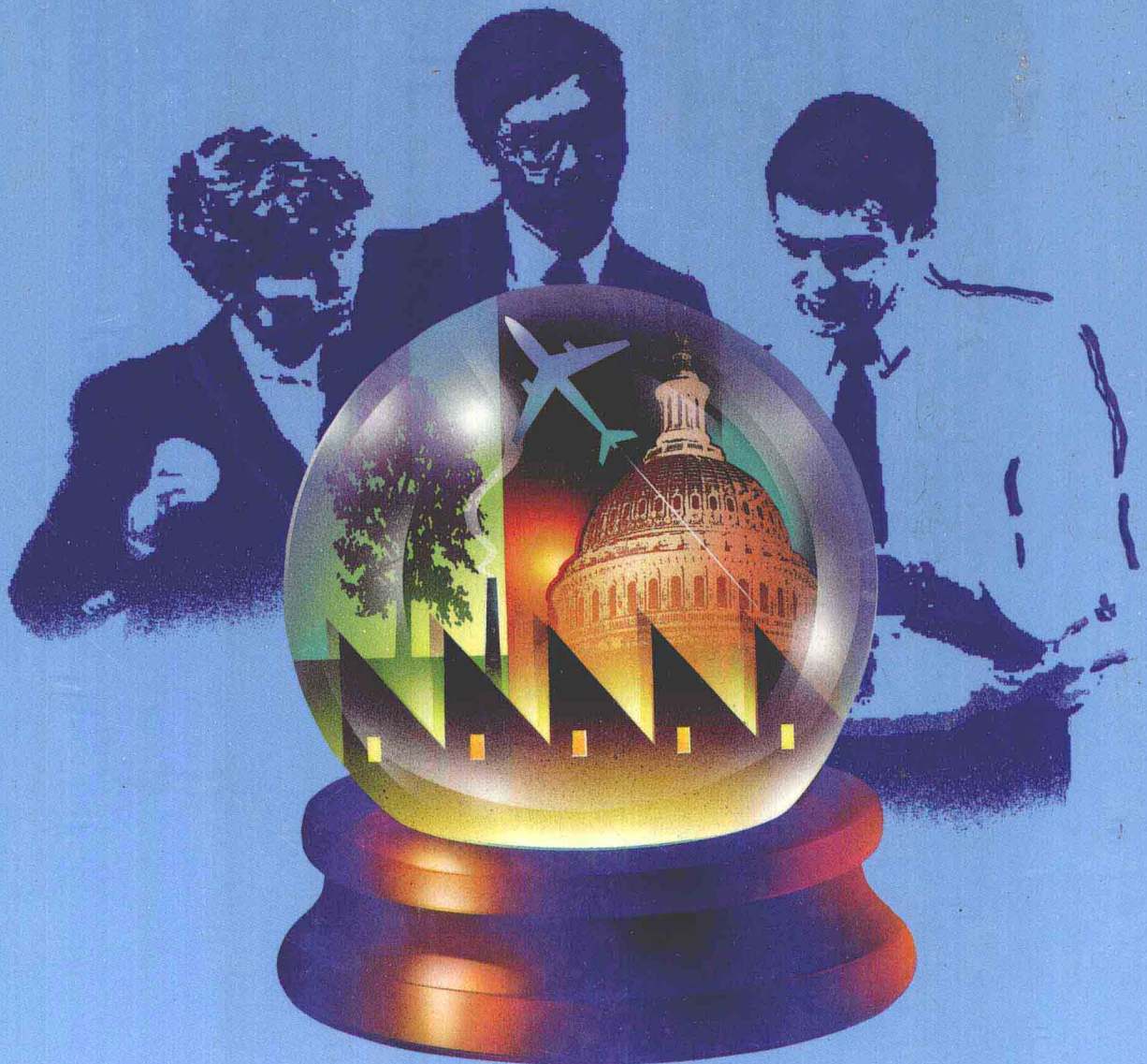


# Business, Government, and Society

*A Managerial Perspective*

TEXT AND CASES

EIGHTH EDITION



George A. Steiner and John F. Steiner



# **BUSINESS, GOVERNMENT, AND SOCIETY**

A MANAGERIAL  
PERSPECTIVE

TEXT AND CASES

EIGHTH EDITION

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A Managerial Perspective, Text and Cases

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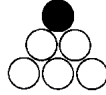
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# ABOUT THE AUTHORS

**George A. Steiner** is one of the leading pioneers in the development of university curriculums, research, and scholarly writings in the field of business, government, and society. In 1983 he was the recipient of the first Sumner Marcus Award for distinguished achievement in the field by the Social Issues in Management Division of the Academy of Management. In 1990 he received the Distinguished Educator Award, given for the second time by the Academy of Management. After receiving his B.S. in business administration at Temple University, he was awarded an M.A. in economics from the Wharton School of the University of Pennsylvania and a Ph.D. in economics from the University of Illinois. He is the author of many books and articles. Two of his books received "book-of-the-year" awards. In recognition of his writings, Temple University awarded him a Litt.D. honorary degree. Professor Steiner has held top-level positions in the federal government and in industry, including corporate board directorships. Past president of the Academy of Management and co-founder of *The California Management Review*, he is Harry and Elsa Kunin Professor of Business and Society and Professor of Management, Emeritus, Anderson School, UCLA.

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We dedicate this book  
to the memory of  
JEAN WOOD STEINER



# PREFACE

This book is about interrelationships among business, government, and society and how they affect business managers. Today, these interrelationships are continuously and rapidly changing. Managers steer companies through a world continuously altered by two powerful forces. First, deep historical forces reshape the economic, cultural, political, technological, and ecological terrain on which companies operate. Second, increasingly numerous stakeholders challenge traditional ideas about when corporations are being ethical and socially responsible.

These two forces create a web of complex, challenging, and threatening relationships for managers, both domestically and internationally. These relationships have changed rapidly for the past 150 years, but never more dramatically, swiftly, and significantly than now. They have altered the attitudes, duties, and decisions of managers. They have forced fundamental new directions on governments. And they have altered the way people live, work, think, and act. The end of this current era of change is not yet in sight.

We believe that every student who graduates from a business school should have some understanding of the trends and issues discussed in this text. We write principally for university students—but business managers, managers in government, and concerned citizens will find much of interest in the pages of this text.



## COMMENTS ON THE NEW EDITION

The great changes taking place in the interrelationships among business, government, and society have necessitated revision of every chapter in this book. All chapters have been brought up to date and some of them have been substantially restructured. International dimensions of the subject matter have been given much greater prominence. We continue to emphasize current events, issues, and conditions throughout the world and we have added new historical material where we believe it illuminates the origins of the present. We have continued our efforts to add conceptual material not subject to rapid



obsolescence by events, and we believe that this edition contains more of this basic material than do the previous ones. Also, this edition places greater emphasis on legal issues than the last. Because of growing government regulation since the 1960s, legal issues are continually more prominent in the business environment. The dockets of state and federal courts are more and more filled with cases involving statutes directed at business activity and we find that the pages of our text must likewise reflect this trend.

As in the last edition, we begin each chapter with a true story or incident that illustrates key concepts. A number of these introductory stories are new. Most that have been retained from the last edition are revised and updated. We also continue to include one or more case studies at the end of each chapter, with the exception of Chapter 1. This edition includes a total of 21 cases, 6 of which are entirely new. Of these cases, 17 are longer cases that explain situations in some detail and raise many issues for discussion. There are three shorter cases that revolve around fictitious companies and one of the cases, at the end of Chapter 8, is a set of ethical incidents. Case studies retained from the seventh edition are revised where appropriate to reflect the most current information available. We believe that cases are important learning tools that may be used as a basis for group discussions, additional research, or readings to illustrate chapter material.

The following illustrates some of the new material incorporated in this eighth edition:

- Chapter 1 is substantially rewritten to *simplify and restructure major models* that students may use in studying business-government-society relationships.
- Chapters 3 and 4 place increased emphasis on *how industrial development changes and shapes societies*.
- Chapter 5 now includes a section on *emerging views of corporate social responsibility*.
- Chapter 7 now includes a discussion of *basic forces that influence ethical behavior in corporations and how they can be managed*.
- Chapter 12 now includes a section on *trade disputes with Japan*.
- Chapter 14 has a new section on *ideas that have shaped attitudes toward the natural environment*.
- Chapter 16 contains an extended, updated discussion of *products liability law and reform*.
- Chapter 17 is a major revision that focuses on *how global forces affect worker welfare*. It includes a new discussion of *corporate downsizing*.
- Chapter 18 now emphasizes the *historical development of workplace civil rights*, from slavery to affirmative action, and contains an updated discussion of the *legal basis of affirmative action*.
- Chapter 19 contains an extensively revised section on the *executive compensation controversy*.
- *The six cases new to this edition* are: The American Fur Company, Levi Strauss & Co. in China, John D. Rockefeller and the Standard Oil Trust,

Microsoft Corporation and Antitrust, *Adarand v. Pena*, and *U.S. v. Michael R. Milken*.

- Four *new chapter opening stories* are added: Enron Corp., The Lockheed Aircraft Corporation's "Skunk Works," Archer-Daniels-Midland, and Indian Health Service.

## SUPPLEMENTS

**Instructor's Resource Manual** Written by the text authors, includes the following items: sample course outlines, chapter objectives, case study teaching notes with answers to the case questions, a list of term paper topics for each text chapter, and transparency masters. The manual also contains a Test Bank, organized by chapter. The Test Bank contains multiple-choice, true/false, fill-in, and essay questions as well as an average of five multiple-choice questions for each end-of-chapter case study.

**Computerized Test Bank** Contains all of the questions in the print Test Bank. It is a powerful system that allows tests to be prepared quickly and easily. Instructors can view questions as they are selected for a test; scramble questions; add, delete, and edit questions; select questions by type, objective, and difficulty level; and view and save tests. It will be available for DOS and Windows systems. A new feature of the Windows version is on-line testing capabilities.

**Video Series in Business, Government, and Society** Will help students connect topics covered in class with real-life events. It is comprised of four ADAM SMITH programs. The accompanying Instructor's Resource Guide provides, for each program, a summary, discussion questions, and a reference guide to topics in the text.

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This book would not have been possible without the research and published works of many people. We try to recognize inspirational and informative authors by citing, where appropriate, their work. We are deeply indebted to them.

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*George A. Steiner  
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