

HIS 366: American Business History

Spring 2017

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Office Hours: Wed 1-2pm; Fri 12-1pm
(or by appointment)
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This course examines the transformation of American businesses from the small-firm world of the early national period to the multi-national corporations of the twenty-first century. The course focuses on key individuals and businesses to highlight various legal, political, economic, and institutional factors inherent to the rise of the American business enterprise.

Learning Objectives

This course fulfills the **Writing II Proficiency**.

This course fulfills the **Social Science Core Requirement**. This course will examine both qualitative and quantitative methods for understanding the history of American business institutions. Key economic concepts will be analyzed in their social, legal, and political contexts.

This course fulfills the **Human Relations Elective** for the Business Studies Certificate.

As a result of having met the requirements of this course, the student is expected to be able to:

- a. recognize the several environmental and institutional forces which have historically shaped the American business environment.
- b. describe the relationship between business and government at various points in the nineteenth and twentieth centuries.
- c. understand basic concepts of business development such as horizontal and vertical integration, and economies of scale, scope, and speed.
- d. understand different corporate cultures, and how these cultures effect the reaction of the organization to internal and/or external change
- e. understand the historical roots of twenty-first century business practices and regulations.
- f. recognize the moral and ethical issues within which business decisions are made.

Readings

Books are available for purchase at the PC Bookstore or used online. Students will also be required to purchase directly a packet of case studies from Harvard Business School Press.

- Required:
- * Harold C. Livesay, *Andrew Carnegie and the Rise of Big Business*
 - * Readings on Sakai
 - * Harvard Business School Press case packet (purchase electronic and/or printed packet [about \$51] at): <http://cb.hbsp.harvard.edu/cbmp/access/72950417>

Grading

- **Class Participation** (20%)
- **Exam** (15%): Thursday, March 1
- **Research Paper** (25% = 10% assignments A, B, & C + 15% final draft)
 - **Assignment A:** due Thursday, February 1
 - **Assignment B:** due Tuesday, February 20 (by midnight on Sakai)
 - **Assignment C:** due Thursday, April 5 (by midnight on Sakai)
 - **Assignment C (revised):** due Thursday, May 3
 - **Rewrite (optional draft 3):** TBA
- **Reading Responses** (20%): 12 assigned; average of 8 highest grades
- **Peer-led Discussion and write-up** (10%)
- **Final Essay** (10%): TBA

Course Requirements

- **Attend all classes.** Attendance is mandatory, unless you have a signed note *from the Dean's office* or an official note that you will be attending a college-sponsored event.
 - If you are unable to attend class *for any reason* (excused or unexcused) and you do not have a note, you will receive a zero for participation that day unless you submit a 1000 word (approximately 4 double-spaced, typed pages) written review of the assigned reading material by the following class (in addition to any other assignments due in class that day). A word count must be included on this assignment.
 - If you have more than 3 unexcused absences, you will automatically receive an F for the participation portion of your grade for the entire semester.
 - Excused absences are determined at *my* discretion, but will include college-related activities and Dean's excuses. When possible, excused absences must be cleared with me before the class in question.
- **Read all assigned material.** You must come to class having read and taken notes on the assigned readings.

- **Actively participate in class.** In determining your discussion grade, I will take into account both your level of preparation for class and the **quality** of your input. Since this is such a large portion of your final grade, it is in your best interest to contribute to the proceedings. Students who are reticent about speaking should visit me during office hours to discuss the issue.
- **Actively engage with the reading responses.** Twelve times during the semester, I will give you a question to think about as you do your assigned reading. Submit a short (but well thought-out) 400-500 word (~1.5 page) typed response, due in class. A word count must be included on all responses. Final grade is the average of your 8 highest responses.
- **Lead a class discussion.** In groups, each student will lead a class discussion. Prior to that discussion, the students will be required to meet with me to discuss the organization and content of their discussion. After the discussion, you will each (individually) submit a 900-1200 word (3-4 page) “post-mortem” in which you: (a) describe your plan going into the discussion; (b) describe your specific role in the planning and execution of this plan, (c) analyze which aspects went well and which went poorly, and (d) consider how you could have improved upon the discussion, in retrospect. This is due within 3 weeks of the discussion.
- **Turn in assignments on time.** Late assignments turned in within 24 hours of time due will be penalized 8 points, and 15 points if handed in within 48 hours. No assignments will be accepted more than 48 hours late.
- **Do your own work.** Papers must be your own work and NOT something written by someone else, taken off the internet, written for another class, etc. You **are permitted** to have outsiders read your papers and comment on them, but they **may not** rewrite any portion of the paper. For example, **permitted:** “I don’t understand what you are trying to say in this paragraph” or “I’m not sure that this sentence makes sense grammatically” or “You have too many run-on sentences” or “Your thesis is not clear.” **Not permitted:** “Wouldn’t this paragraph make more sense if you wrote it this way?” or “You aren’t using commas properly so I changed where you are putting them” or “I think you’re argument would be better if you said this.”

You are always permitted to go to the Writing Center at the Office of Academic Services to get help with writing papers.

Students who are discovered to have cheated on any assignment will be assigned the grade of 0 for that assignment, with possible further penalties depending on the severity of the infraction. A second infraction will automatically result in the grade of F for the course. **All incidents** will be reported to the Dean of Undergraduate Studies, as required by the PC Policy on Academic Honesty in student handbook.

Participation Rubric

	Excellent (A)	Good (B)	Average (C)	Needs Help/ Inadequate (D-F)
Attendance/ Promptness	Student is always prompt and never misses class without documentation.	Student is occasionally late (once every few weeks) and regularly attends class (few or no undocumented absences).	Student is often late but regularly attends class (few or no undocumented absences).	Student is frequently late and/or has poor attendance of classes.
Level of Engagement * This will comprise the majority of your participation grade.	Student contributes to class by offering ideas and asking questions several times per class. These comments demonstrate careful engagement with the text.	Student contributes to class by offering ideas and asking questions more than once per class. These comments demonstrate engagement with the text.	Student contributes to class by offering ideas and asking questions once per class. These comments demonstrate familiarity with the text.	Student rarely contributes to class by offering ideas and asking questions. The student demonstrates little or no familiarity with the text.
Listening Skills	Student listens when others speak, and often incorporates or builds on ideas of others.	Student listens when others speak, and occasionally incorporates or builds on ideas of others.	Student listens when others speak.	Student does not listen when others speak and/or is disruptive .
Behavior	Student never displays disruptive behavior in class.	Student rarely displays disruptive behavior in class.	Student occasionally displays disruptive behavior in class.	Student frequently displays disruptive behavior in class.
Preparation	Student is always prepared for class. S/he has read all required readings and completed all assignments. S/he always brings readings to class.	Student is usually prepared for class. S/he has read most required readings and completed all assignments. S/he usually brings readings to class.	Student is often prepared for class. S/he has read most required readings and completed most assignments. S/he sometimes brings readings to class.	Student is rarely prepared for class. S/he does not read required readings and/or complete assignments. S/he rarely brings readings to class.

Course Schedule

Tuesday January 16: Introduction and overview of America in the First Half of the Nineteenth Century

I. Business Development during the Early National Period

Thursday January 18: The Economic Theory of Adam Smith

Readings: Adam Smith, *The Wealth of Nations*, Book I, chapters 1 – 3 [on Sakai]
Larson, *The Market Revolution in America*, chap. 1 (p. 12-25, 29-38) [on Sakai]

****Response Paper 1a due:** In chapter 3 of *The Wealth of Nations*, Adam Smith discussed how the division of labor was limited by the extent of the market. How was this relevant for the United States at the beginning of the nineteenth century?

Tuesday January 23: The Factory System

Readings: Larson, *The Market Revolution*, chap. 2 (p. 46-79, 86-91) and 3 (p. 112-120) [on Sakai]
Livesay, *Andrew Carnegie and the Rise of Big Business*, chapter 1

****Response Paper 1b due:** What do you think was the most important advantage of factories? Fully explain your choice.

Thursday January 25: Corporate Law

Readings: *Other People's Money* [selections on Sakai]
PC's charter of incorporation [on Sakai]

****Response Paper 2 due:** What important characteristics of incorporation (as described in *Other People's Money*) do you find in the PC charter of incorporation? Why were these characteristics important to include?

Tuesday January 30: Commercial and Property Law

Readings: Balleisen, *Fraud* [chapters 3-4 on Sakai]

Thursday February 1: The Transportation Revolution I: Turnpikes, Steamboats, Canals

****Paper Assignment A due****

II. Railroads: The First Modern Business Enterprise

Tuesday February 6: The Transportation Revolution II: Railroads

Readings: Larson, *The Market Revolution*, chapter 2 (p. 79-86) [on Sakai]
Livesay, *Andrew Carnegie and the Rise of Big Business*, chapters 2-3
Alfred Chandler, *The Visible Hand* (p. 79-89) [on Sakai]

****Response Paper 3a due:** Historians commonly refer to railroads as the first modern business enterprise. Explain why.

Thursday February 8: The Development of Modern Capital Markets

Readings: Livesay, *Andrew Carnegie and the Rise of Big Business*, chapters 4-5
Other People's Money (chapters 4 [from p. 121] & 5 [p. 133-36, 145-62]) [on Sakai]

****Response Paper 3b due:** Why did the securities market become so essential in mid-nineteenth-century America? What did Carnegie view as the pros and cons of dealing in securities? Why?

III. Andrew Carnegie and Supply-Side Management

Tuesday February 13: The Creation of Carnegie Steel

Readings: Livesay, *Andrew Carnegie and the Rise of Big Business*, chapters 6-8

****Response Paper 4 due:** On page 113 of the Livesay book, it says that one of Carnegie's main business principles was "watch the costs; the profits will take care of themselves." Explain what he meant by this.

Thursday February 15: The Emergence of Organized Labor

Readings: Livesay, *Andrew Carnegie and the Rise of Big Business*, chapters 9-10

Tuesday February 20: **NO CLASS** [Monday schedule]

****Paper Assignment B due midnight****

IV. John D. Rockefeller and the Rise of the Modern Corporation

Thursday February 22: From Economies of Scale to a Vertically-Integrated Empire

Readings: "John D. Rockefeller and the Creation of Standard Oil," (in HBSP case packet)

Tuesday February 27: The Standard Oil Trust

Readings: “Antitrust: Perceptions and Reality in Coping with Big Business,” (in HBSP case packet)

McCraw, *Prophets of Regulation*, chapters 3 (p. 80-82, 94-122) [on Sakai]

Thursday March 1: **MIDTERM**

Spring Break

V. Lessons of Boom and Bust

Tuesday March 13: Du Pont and Modern Management

Readings: “Du Pont: The Birth of the Modern Multidivisional Corporation,” (in HBSP case packet)

****Response Paper 5a due:** What were the most important reasons why the U-form managerial structure [the functional departmentalization adopted from the railroads] failed to meet the needs of DuPont after World War I? How were these problems solved with the M-form managerial structure?

Thursday March 15: Henry Ford and Mass Production

Readings: “Ford vs. GM: The Evolution of Mass Production,” (in HBSP case packet)

“The Mussolini of Highland Park” [on Sakai]

****Response Paper 5b due:** *question TBA*

Tuesday March 20: Challenging the Vision: General Motors in the 1920s

Readings: Alfred P. Sloan, Jr., *My Years with General Motors*, p. 58-70, 149-168, 238-247 [on Sakai]

****Response Paper 6a due:** What was *the* most important strategic move GM made to surpass Ford? Back up your answer.

Thursday March 22: Regulating Capitalism in the Wake of the Great Depression

Readings: McCraw, *Prophets of Regulation*, chapter 5 [to page 203]

****Response Paper 6b due:** What makes the SEC such a powerful regulatory agency? Choose *no more than 3* things, but make sure you fully explain your choices.

Tuesday March 27: Business, Government, and War

Readings: Wilson, *Destructive Creation* (selections on Sakai)

Easter Break

VI. CASES and Peer-Led Discussions

Tuesday April 3: Navigating International Politics

Readings: “Thomas J. Watson, IBM, and Nazi Germany” (in HBSP case packet)

[peer-led discussion 1]

****Response Paper 7 due: question TBA**

Thursday April 5: **[NO CLASS]**

****Paper Assignment C due by midnight****

Tuesday April 10: Hi ho, hi ho, it’s off to work I go....

Readings: “Walt Disney and the 1941 Animator’s Strike,” (in HBSP case packet)

[peer-led discussion 2]

****Response Paper 8 due: question TBA**

Thursday April 12: Business and the Cold War

Readings: “Business Responsibilities in a Divided World: The Cold War Roots of the Corporate Social Responsibility Movement” [on Sakai]

Tuesday April 17: Regulating New Media

Readings: “RCA: Color Television and the Department of Justice,” (in HBSP case packet)

[peer-led discussion 3]

****Response Paper 9 due: question TBA**

Thursday April 19: Challenges to American Manufacturing

Readings: “Automotive Quality Reputation: Hard to Achieve, Hard to Lose, Still Harder to Win Back” (in HBSP case packet)

Tuesday April 24: An Information Revolution

Readings: “The Origins and Development of Silicon Valley,” (in HBSP case packet)

[peer-led discussion 4]

****Response Paper 10 due:** *question TBA*

Thursday April 26: Personal Computers

Readings: “Bill Gates and Steve Jobs,” (in HBSP case packet)

[peer-led discussion 5]

****Response Paper 11 due:** *question TBA*

Tuesday May 1: Corporate Social Responsibility

Readings: “Corporate Social Responsibility: Doing well by doing good” (in HBSP case packet)

“New Balance: Developing an Integrated CSR Strategy,” (in HBSP case packet)

[peer-led discussion 6]

****Response Paper 12 due:** What is Corporate Social Responsibility? What are the benefits of pursuing a policy of CSR? What are the hazards of pursuing CSR?

Thursday May 3: American Business in the 21st Century

****Paper Assignment C (revised) due****