BUAD 429/667--The Corporation in Society
Instructor: Mark Goldfus
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The Course

The objective of the course is to explore the role of the contemporary corporation and how it interacts – or should interact – with American society. The answers to these inquiries will meaningfully contribute to the shape of the 21st society that you will help lead, whether in the business world or not. Your understanding of these issues will be important to attaining these leadership positions.

In a simpler era, the purpose of the American corporation was sharply defined: maximize profits. Strong corporations are, after all, the engine of the American economy - leading to jobs, wealth creation, and national strength.

But to the contemporary corporation, generating profits – though still of undeniable importance – is accompanied by other expectations. Today, many commentators are demanding that corporations meet enhanced standards of governance and conduct. Many advocates may have narrow agendas - seeking to enlist the wealth and expertise of corporations to address specific, legitimate public goals (e.g., environmental sustainability). Yet some of these objectives may not always appear consistent with the traditional corporate focus on profit maximization.

What does this development mean to future corporate executives – indeed, to all Americans?

In the corporate arena, leaders will increasingly be selected for their sophistication in understanding and navigating societal issues, as well as more traditional operational and financial issues.

As a consequence, after an introduction to corporations (e.g., how corporations evolved, how they are governed, how corporate leaders are selected and compensated), the course will examine how corporations help shape – and are, in turn, shaped by – other major societal constituencies. They include: political bodies, media, social advocates, institutional shareholders, and regulators.

Next, we will consider how corporations and these constituencies interrelate over important public policy challenges. They include the environment, political activism, executive compensation, ethical investing, global development, and job creation. Particular emphasis will be placed on the role of government – including the consequences of Federal “bailouts” and recently enacted laws.

Then, we will spend a class on crisis management. Many business careers are punctuated, at least once, by a crisis involving people, products, or operations.
Finally, we are experiencing the most important era of public debate on the role of corporations in our society since the 1930s. Hence, related issues could arise during the semester. Expect to incorporate “breaking news” into the course.

Class Participation

The course covers topics that are currently subjects of public policy discussions and are not yet hard-and-fast rules. This course will serve as a forum for such discussions. Hence, your informed participation in class can contribute greatly to the thinking of your classmates as they form their own opinions.


It is unlikely that you will succeed in the course without consistent preparation and attendance. Remember, regular attendance will be a requirement of your business career. For this course, each class represents a week’s participation. You should not miss more than a single class without contacting me first.

The quality and frequency of your class participation will account for 20% of your grade. “Quality” means prepared and thoughtful. It emphatically does not refer to agreement with me.

Please do not be shy: Feel free to interrupt my presentations with questions and comments. Students’ ideas and creativity are what university education is all about. I also reserve the right to call on students – not to embarrass anyone, but to draw out the ideas that you have.

Papers

You will be asked to submit a mid-term paper and a final paper. The midterm paper will represent 30% of your grade. The final paper will account for 50% of your grade.

You will be evaluated on both the analytical quality of your written materials and your draftsmanship.

Polish, brevity and clarity are favored in all professions (perhaps excepting political speechwriting). It is important that the writer separates the wheat from the chaff and edits out the chaff. It should not be the reader’s obligation to figure out what is meaningful in a document. If you, as a writer of a paper, could meet this standard without first creating an outline or in a single draft, you are a better draftsperson than I am.

To encourage concise writing, the course (like most judges) imposes a maximum number of pages: 12 typed pages for the midterm paper and 20 typed pages for the
final paper. There is a 5-page minimum, because it is unlikely that all issues could be fully addressed in a shorter submission.

Please number and place your name on each page.

**My Availability**

You are warmly encouraged to meet with me for any purpose, whether or not course-related. (Remember, I am teaching here because I enjoy interacting with college and graduate students.) That includes chatting about the legal profession, corporate careers, public service, or any other topic.

If you are having difficulties absorbing the materials, please meet with me as quickly as possible.

**Evaluation**

Grades will be mathematically computed as follows.

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In fairness to classmates, no extra credit opportunities will be available to individual students.

**Course Outline and Readings**

An outline of the course and assigned readings follow. The readings include excerpts from proxy statements, news media, advocacy positions, academic studies, political and governmental communications, and others.

According to scholarship.com, the national average annual cost for textbooks and supplies is now near $1100 per student. The cost of a year’s books now account for more than the cost of three years’ tuition when I was an UD student.

To relieve you of the burden of purchasing course materials, the course outline directs you to the Internet for your reading assignments. If clicking through fails, please copy the URL and paste it onto your browser or google the particular title. (The New York Times and other sources that may limit direct access to their websites nonetheless permit unlimited access through Google and other browsers.)
All materials continued to be available online at the start of the course. If any are subsequently unavailable without cost on the Internet, please let me know.

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