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& Society

Mcadams Tony Part I

LAW, BUSINESS, AND SOCIETY

Fifth Edition



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To our students

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LAW, BUSINESS, AND SOCIETY

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PREFACE

OVERVIEW

This text is directed to courses at both the upperdivision undergraduate and masters levels in the legal environment of business and government and business, as well as business and society. To date, authors of textbooks in these areas have often relied on a single discipline (for example, law, economics, or management) as the foundation for their efforts. In this text, we take an interdisciplinary approach, utilizing elements of law, political economy, international business, ethics, social responsibility, and management. This large task necessarily requires certain trade-offs, but we hope the product will more accurately embrace the fullness of the business environment.

We want to emphasize at the outset that our primary goal is to produce an interesting reading experience. Naturally, accuracy and reasonable comprehensiveness cannot be sacrificed. Our feeling, however, is that a law text can be both intellectually and emotionally engaging without sacrificing substantive ends. To meet our objective we have given extensive attention to readings, provocative quotes, and factual details (surveys, data, and anecdotes) that add flesh to the bones of legal theory.

The book is divided into five parts as follows:

Part I—Business and Society. We do not begin with the law. Rather, in Chapter 1 (Capitalism and the Role of Government, Chapter 2 (Business Ethics), and Chapter 3 (The Corporation and Public Policy: Expanded Responsibilities), we hope to es-

tablish the influences that determine the character of our legal system.

Part I should meet the following goals: (a) enhance student awareness of the many societal influences on business, (b) establish the business context from which government regulation arose, and (c) explore the roles of the free market, government intervention, and individual and corporate ethics in controlling business behavior.

The student must understand not merely the law but the law in context. What forces have provoked government intervention in business? What alternatives to our current "mixed economy" might prove healthy? These considerations help the students respond to one of the critical questions of the day: To what extent, if any, *should* we regulate business?

Part II—Introduction to Law. Chapter 4 (The American Legal System) and Chapter 5 (Constitutional Law and the Bill of Rights) survey the foundations of our legal system. Here, we set out the "nuts and bolts" of law, combining cases, readings, and narrative. Then, with Chapter 6 (International Ethics and Law), we examine business and public policy in the global context.

Part III—Trade Regulation and Antitrust. Chapter 7 (Government Regulation of Business: An Introduction) is a bit of a departure from the approach of many texts in that significant attention is directed to state and local regulations. Chapter 8 (Administrative Agencies and the Regulatory Process),

Chapter 9 (Business Organizations and Securities Regulation), Chapter 10 (Antitrust Law—Monopolies and Mergers), and Chapter 11 (Antitrust Law—Restraints of Trade) survey the heart of government regulation of business (administrative law, business organizations and securities regulation, and antitrust).

Part IV—Employer–Employee Relations. Chapter 12 (Employment Law I: Protecting the Employee), Chapter 13 (Employment Law II: Discrimination), and Chapter 14 (Employment Law III: Labor-Management Relations) are intended not only to survey the law in those areas, but also to introduce some of the sensitive and provocative social issues that have led to today's extensive government intervention in the employment relationship.

Part V—Business and Selected Social Problems. The three closing chapters of this book— Chapter 15 (Consumer Protection), Chapter 16 (Product Liability), and Chapter 17 (Environmental Protection)—emphasize the dramatic expansion of the public's demands on the business community.

ACCREDITATION

Our text conforms to the undergraduate and MBA "Perspectives" portion of the American Assembly of Collegiate Schools of Business (AACSB) curriculum standards for accreditation:

Standard: Both undergraduate and MBA curricula should provide an understanding of perspectives that form the context for business. Coverage should include:

- Ethical and global issues,
- The influence of political, social, legal and regulatory, environmental, and technological issues, and
- The impact of demographic diversity on organizations.

Two chapters are devoted exclusively to ethics materials, while ethics themes emerge throughout the book. At the same time, law and economics clearly must remain central ingredients in meeting our goal of explaining the business and social context in which government regulation arose. The chapter on employment discrimination should be quite help-

ful in aiding students' understanding of the "demographic diversity" topic.

Furthermore, as required by the rapidly changing nature of commerce and as recommended by the AACSB, the text devotes extensive attention to issues arising from international business. Various topics throughout the text (for example, comparative economic systems, the Foreign Corrupt Practices Act, and global pollution) afford the student a sense of the worldwide implications of American business practice, and Chapter 6 is entirely devoted to international themes.

PHILOSOPHY

As noted, our primary goal is to provoke student thought. To that end, heavy emphasis is placed on analysis. The questions asked are considered more important than the answers. The student is acquainted with existing policy in the various areas not merely for the purposes of understanding and retention but also to provoke inquiry as to the desirability of those policies. Then, where appropriate, an effort is made to explore with the student the desired managerial role in shaping and responding to governmental policy.

Our book takes a strong public policy orientation. Part I of the text is, as explained, a necessary foundation on which the student can build a logical understanding of the regulatory process, but the business and society themes don't stop there. In virtually every chapter, we look beyond the law itself to other environmental forces. For example, in the antitrust chapters economic philosophy is of great importance. Antitrust is explored as a matter of national social policy. We argue that antitrust has a good deal to do with the direction of American life generally. Law is at the heart of the fair employment practices section, but materials from management, sociology, economics, and the like are used to treat fair employment as an issue of social policy rather than as a series of narrower technical legal disputes. These kinds of approaches characterize most chapters as we attempt to examine the various problems in the whole and, to some degree, from a managerial view

point. Having said all this, it should be understood that the law remains the bulky core of the book.

KEY FEATURES/DEPARTURES

Journalistic and scholarly readings seek to give the book a stimulating, real-world quality.

Ethics and social responsibility are at the heart of the text rather than an afterthought to meet accreditation standards.

International issues receive extensive attention. Law cases are of a length sufficient to clearly express the essence of the decision while challeng-

The law is studied in the economic, social, and political context from which it springs.

Attention is given to critics of business values and the American legal system.

Approximately 120 selected Web sites have been added to the 5th edition.

Perhaps the key pedagogical tactic in the book is the emphasis on questions rather than on answers.

INSTRUCTOR'S MANUAL

ing the reader's intellect.

A package of supplementary materials is included in the instructor's manual. Those materials include (a) chapter outlines, (b) general advice regarding the goals and purposes of the chapters, (c) summaries of the law cases, (d) answers for the questions raised in the text, and (e) a test bank.

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SUGGESTIONS

The authors welcome comments and criticism from all readers.

Tony McAdams



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