

BCOR 4003 Senior Seminar
Spring 2009
Professor Rosse

Name: **Answer Key**

*If you wish me to post grades—for this exam and at the end of the semester—please provide me with a unique ID. (If you do not want your grades posted, just leave this blank). Your ID should be at least 5 letters or numbers, but **should NOT be your student ID**. Try to make it unique (NOT 12345), and something you'll remember. _____*

Honor Code Pledge

On my honor, as a University of Colorado at Boulder student, I have neither given nor received unauthorized assistance on this exam. Signature _____

Part I. Answer each in a short paragraph or so (10 pts each)

1. Sisodia et al. talk a lot about “Generativity.” What is this and why is it so important to their book?

Generativity is the idea that as people get older, they become more concerned about the welfare of the next generation. It is also expressed as a desire to “give back” in recognition of the benefits one has gained from society.

It is important because it is one of the key forces that Sisodia et al argue underlies the transition to an Age of Transcendence. They suggest a number of changes that have occurred as a result of the aging of society:

- **Reduced focus on materialism, replaced by a focus on finding meaning**
- **Greater sophistication, resulting in greater skepticism regarding traditional marketing and greater resistance to “hucksterism”**
- **Longer-term definition of “success”**

2. Stakeholder Relationship Model

The SRM suggests that businesses need to be concerned about the interests of all stakeholders, not just shareholders. FoE in particular suggests that the key issue is to align the interests of all stakeholders so that all can gain, rather than having a zero sum game in which some must lose.

The key stakeholder groups are:

- **Society**
- **Partners**
- **Investors**
- **Customers**
- **Employees**

3. What is empathy, and how does it differ from sympathy? How does it relate to the exercise on detecting true smiles that we did in class?

Empathy is the ability to understand what another is feeling, even if you don't feel that way yourself or agree with the feeling. It's the ability to imagine yourself in someone else's position and intuit how they are feeling. Feeling *with* another person.

Sympathy is sharing the same feeling as another. (Or Pink says, feeling bad *for* someone else.)

The exercise on detecting true smiles is based on Pink's argument that a critical part of being empathetic is to be able to "read" another person's feelings. He also argues that being able to read smiles is particularly important, because people can fake smiles—but truly empathetic people can tell the difference between true and fake smiles. Practicing detecting real smiles can build your skill in being empathetic.

Part II. Answer following in a few paragraphs—or even better with a fairly detailed outline of key points (15 pts. each)

1. What are the characteristics that Sisodia et al. describe in Chapter 10 (“Lessons Learned”) as being the critical seven factors that differentiate FoEs from other firms? Briefly, why is each so critical?
 - **Create value by aligning stakeholder interests (#1 differentiator)**
 - **Challenge the status quo; they are rule-breakers rather than rule takers (or makers); leads to criticism by Wall Street**
 - **Don’t believe in “tradeoffs”: both/and rather than either/or view of world**
 - **Long-term perspective (short-term view pays off for CEOs and Wall St, but not society)**
 - **Organic rather than rapid growth—more sustainable**
 - **Blend work and play**
 - **Reject traditional marketing strategies; save money by relying on word-of-mouth; everyday value rather than big sales**

2. What are the key reasons that Wal-Mart has been criticized (particularly as illustrated in the video, but also from the *FoE* book and Cascio and *New York Times* articles)? Be specific and include as many of the factors as you can, being sure to include all three sources.

Video:

- **“Crushes competition” in towns it moves into**
- **Pays low wages—and reduces wages in community (also FoE)**
- **Anti-union**
- **Expects workers to work overtime without pay**
- **Discrimination (esp against women)**
- **Costs of subsidies that could be used for other social purposes**
- **Environmental violations**
 - **Though NYT article suggests otherwise**
- **Exploits foreign labor**
- **Not concerned about customer safety**
- **Walton family doesn’t support philanthropy**

Cascio: comparison of Sam’s/WalMart to Costco

- **Also notes violations of labor and discrimination laws**
- **Low wages**
- **Pressure on suppliers (also mentioned in FoE)**
- **Imposes health care costs on society due to poor health insurance**
 - **Though NYT articles shows this is improving**

3. Sisodia et al. suggest that American business has gone through three major “ages” since the founding of the country. Pink somewhat similarly suggests 4 such ages. Describe both books’ ages, the major themes that differentiate the ages, and how the two books are similar or different.

Sisodia et al

1. **Age of Empowerment (1776 – 1880)**
 - Declaration of Independence → free society
 - Adam Smith → free market
2. **Age of Knowledge (1880 – 1980s?)**
 - Primacy of science
 - Industrialization
3. **Age of Transcendence (1989 -- ?)**
 - Aging population (majority of adults > 40 in 1989)—reduced materialism
 - Birth of the Internet broke down barriers and increased transparency
 - Social transformation of capitalism is the result
 - Shift from scientifically-based certainty → subjectivity

Pink: places particular emphasis on skills needed in employees

1. Agricultural Age (18th century)
2. Industrial Age (19th – mid 20th century)
 - (Corresponds to industrialization in FoE’s Age of Knowledge)
 - Physical strength & endurance
3. Information Age (20th century)
 - L-Directed Thinking is key
4. Conceptual Age (21st century)
 - R-Directed skills key for creator and empathizer roles