system does not send you a copy of your own note. If you want to make sure it was distributed, send the above command.

SET EXT-ENV-BUS ACK NOREPRO

Use this command if you get tired of reading your own messages. It cancels out the first command.

SIGNOFF EXT-ENV-BUS

You won all the arguments and made all the points that can be made. You have no time to discuss issues further while you run for the US Senate. You will continue the discussions on C-Span instead. You want to be removed from the list.