

713 MANAGEMENT IN SOCIETY

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Office Hours:
Tuesday 12:00
Friday 12:00

1. Preamble

The subject AGSM 713 Management in Society has several goals:

1. To stimulate thought and discussion of the manager's roles and responsibilities in society at large;
2. To develop and exercise the ability to examine situations analytically;
3. To develop and exercise the ability to think clearly and to write persuasively;
4. To introduce students to each other and to working cooperatively in groups;
5. To introduce members of the academic staff and their professional interests to students;
6. To attempt a preliminary synthesis of different disciplines taught at the AGSM;
7. To discuss and compare different methods of allocating resources in organisations: by exchange, by authority, by persuasion;
8. To introduce students to the library as a source of data and ideas.

The first goal will be sought by giving you opportunities to examine, discuss, and argue the ethical, social, legal, and moral responsibilities of managers. The questions of leadership, authority, and legitimacy in management may also be raised. You will be involved in individual reading, group discussions and presentations, class discussions and role-playing, and group and individual report- and essay-writing. In particular there will be two 2000-word essays towards this goal.

The second and third goals should of course be implicit in the goals of any good university course, but experience has shown that many, if not most, students can benefit from further effort, practice, and feedback towards these goals. The second goal is to encourage you to develop skills of analysis in considering situations in the real world, such as unemployment, resource development, weather forecasting, group decision making, drug use, education, freedom of information, organisational structure, blood donation, consumerism, etc. Each situation may or may not be a "problem", calling for (although not necessarily possessing) a "solution". I hope that during the session you will have the opportunity to argue and discuss some contentious issues in class.

I promise that you will have the opportunity to argue in writing, since I see the subject as encouraging you to develop your expository

skills in being able to write persuasively. Indeed, given the degree to which the manager's roles and responsibilities in society are matters for his or her individual conscience, the essays will for the most part be marked according to your success in writing good, persuasive essays: I emphasise that I expect essay style (not business memo style) because I believe that the process of writing good essays is a discipline in itself; having developed these skills you should readily be able to compress your style to that of a pithy business memo, but not in Management in Society.* (I shall hand out points on good writing.)

The fourth goal will be pursued through group work. I shall divide you into groups of five or six students and regroup you once or twice so that you have the chance to work with about fifteen other students during the session. The groups are expected to meet weekly to prepare group reports and/or group presentations. There will be several opportunities for group presentations to the rest of the class, with feedback from me on content and performance. There will be about eight group assignments, which will count in the final assessment.

During the session we shall examine the many ways in which decisions are made about society's use of resources, both natural and human. In a mixed economy, such as Australia's the resource allocation processes include:

- business activities in markets which are less or more regulated,
- industrial relations processes,
- legal constraints,
- government regulations,
- administrative acts,
- political decisions,
- household behaviour.

All but the last (which is covered in AGSM 131, Price Theory and its Applications, and in AGSM 501, Marketing Concepts and Strategy) will be discussed in Management in Society.

In doing so, we shall employ various approaches, including:

- microeconomics,
- game theory,
- behavioural psychology,
- political science,
- sociology,
- the law.

Each of these is represented among the academic staff of the AGSM, and the first three or four weeks of the session will provide you with a chance to examine a particular situation, to discuss it among yourselves, to hear

* In a recent article in Time, a senior vice president of the First Atlanta Corp was quoted as saying, "If I could choose one degree for the people I hire, it would be English. I want people who can read and speak the language we're dealing with. You can teach a group of Cub Scouts to do portfolio analysis." And J K Galbraith has argued that the well-written memo is mightier than the Minister: "The ability to write so as to command attention is one of the most valuable bureaucratic weapons."

differing points of view, and possibly to reach your own conclusions. The purpose of the exercise (indeed, of the whole subject) is not to come up with a "solution" to the "problem" but:

- to become aware of the full glory of the issue, with all its distinct aspects,
- to become aware of the advantages and drawbacks of each approach used in analysing the issue,
- to meet academic staff members as professionals.

It is possible to divide major social decision mechanisms into two groups:

- markets, with price rationing,
- political processes, with voting structures.

Managers, both private and public, should be aware of the relative strengths, weaknesses, and failures of the two methods, in order to understand society's reliance on them. The ways in which these processes interact, what alternatives exist for decision makers and managers, and whether or not these decisions produce the outcomes hoped for, are important questions.

2. Assessment

1. Three 2000-word typed essays

(i)	from 23/3, due 6/4 - on Un/Employment	15 20% of the assessment
(ii)	from 20/4, due 7/5 - on The Social Responsibility of Managers	25%
(iii)	from 7/5, due 4/6 - on The Mixed Economy	25%
2. Up to eight group assignments 35
30%
3. Classroom participation: this will not count for any set proportion of the assessment, but active classroom participation can only help borderline cases.
4. There will be no exam. The subject will be marked for pass and honours (HD, DN, CR or PS).

3. The Recommended Books

Three books are recommended reading for the subject:

Arrow, K J, The Limits of Organization, NY: Norton, 1974.

Hirschman, A O, Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations, and States, Cambridge (Massachusetts), Harvard U P, 1970, and

Schelling, T C, Micromotives and Macrobehaviour, NY: Norton 1978.

None of these is a textbook, but I expect you to read them in the next few weeks. This should prove stimulating and enjoyable. I may base a group assignment on them. They should both be available at the Co-op Bookshop - let me know if you have difficulty obtaining them.

4. The First Topic

The schedule for the next seven classes is:

Tuesday 2/3	Introduction
Friday 5/3	Film showing
Tuesday 9/3	Staff-led discussion of the general situation.
Friday 12/3	Group reports on the major issues and aspects. Discussion.
Tuesday 16/3	Staff-led discussion of the social issues.
Friday 19/3	Staff-led discussion of the economic issues.
Tuesday 23/3	Staff-led discussion of possible futures and what today's manager can learn from the issue.

5. Other Topics

I try to keep the subject topical, as the public debate changes. Last year in lectures I covered:

- Employment and the Resource Boom (7)
- Modelling (2)
- Organisational Economics (9)
- Competition and Common Property (2)
- Public Goods (1)
- Trade Union Superfunds (1)
- Tax/Education Theories (1)
- The Public Use of the Private Interest (1)

Other possibilities are:

- Industrial Democracy
- Multinational Ethics
- Advertising Ethics

I shall call for your suggestions for possible additional topics at the end of the first topic. (Perhaps you might consider the question of further topics in your groups.)

From time to time there may be visiting lecturers, and I hope to have two people to assist me in reading your essays, in marking group assignments, and in helping you through the process known as Management in Society.