Summary: The MBA Central Europe study abroad program consists of six credits of graduate business courses during the winter term of 2013: BUAD 843 (Special Topics in Global Business) and either BUAD 840 (Ethical Issues in the Business Environment) or the cross-listed course BUAD 867 (Ethical, Social & Political Issues in International Business – for those students who have had the “domestic” BUAD 840). This syllabus is for BUAD 840/867. Class meetings will be held at the University of Delaware in Newark and in Europe. There will be visits to companies and institutions in Hungary, Austria and the Czech and Slovak Republics.

Courses: Executives and managers need to be adept at recognizing the complexities of global business, and at adapting their companies' strategies, marketing, finances, and management to different institutional frameworks (e.g., cultures, political and social expectations, ethical norms, business systems, and economic conditions). This is especially true in central Europe today, as the region is undergoing multiple significant changes. The ongoing development and expansion of the European Union confronts businesses with new opportunities for growth, as trade and political barriers dissolve, and new challenges, as the institutional structures and "rules of the game" change. The incorporation of former Soviet bloc economies into the global economy offered opportunities for investment by western companies, but challenges insofar as the inherited cultural and institutional frameworks of these countries differed from what western European and North American executives are familiar with. More recently, the 2008 global financial crisis and 2011-2012 Eurozone crisis have thrown many of the conventional ideas about economic policy and business development into change and confusion. All of these factors make the region a valuable laboratory within which to consider the multifarious nature of management in the global economy.

BUAD 840 (Ethical Issues in the Business Environment) (cross-listed as BUAD 867 -- Ethical, Social and Political Issues in International Business) focuses on how managers can create an ethical business environment both within and outside of their organizations, and on understanding the complex social and political environment that businesses must navigate. Course readings and discussions are directed at both organizational processes and the external political, legal and social environment of business. But these tasks become even more complex in a global, cross-cultural setting. For example, what is considered a bribe in one culture may be seen as a culturally obligatory courtesy in another; relationships between the
business and government worlds may be antagonistic and disconnected in one political system, and deeply integrated in another. This course addresses these kinds of questions, considering both different approaches to and values in the business systems of different countries, and by considering the behavioral, social and political factors that interact to sometimes create and other times prevent problematic business decisions and actions.

**Logistics:** Class meetings will take place in Delaware and in Europe. Class meetings in Delaware will be formally scheduled, while meetings in Europe will be both formally scheduled and arranged in somewhat spontaneous, informal fashion during our travel, as appropriate.

**Expectations:** Apart from the specific assignments listed below, there are several general expectations that hold for students. Meeting these expectations will help you get the most out of the program; failing to meet these expectations will substantially affect your grade for each course, as follows:

Failure to fulfill the behavioral expectations of the study abroad portion of the courses (listed below) will result in a grade of F (zero points) for the participation portion of your grade in BUAD 840/867 (and also in BUAD 843).

Failure to fulfill the academic honesty expectations of the University will result in a grade of F for BUAD 840/867 (and for BUAD 843, if the same problem appears in that context).

These are essential behavioral expectations for the study abroad program which apply to this course and the other courses in the program:

1. **Behavior that at all times is polite and unobtrusive,** being sensitive to local expectations in the places the class visits. For example, some places we visit are characterized by more formal and subdued behavior than characterizes American culture; be aware of how well you are fitting in.

2. **Respectful behavior to our hosts and the various other people we deal with.** People in other cultures do not necessarily share Americans’ sense of urgency in getting things done, or Americans’ expectations for friendly behavior or competent customer service, and certainly not Americans’ occasional sense of self-importance. Don’t criticize a host (or clerk) for what might be “standard operating procedure” in a particular locale. We visit places that often are less well off than the U.S.; learn to put up with minor annoyances that might reflect this lack of resources, and don’t do things that might suggest you’re flaunting wealth. Be patient with on-site coordinators if they seem bossy; they’re just trying to make sure you all get to where you need to be.

3. **Alert and active involvement in our various meetings and visits in Europe.** Our guest speakers and company officers take time out of busy days to meet with us; it is only fair that you devote careful attention to what they say. This in turn has implications for your use of free time; it will be harder to stay alert at a 9AM meeting if you’ve been out all night.

4. **Realism about what you can and cannot do.** Our weekdays generally will be quite full with meetings and activities (and getting to and from them). You should expect that there will be many nearby interesting tourist-type places to visit and things to do that you simply cannot accomplish. But remember that you are getting 6 academic credits in this two-week period (plus several meetings in Delaware). If you want more than the weekends for sightseeing, you should plan to arrive earlier in Europe or leave later. So please do not complain that you did not get to go to a particular museum, etc.

5. **Academic honesty:** Your grades for the courses are intended to show what you have learned. Thus, students should not do anything which involves taking credit for the work of others. In short, insofar as you rely on the work of others in completing your own assignments, you
need to indicate so in an appropriate way (e.g., footnotes or in-line references in a written work; verbal attribution in a presentation). In these classes you will be held accountable to the University’s standards for academic honesty; these can be found in detail on the University’s website. Examples and other details of what constitutes academic dishonesty can be seen at http://www.udel.edu/judicialaffairs/ai.html.

6. In addition, you are expected to act in conformity to all other applicable university policies for student behavior (as explained, for example, by the University’s Institute for Global Studies (formerly the Center for International Studies)).

7. With particular regard to alcohol consumption, excessive consumption of alcohol will not be tolerated under any circumstances, even if it is “after hours.” Excessive consumption of alcohol will be dealt with most harshly (possibly including removal from the program) if it impacts negatively your behavior towards or interaction with classmates, faculty, hosts, guest speakers, local residents, representatives of organizations visited, or any other individual or aspect of the program, or the property of these individuals and organizations. This includes being too “hung over” to be an active participant in classes and meetings.

Assignments & Grading:

Assignments are oriented toward (1) preparing you to get the most out of your time in Central Europe; (2) helping you to understand what you hear and see while visiting companies and institutions in Europe; and (3) making sense of what you learned during the study abroad program. General requirements applicable to all courses in the study abroad program are listed below, followed by specific assignments for BUAD 840/867:

General requirements for all courses in the study abroad program:

1. Attendance at all class meetings and orientation sessions in the U.S. and Europe (before, during, and after travel), unless you make special prior arrangements with the instructor. If you must miss a substantive class (as opposed to a meeting about travel arrangements or other logistical matters), you will be expected to complete an additional assignment in satisfactory fashion (e.g., providing a written summary of some additional readings on the class topics you missed). Also, if you don’t attend class, it will affect your ability to participate in discussion (see below).

2. Completion of reading and video assignments. If you don’t do the readings or watch the videos, you’ll be hampered in participation (see below).

3. Active participation in all discussion and activities of the program, in accordance with the behavioral expectations outlined above: Perhaps the most significant aspects of the program are the guest lectures in Europe and visits to companies and institutions abroad. You are expected to be attentive to what you learn about business and management practices, cultural matters, political issues, social conditions, and the interaction among these, and to take an active role in any opportunities for questions and discussion. Participation will count for 50% of your grade in BUAD 840/867 (and 50% in BUAD 843).

Requirements specific to BUAD 840/867:

1. Pre-departure writing assignments: In December you will receive a list of several questions designed to get you thinking about some of the issues and insights in the pre-departure readings. You will be required to write essay answers to these questions. Completed answers must be emailed to me by 6PM on January 7, 2013. (15% of grade for BUAD 840/867).
2. Cultural exploration: At least 2 times during the travel portion of the courses, you are required to go for dinner in a local restaurant or other eatery with not more than two other students. This is a pass/fail assignment (i.e., necessary to pass the courses, but no grade is assigned). You will get a better sense of local cultures if you are not in a large group of Americans.

3. Exam: You must complete an extensive “take-home” essay exam. You will receive this prior to departure for Europe, so you can be thinking about the exam questions throughout the travel program. (You might, however, receive additional exam questions after the end of the travel portion of the program.) The exam will ask you to integrate what you experienced in Europe with various of the reading assignments. Although the exam will require essay answers to multiple questions, it will be akin to a typical “term paper” in terms of overall expectations. The due date for the exam is noon, February 4, 2013. If you need extra time, I am willing to extend the due date until mid-March. However, extending the due date will mean that you receive a temporary “incomplete” grade on your transcript. After your exam is completed, the “incomplete” will change to a normal letter grade. (However, if you do not complete the exam, the “incomplete” course grade eventually will automatically change to an F.) (35% of grade for BUAD840/867)

Schedule: Schedule information will be distributed separately.

Topics, Readings, and Videos:

Below are listed topics and readings for the classes. Although some of the topics will be considered on specific dates, most will be discussed as opportunities occur while we are in Europe. Also, because the nature of a study abroad program is to treat our travel time itself as a means of learning, the majority of the readings are provided as background and analysis. As such, we may not discuss them explicitly during the program, but they are important to understanding what you encounter. And, obviously, the more you read or view before visiting central Europe, the more observant you’ll be able to be while there. Additional readings may be assigned as seems appropriate. Note: some of the readings must be completed prior to departure; others are to read either during the trip or after you return.

Access to readings for BUAD840/867 (and for BUAD843):

Some of the readings and videos are at various websites; simply click on the link included in the electronic version of this syllabus.

The remaining readings are available for free, online, via the University library’s online databases (www.lib.udel.edu). Unless otherwise indicated, all articles are available through the Business Source Premier database. If the syllabus says you should access the article through the library’s list of electronic journals, follow the “electronic journals” link on the library home page. If you access an article via the electronic journals link, you’ll need to follow links to the journal title (e.g., Social Problems), and then to the particular issue (e.g., February 1999), and then to the specific article in that issue. If you use one of the online databases, you’ll need to search for the article by using keywords (e.g., author’s last name and/or a few words or a phrase from the title).

All listed articles from the Financial Times can be accessed from the Financial Times website by following the links provided in the syllabus (free registration required). You also can search the FT
website; just enter the author’s last name (if any) and some key words (or a phrase) from the title in the search box.

Articles from *The Economist* can be accessed through the university library’s Business Source Premier database or by following the direct links provided in the syllabus. In the first row search boxes, select “Economist” and the “publication name” option. In the second (and perhaps third) row, enter a key word or an exact phrase from the article title. (Do not enter multiple key words on one line, or it will search for that exact, and probably nonsensical, phrase.) If you find that the Economist website says you have reached a maximum number of articles read, try again after deleting your web browser’s cookies.

Also, note that publication dates in the syllabus might be off by a couple of days from what you find when you search. This is because print and online versions sometimes have slightly different publication dates.

You also can find many, if not all, of the *Financial Times* and *Economist* articles through the LexisNexis Academic database available from the library’s databases page. When you get to the LexisNexis home page, use the “easy search” option. Make sure you’re searching “major world publications” and specify the appropriate years for the date range. Then enter a few search terms from the article, including the publication name. For example, for the article by Wagstyl titled “Lies haunt a reformer’s grip on power,” search on something like Wagstyl, “lies haunt,” Financial Times, and you’ll be taken to the article (or a list containing the article). Or, use the “power search” option, select “natural language”, and enter all or part of the article title in quotation marks. (Using “power search” helps eliminate many unwanted search results.) Make sure you have the proper range of search years selected; on “easy search” the default date range might miss earlier options.

**IMPORTANT:** In order to use the library’s online resources, the University computer system must recognize you as a university student. At some point in your searching, you will be asked for your university computer system user id and password, to verify your student status.

**Reading Assignments**

*General background readings and videos on central Europe, for both BUAD 843 and BUAD 840/867—read or view before arrival in Prague:*

**Required:** It is difficult to understand contemporary business issues, practices, and attitudes in the countries we visit without knowing something of their recent tumultuous experiences (World War II to the present). In general, all of the countries we visit share a linked past; for example, for decades leading up to the end of the First World War (1918) all were part of the greater Austrian Empire (also called Austro-Hungarian Empire, or Habsburg Empire). Loss of the war in 1918 brought (a) division into smaller nation states (Austria, Hungary, and Czechoslovakia), (b) the end of monarchy, (c) growing economic chaos, and (d) growing political tensions between traditionalists (e.g., monarchists), communists, fascists (Nazis) and others. World War II saw the entire region fall to (and sometimes willingly embrace) the Nazis. World War II also saw massive suffering and destruction in the region. By the end of the war, troops of the Soviet Union (USSR) occupied most of the territory of the region, and the infiltration or intimidation of government and non-governmental institutions by Soviet communist operatives. Except in
Austria, this led to Soviet communists taking dictatorial political power in all countries of central Europe (including eastern Germany, which had been occupied by Soviet troops).

From the late 1940s until 1989 the region (except for Austria) was part of the Soviet Union’s Warsaw Pact zone of satellite countries (along with Poland, East Germany, and others). (By agreement among the USSR, USA, UK and France, Austria became a demilitarized neutral country.) There were differences within this Warsaw Pact zone, with Hungary usually being viewed as more liberal and open than the other countries, and Poland keeping an independent and somewhat influential church while East Germany and Czechoslovakia suffered stronger dictatorships. Both Hungary (in 1956) and Czechoslovakia (1968) experienced attempted liberalizing revolutions, both of which were put down by Soviet-led troops. For a variety of reasons we will discuss in our classes (and that are discussed in the assignments), the Soviet-dominated system collapsed in 1989, and the various countries, in very different ways, embarked on transitions to democratic polity and generally open markets (and Czechoslovakia split into the Czech and Slovak Republics).

All of this tumultuous history had a major impact on culture and thought that continues to have impacts today, and so it is important to have a sense of what life was like before 1989 in order to understand life today and its problems. These readings and videos aim to give you a sense of that pre-1989 situation. Note: some of them focus more on East Germany or other Soviet-bloc countries, but these readings still provide a good general insight into life in communist central and eastern Europe.

Historical/cultural background videos (total viewing time about 3 hours)

Part 1. The division of Europe & life “behind the iron curtain”

Life under communism http://www.fondapol.org/en/category/fondapol-tv-en/remembering-communism/ (view the interviews with residents of Hungary, Czech Republic, and Slovakia, named Abols, Slavicek, Wiesner, and Melusova; about 7 to 12 minutes each; the interviews from other countries are interesting also)

The Wall. http://video.pbs.org/video/1530672088/ (about one hour long—the focus is on East Germany, but you’ll get a good sense of the Soviet bloc world).

Anne Applebaum, “True believers: Collaboration and opposition under totalitarian regimes”; talk at London School of Economics, October, 2012. Note: you may skip the first five minutes, which involve an LSE official giving a long introduction to Anne Appleabum. (25 minutes without introduction) https://www.youtube.com/watch?v=IN3Znyj6uP0

Part 2. Hungarian revolution, 1956, and life in Hungary

BBC interviews with 1956 participants:
http://www.youtube.com/view_play_list?p=217E68E9EAC9B3A6 (view all 5 parts; about 90 seconds each)

1956 summary http://www.youtube.com/watch?v=LVdQ9PK9Q5o (about 10 minutes)

Interviews with 1956 participants; also material on how it is viewed by Hungarians today http://www.youtube.com/watch?v=JDO-DmzxdDw&feature=related (about 5 minutes)
http://www.youtube.com/watch?v=rXYiHChxUlw&feature=related (about 10 minutes)

Part 3. Prague 1968 revolution
http://www.youtube.com/watch?v=SVIp5IUJhCs&feature=related (about 10 minutes)

Part 4. Austria
Seventy years of Austrian history in 2 minutes
http://www.youtube.com/watch?v=cHCpMfLVzos
1938 Czech Radio report announcing unification (Anschluss) of Austria with Nazi Germany; the Nazis occupied Czechoslovakia later that year:
http://www.youtube.com/watch?v=A5LgbIvI8V8&feature=related (10 minutes)
Optional: Unification (Anschluss) of Austria with Nazi Germany
http://www.youtube.com/watch?v=WR9TObQA-4M&feature=related (3 minutes)

Part 5. 1989—the collapse of Communism in Europe
General overview; includes interview with Hungarian prime minister about 1989 changes:
http://www.youtube.com/watch?v=EtRwIvNafpl (6 minutes)
The Hungarian/Austrian border in 1989 and before:
http://www.youtube.com/watch?v=Zugoeej6lg&feature=related (90 seconds)
http://www.youtube.com/watch?v=bPyKuGXppsA&playnext=1&list=PLA046BD2236BFA68E&index=1 (7 minutes)

Part 6. Sample cultural issues today
Nationalist tensions haven’t entirely disappeared: “The other side: Slovakia/Hungary”
https://www.youtube.com/watch?v=z7RjQGW5_NI (6 minutes) and
“Hungary/Slovakia: Passports Without Rights”
https://www.youtube.com/watch?v=wdUA6XJBGk (both from Deutsche Welle) (5 minutes)
Minority issues with the Roma (also called Gypsy) population; the example is Hungary, but similar problems occur in most countries in the region:
Optional: World War II issues haven’t completely disappeared from the region; this news story covers the difficulties Czech’s have recognizing their post-war atrocities against ethnic Germans living amidst them. (9 minutes)
https://www.youtube.com/watch?v=mGMOpIJZs

Historical/cultural background readings:

Part 1. General information
Skim the Wikipedia articles on Austria, Hungary, Czech Republic, and Slovakia, paying closer attention to material on 20th century history, the economy, and culture (en.wikipedia.org – enter the country name as search term; note—for more, and sometimes more accurate detail, see the Encyclopedia Britannica articles on these countries (free online, but registration required))
Part 2. Soviet Communist years
Optional: Karacs, Stasi files revisited: The banalities and betrayals of life in East Germany. Der Spiegel, 6 November 2009. Although this report is from East Germany, it gives a good general idea of how life was controlled in many ways by the secret police across Soviet-dominated central and eastern Europe. http://www.spiegel.de/international/germany/0,1518,659708,00.html

Part 3. 1989—the collapse of Soviet Communism

Part 4. Disputing recent history
Optional: Mason, Hungary’s Battle for Memory. History Today, March 2000 (find via library’s Electronic Journals listing). The author summarizes the contested nature of Hungarian history through a short summary of the way various historical figures and monuments have been treated.

Optional: other sources of general information: There’s nothing systematic in the following comments; these are simply things I’ve stumbled upon one way or another relevant to central Europe. For a fairly quick overview of the entire region, consult the history and culture sections of travel guidebooks for each country. Also see the links to official tourism sites that can be found on the program web page (www.buec.udel.edu/weaverg/winter13mba.htm). For more detail on history and culture, Inge Lehne and Lonnie Johnson’s Vienna: The Past in the Present tries to show how present-day Vienna’s culture, behavior, and appearance has roots in its past. If you can find it, the out-of-print The Intelligent American’s Guide to Europe, by Erik von Kuehnel-Leddihn, has an interesting (if idiosyncratic) overview chapter on the former Hapsburg monarchy countries (Austria, Hungary, and the former Czechoslovakia) covering origins to the late 1970s. (To American minds this will seem idiosyncratic because the author – an Austrian historian – was an unapologetic defender of the monarchy.) Also recommended: Paul Lendvai’s The Hungarians: A Thousand Years of Victory in Defeat. (The author is a Hungarian journalist who has lived outside of Hungary since 1956). Miklos Molnar’s A Concise History of Hungary covers similar issues, but is shorter (and less critical).
Optional: Websites for US, UK, Canadian and other English-speaking countries’ embassies in these countries have links to information. US-generated information can be found at http://www.state.gov/misc/list/index.htm. Also, the US Central Intelligence Agency publishes briefing documents on all countries, outlining basic facts on each country. Just “google” (for example) CIA Factbook Austria (or Hungary, etc.).

Optional: English language newspapers in the region -- Prague and Budapest both have English language newspapers that are available online (www.praguepost.cz) and www.budapestsun.com. Also check out the Budapest Business Journal (www.bbj.hu). Austria has English language online news at www.austriantimes.at or http://austriatoday.at.

BUAD 840/867 – Topics and Readings

* Items marked * should be read prior to arrival in Europe: also, note that for some items you only need read part of the article.

**Topic:** Managing business ethics in organizational contexts. These first several of these readings and videos review some of the social and psychological factors that lead to unethical behavior in organizations, even by persons with initially good intentions. From those, the readings move on to ask questions and offer recommendations about how to manage organizations in ways that minimize the risk of unethical behavior, and maximize the likelihood of ethical behavior that leaves everyone involved feeling good about where they work.

* Video: BBC recreation of the Milgram electric shock experiment. This three-part video describes an experimental study at Yale University in the early 1960s and repeated in the UK in 2009. It examines the potential influence of situations and people in authority positions on the willingness of others to engage in actions they think are unethical. As you watch this, ask yourself what kinds of similar influences arise in business organizations; about 50 minutes total viewing time. http://www.youtube.com/watch?v=BcvSNg0HZwk http://www.youtube.com/watch?v=IzTuz0mNlwU http://www.youtube.com/watch?v=CmFCoo-cU3Y

* Video: The Stanford Prison Experiment. As in the case of Milgram’s earlier study at Yale, ordinary people can be badly influenced by organizational settings. This video reviews another classic experiment in unethical behavior. Note how even the lead researcher (Zimbardo) easily falls into the role defined for him by the situation (prison warden). http://www.youtube.com/watch?v=b_huJo9F0kI (30 minutes)

If you’re interested, there’s much more information on this study, with more video excerpts, at www.prisonexp.org.

* Anand, Ashforth, & Joshi, Business as usual: The acceptance and perpetuation of corruption in organizations. Academy of Management Executive, 2004. (This reading discusses how organizations embed unethical practices, and why it is so hard to eliminate those practices once they develop.)

* Schminke, Arnaud & Kuenzi. The power of ethical work climates. Organizational Dynamics, 2007. (Discusses how to manage organizations so as to reduce unethical behavior.)

* Brown. Misconceptions of ethical leadership: how to avoid potential pitfalls. Organizational Dynamics, 2007. (Discusses the role of leaders in influencing employee behavior for good and for bad.)
Sells, What asbestos taught me about managing risk. *Harvard Business Review*, 1994. (Discusses the author’s experiences in the asbestos industry, and the reasons he and other managers failed to recognize the problems of asbestos, and how their thinking changed.)

**Topic:** Moralities across cultures and their relationship to business ethics and to societal institutions (formal and informal) in central & eastern Europe

* Kiriazov, Sullivan & Tu, Business success in eastern Europe: Understanding and customizing HRM. *Business Horizons*, January 2000 (you will find this journal in the library’s electronic journals list).


*Video: Mobile, cosmopolitan and well-off Americans and western Europeans tend to define morality in terms of matters of harm and fairness. Most of the world takes a much larger view. In this video social psychologist Jonathan Haidt explains the difference; most important is the discussion of the “5 moral foundations” in the first half of the talk.

*Haidt, TED conference talk on moral psychology:* [http://www.ted.com/talks/jonathan_haidt_on_the_moral_mind.html](http://www.ted.com/talks/jonathan_haidt_on_the_moral_mind.html) (about 20 minutes)


**Topic:** Corruption & Institutions


*Handout containing excerpts from articles on corruption in central and eastern Europe, plus summary of the OECD Anti-Bribery Convention.

Doh, Rodriguez, Uhlenbruck, Collins & Eden, Coping with corruption in foreign markets. *Academy of Management Executive*, 2003

* Lee & Ermann, Pinto “madness” as a flawed landmark narrative: an organization and network analysis, *Social Problems*, February 1999 (You will find this journal in the library’s Electronic Journals list). This article, though not directly about corruption, is important for two reasons: (1) it shows how routine organizational practices (of which corruption can sometimes be an example) reflect a complex array of influences from both within an organization and also from without (from the surrounding environment of formal and informal institutions in a society); and (2) it shows how popular media, public opinion, politicians, and others regularly misunderstand the nature and causes of unethical and illegal business behavior.

**Topic:** Corporate responsibilities: European & American perspectives.


*Wikipedia (en.wikipedia.org) articles on “Rhine capitalism,” “social market economy,” and “German model” (We’re not going to Germany, but most of these apply to Austria also, and, to a slightly smaller degree, the other countries we visit.)


[http://www.economist.com/node/11579339](http://www.economist.com/node/11579339)


**Topic: Globalization & its social impacts**  
Fishman, The Wal-Mart effect and a decent society: Who knew shopping was so important?  
