BA/ACCT 514
ETHICS OF BUSINESS
FALL 2015

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REQUIRED TEXT


COURSE DESCRIPTION

This course is an overview of the ethical concepts, processes, and best practices within business and Accounting. It addresses the complex environment of ethical decision making and organizational compliance in organizations as well as enhancing the awareness and decision making skills needed to contribute to responsible business conduct. MBA students will have a better understanding of the Accounting profession as it relates to the corporate social responsibility function within the 21st century. At the end of this course all should have a differential advantage in understanding values, the reality of business decision making, and be able to develop and implement an Ethics Evaluation. One of the most important aspects of the course is the learning what types of questions to ask within a firm.

COURSE OBJECTIVES

1. Discussion of the legal, social, and ethical aspects of business within a global context.
2. The cultivation of an analytical approach to ethical decision-making within business.
3. Awareness of global ethical and legal issues as they apply to business
4. The encouragement of analytical thinking and writing.
5. Basic understanding of Accounting and business ethics and functions.

I. CLASS DISCUSSION (20%)

It is important to share your business or cultural experiences. The second class period you will fill out a seating chart and that spot will be yours. If I don’t know who you are I cannot call on you in class. Class time will be spent lecturing on some important marketing constructs, case discussion, and participating in assigned article discussions. I randomly choose students to start the discussion and function as a moderator. Class participation is graded somewhat subjectively. You start with full credit and work your way down by not being prepared. The focus is on application and meaningful dialogue. The following affects class participation (-10% each):
Absences or being late (>5 minutes), failing to engage in discussions, not being prepared when called upon, and trivial banter that does not help the class.

II. MBA STUDENTS: INDUSTRY BEST PRACTICES PAPER (20%)

Each Non MACC student will be assigned one industry as defined by Fortune Magazine’s classification of the top 500 firms in 2013. The following is required:

1. With your assigned industry you must speak to their trade association and determine what “Best Practices” means for them. For example, you can start by saying, “Mr./Ms XXX I am doing research for a graduate course in Business Ethics and have been assigned your industry. One of the most important items within ethics is to understand an industry’s “Best Practices”. This is usually accompanied by various legal rules that the industry association feels their members need to be updated on.” You then start retrieving all information. **In all cases** you must give me a detailed log of every person interviewed (Name, Title, Association, Phone, E-mail, Time of discussions, Questions asked, Materials/information provided) as well as sources accessed.

2. Start this paper early. Do not be fooled into believing that a cut/paste of a trade association’s Ethics Guidelines will suffice.

3. While interviewing the main Association, find out what potentially troubling legislation or questionable practices are present and their views.

4. Ask what are the three main ethics problems the industry has and why. Get examples from them and follow up via the internet and EBSCO (This is called deep research).

5. Check the legal data bases (Lexis-Nexis, etc.) as well as the internet (No Blogs) for legal cases and issues within the industry.

6. Your report should have the following headers:
   a. General Description of Industry (Past, Present, and Future)
   b. Best Practices (Origin/description; Past, Present, and Future)
   c. Best Practices: Enforcement, Penalties, Past Firms examples
   d. Legal issues (Past/examples/solutions, Present/examples/solutions and Future/examples/solutions)
   e. Ethical Issues (Past/examples/solutions, Present/examples/solutions, and Future/examples/solutions)
   f. Industry’s Perception of Government, Level of Competition (Top 3-5 Firms), and Other Stakeholders.
   g. Conclusions

**PAPER 2 (20%) CODE OF ETHICS FOR TWO COMPANIES IN INDUSTRY**

You will be given two companies with your industry. Your report should have the following headers for each firm:

a. General Description of Firm (Past, Present, and Future)

b. Firm’s Best Practices (Origin/description; Past, Present, and Future)

c. Firm’s Best Practices: Enforcement, Penalties, Past examples

d. Firm Ethics Code (Describe and Explain, via interviews, how it evolved)

e. Firm’s Legal issues (Past/examples/solutions, Present/examples/solutions and Future/examples/solutions)

f. Firm’s Ethical Issues (Past/examples/solutions, Present/examples/solutions, and Future/examples/solutions)
g. Firm’s Perception of Government, Level of Competition (Top 3-5 Firms), and Other Stakeholders.

h. Conclusions: Firm’s relative position as it relates to industry standards

Each write-up is to be of professional quality in terms of grammar, punctuation, spelling, style, etc. For guidance in these matters see: Strunk, William and E.B. White (1979 or later), The Elements of Style, Third or later Edition, New York: Macmillan Publishing Company or Hodges, John C. and Mary E. Whitten (1972 or later), Harbrace College Handbook, Seventh or later Edition, New York: Harcourt Brace Jovanovich, Inc. Its content and appearance should reflect a highly professional effort. Therefore, it must be typed accurately and neatly, etc. For grading purposes I take one letter grade for each of the following: grammar, spelling, sentence structure, poor writing style, plagiarized material, unlabeled charts, tables, or graphs; not explaining your tables and charts within your narrative, not properly sourcing, confusing a bibliography with a reference sheet, and poor supportive research. There is no page limit for either paper.

III. EXAMS (40%)

There will be four exams that you will take via D2L. On the date given you will have from 05:30-22:30 to complete the assigned exam. There is a strict time limit. All exams will be handled via D2L except for the AICPA Ethics Exams.

IV. MACC STUDENTS: CASE (10%)

One Accounting Case will be given via D2L. Letter grades are taken off for improper or poor referencing of answers as they relate to specific AICAP materials, poor sentence structure, poor grammar, misspelled words, incorrect sourcing, improper or poor paragraph structure, and filler material.

AICPA EXAM (30%)

MAcc students will take an exam on the basic AICPA ethics concepts and issues as they relate to Auditing, Managerial Accounting, and Tax. There is a strict time limit. You may take the Exam twice and I will count the higher of the two.

SCHEDULE*

8/24  Lecture/Discussion/Seat Assignment: Chapter 1: Introduction, The importance of Business Ethics, Stakeholders, Corporate Social Responsibility, and discussion of Best Practices

8/26  Readings 1 and Home Depot Case (10) [Macc: Read AICPA Code]

9/2  Readings 2, and Monsanto Case (1)

9/7  LABOR DAY


9/14  AICPA LECTURE 1 & 2 (MBA OPTIONAL), (AICPA pp. 1671-1784)

9/16  Readings 3, Walmart Case (3)

9/21  05:00- 23:30, Exam 1: Chapters 1-3 D2L

9/23  Lecture/Discussion of Chapter 4: Institutionalization

9/28  Readings 4 and Google Case (7).

9/30  Discussion of Chapter 5: The Business Ethical Decision Making Process, (pp.1735-1739; 1757-1783)

9/30  Readings 5 and Insider Trading at the Galleon Group Case (12)

10/5  AICPA LECTURE 3&4 (AICPA pp. 1785-2015)

10/7  Lecture/Discussion of Chapter 6: Individual factors and Moral Philosophy

10/8  Due 22:30, MACC Case: You must Copy/Paste the question and provide your answers with citations.

10/12  FALL BREAK

10/14  Readings 6, and NCAA Case (6)

10/17  05:00-22:30, Exam 2: Chapters 4-6 D2L

10/19  AICPA EXAM 1 (IN CLASS, NO MBA’S)

10/21  Chapter 7: Organizational Factors

10/26  Readings 7, and Starbucks Case (2)

10/28  Lecture/Discussion of Chapter 8: Developing an Ethics Program
10/30  Due 22:30, MBA PAPER 1
11/2    Readings 8 and Whole Foods Case (13)
11/4    Discussion of Chapter 9: Managing the Ethics Program,
11/9    Readings 9, and Global Bribery Case (18).
11/11   VETERANS DAY
11/15   05:00-23:30 Exam 3: Chapters 7-9 D2L
11/16   Lecture/Discussion of Chapter 10: Globalization Factors
11/18   Readings 10, Cardinal IG Case (16)
11/23   Discussion Chapter 11: Ethical Leadership
11/25   THANKGIVING BREAK
11/30   Readings 11, and Sustainability Case (4)
11/30   Due 23:30, MBA PAPER 2
12/2    Discussion of Chapter 12: Sustainability
12/7    Industry and Company Report Presentations (MACC OPTIONAL)
12/9    AICPA EXAM 2 IN CLASS (NO MBA’S)
12/9    05:00-23:30, Exam 4: Chapters 10-12 D2L
12/14   FINALS WEEK AS DISCUSSED IN CLASS*

*Syllabus can be altered at the discretion of the instructor.
Bold represents readings from the AICPA Code.

WEEKLY READINGS

READINGS 1: Business Ethics, Stakeholders, Corporate Social Responsibility
1.1    A Tool for Developing Ethical HR Policies and Practices.
1.2    Leadership Discourse, Culture, and Corporate Ethics: CEO-speak.
1.3    The Dissolution of Ethical Decision-Making in Organizations: A Comprehensive Review and Model.
1.4    The Benefit Corporation and Corporate Social Responsibility.
1.5 Corporations -- between Governance and Social Responsibility: the European Commission Approach.

READINGS 2: Ethical Issues
2.1 The Worldwide Academic Field of Business Ethics: Scholars’ Perceptions of the Most Important Issues.
2.2 Market research and the ethics of big data.
2.3 Taking Stock of Accounting Ethics Scholarship: A Review of the Journal Literature.

READINGS 3: The Institutionalization of business ethics
3.1 Federal Sentencing Guidelines.
3.2 SOX Act
3.3 UK Anti-Bribery Act
3.4 Ethics and Legislation
3.5 Dodd-Frank Act
3.6 Dodd-Frank Act Update

READINGS 4: The Business Ethical Decision Making Process
4.1 O’Fallon Review
4.2 The Personal Selling and Sales Management Ethics Research: Managerial Implications and Research Directions from a Comprehensive Review of the Empirical Literature.

READINGS 5: Individual Factors and Moral Philosophy
5.1 An Introduction of Epistemology to Business Ethics: A Study of Marketing Middle-Managers
5.2 The Positive Impact of Individual Core Values
5.3 A Twenty-First Century Assessment of Values Across the Global Workforce.

READINGS 6: Organizational Factors
6.1 (Un)Ethical Behavior in Organizations
6.2 RELATIONAL BUREAUCRACY: STRUCTURING RECIPROCAL RELATIONSHIPS INTO ROLES.
6.3 The double bottom line: Profit and social benefit
6.4 HALF A CENTURY OF MEASURING CULTURE: APPROACHES, CHALLENGES, LIMITATIONS AND SUGGESTIONS BASED ON THE ANALYSIS OF 121 INSTRUMENTS FOR QUANTIFYING CULTURE

READINGS 7: Developing an Ethics Program
7.1 Up to Code
7.2 Trials of Measuring Compliance Effectiveness
7.3 Balancing Ethical Principles in Internal Investigations
7.4 The Missing Piece in the CPE Pie

READINGS 8: Managing the Ethics Program
8.1 2012 GRC Maturity Survey
8.2 Managing Organisational Ethics: Professionalism, Duty and HR Practitioners.
8.3 Exploring the Role Performance of Corporate Ethics Officers.
8.4 Two Firms Launch New Ethics Programs

READINGS 9: Globalization Factors
9.1 Corporate Ethics, Governance and Social Responsibility: Comparing European Business Practices to those in the United States
9.2 Ethical Concerns in International Business: Are Some Issues More Important Than Others?
9.3 When Ethics are Compromised by Ideology: The Global Competitiveness Report

READINGS 10: Ethical Leadership
10.1 The ethics of conscious capitalism: Wicked problems in leading change and changing leaders.
10.2 Does the Ethical Leadership of Supervisors Generate Internal Social Capital?
10.3 The Relationship Between Ethical Leadership and Unethical Pro-Organizational Behavior: Linear or Curvilinear Effects?

READINGS 11: Sustainability
11.1 An Empirical Study of the World Price of Sustainability
11.2 The Relationship Between Equity Dependence and Environmental Performance.
11.3 Beyond 'Does it Pay to be Green?' A Meta-Analysis of Moderators of the CEP-CFP Relationship.

Helpful Links

- ASSOCIATIONS AND ORGANIZATIONS
- CODES OF CONDUCT
- CORPORATE CITIZENSHIP
- ETHICS CENTERS, FOUNDATIONS, AND SOCIETIES
- GOVERNMENT AGENCIES
- NEWS AND INFORMATION
- PUBLICATIONS
- UNIVERSITY ETHICS CENTERS AND PROGRAMS

CODES OF CONDUCT

- Creating a Code of Ethics for Your Organization by Chris MacDonald, Ph.D.  
  http://www.ethicsweb.ca/codes
- Bell South Code of Conduct  
- Boeing Code of Conduct  
• Buckman Laboratories Code of Ethics
• Halliburton Ethical Business Practices
• HCA Ethics and Compliance
  http://ec.hcahealthcare.com
• Jet Propulsion Laboratory Ethics Program
  http://ethics.jpl.nasa.gov
• Lockheed Martin How the Ethics Process Works
  http://www.lockheedmartin.com/ (PDF)
• Nortel Supplier Code of Ethics
• Pitney Bowes Code of Ethics
• Raytheon Code of Conduct
• Texas Instruments Code of Conduct
  http://www.ti.com/corp/docs/investor/gov/conduct.shtml
• Texas Instruments Code of Ethics for CEO and Financial Officers
• Tom's of Maine Statement of Beliefs
  http://www.tomsofmaine.com/business-practices/values-beliefs/our-reason-for-being

ETHICS CENTERS, FOUNDATIONS, AND SOCIETIES

• Business for Social Responsibility
  http://www.bsr.org/index.cfm
• Center for Ethical Business Cultures
  http://www.cebcglobal.org/
• Ethics Resource Center
  http://www.ethics.org/
• Institute for Global Ethics
  http://www.globalethics.org/
• International Business Ethics Institute
  http://www.business-ethics.org/index.asp
• International Society of Business, Economics and Ethics
  http://www.isbee.org/

UNIVERSITY ETHICS CENTERS AND PROGRAMS

• Boston College Center for Corporate Citizenship
  http://www.bcccc.net/
• The Bowen H. McCoy Family Center for Ethics in Society at Stanford University
  http://ethicsinsociety.stanford.edu/
• Carol and Lawrence Zicklin Center for Business Ethics Research at the University of Pennsylvania
  http://www.zicklincenter.org/
• Center for the Advancement of Applied Ethics and Political Philosophy at Carnegie Mellon University
  http://caae.phil.cmu.edu/caae/
• Center for Business Ethics at Bentley University
  http://www.bentley.edu/cbe/
• Center for Ethics at the University of Montana
  http://www.umt.edu/ethics/
• Center for Ethics at the University of Tampa
  http://www.ut.edu/center-for-ethics/
• Center for Ethics and Business at Loyola Marymount University, Los Angeles
  http://www.ethicsandbusiness.org/index3.htm
• Center for the Study of Ethics in the Professions at Illinois Institute of Technology
  http://ethics.iit.edu/
• Clarkson Centre for Business Ethics and Board Effectiveness at the University of Toronto
  http://www.rotman.utoronto.ca/ccbe/
• Decisions and Ethics Center at Stanford University
  http://decision.stanford.edu/
• Institute for Applied and Professional Ethics the University of Ohio
  http://www.faculty-commons.org/ethics/
• Institute for Business and Professional Ethics at DePaul University
  http://commerce.depaul.edu/ethics/
• Inter-Disciplinary Ethics Applied at the University of Leeds
  http://www.idea.leeds.ac.uk/
• Kennedy Institute of Ethics at Georgetown University
  http://kennedyinstitute.georgetown.edu/
• Markkula Center for Applied Ethics at Santa Clara University
  http://www.scu.edu/ethics/
• W. Maurice Young Centre for Applied Ethics at the University of British Columbia
  http://www.ethics.ubc.ca/

EMERGENCY PROCEDURES
Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on the BERT’s website at www.bert.siu.edu, Department of Public Safety’s website www.dps.siu.edu (disaster drop down) and in the Emergency Response Guidelines pamphlet. Know how to respond to each type of emergency. Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency. The Building Emergency
Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.

**IMPORTANT DATES** *

Semester Class Begins ...........................................08/24/2015
Last day to add a class (without instructor permission):............08/30/2015
Last day to withdraw completely and receive a 100% refund: ........09/06/2015
Last day to drop a course using SalukiNet:..........................11/01/2015
Last day to file diploma application (for name to appear in Commencement program): ...........................................09/18/2015

Final examinations: ..................................................12/14–12/18/2015

*Note: For outreach, internet, and short course drop/add dates, visit Registrar’s Academic webpage [http://registrar.siu.edu/](http://registrar.siu.edu/)

**SPRING SEMESTER HOLIDAYS**

- Labor Day Holiday 09/07/2015
- Fall Break 10/10—10/13/2015
- Veterans Day Holiday 11/11/2015

**WITHDRAWAL POLICY – Undergraduate only**

Students who officially register for a session may not withdraw merely by the stopping of attendance. An official withdrawal form needs to be initiated by the student and processed by the University. For the proper procedures to follow when dropping courses and when withdrawing from the University, please visit [http://registrar.siu.edu/pdf/ugradcatalog1314.pdf](http://registrar.siu.edu/pdf/ugradcatalog1314.pdf)

**INCOMPLETE POLICY – Undergraduate only**

An INC is assigned when, for reasons beyond their control, students engaged in passing work are unable to complete all class assignments. An INC must be changed to a completed grade within one semester following the term in which the course was taken, or graduation, whichever occurs first. Should the student fail to complete the course within the time period designated, that is, by no later than the end of the semester following the term in which the course was taken, or graduation, whichever occurs first, the incomplete will be converted to a grade of F and the grade will be computed in the student's grade point average. For more information please visit: [http://registrar.siu.edu/grades/incomplete.html](http://registrar.siu.edu/grades/incomplete.html)

**REPEAT POLICY**

An undergraduate student may, for the purpose of raising a grade, enroll in a course for credit no more than two times (two total enrollments) unless otherwise noted in the course description. For students receiving a letter grade of A, B, C, D, or F, the course repetition must occur at Southern Illinois University Carbondale. Only the most recent (last) grade will be calculated in the overall GPA and count toward hours earned. See full policy at [http://registrar.siu.edu/pdf/ugradcatalog1314.pdf](http://registrar.siu.edu/pdf/ugradcatalog1314.pdf)

**GRADUATE POLICIES**

Graduate policies often vary from Undergraduate policies. To view the applicable policies for graduate students, please visit [http://gradschool.siu.edu/about-us/grad-catalog/index.html](http://gradschool.siu.edu/about-us/grad-catalog/index.html)

**DISABILITY POLICY**

Disability Support Services provides the required academic and programmatic sup-port services to students with permanent and temporary disabilities. DSS provides centralized coordination and referral services. To utilize DSS services, students must come to the DSS to open cases. The process involves interviews, reviews of student-supplied documentation, and completion of Disability Accommodation Agreements. [http://disabilityservices.siu.edu/](http://disabilityservices.siu.edu/)

**PLAGIARISM CODE**


**MORRIS LIBRARY HOURS**

[http://www.lib.siu.edu/about](http://www.lib.siu.edu/about)

**SAFETY AWARENESS FACTS AND EDUCATION**

Title IX makes it clear that violence and harassment based on sex and gender is a Civil Rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, etc. If you or someone you know has been harassed or assaulted, you can find the appropriate resources here: [http://safe.siu.edu](http://safe.siu.edu)

**SALUKI CARES**

The purpose of Saluki Cares is to develop, facilitate and coordinate a university-wide program of care and support for students in any type of distress—physical, emotional, financial, or personal. By working closely with faculty, staff, students and their families, SIU will continue to display a culture of care and demonstrate to our students and their families that they are an important part of the community. For Information on Saluki Cares: (618) 453-5714, or siucares@siu.edu, [http://salukicares.siu.edu/index.html](http://salukicares.siu.edu/index.html)

**EMERGENCY PROCEDURES**

Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. We ask that you become familiar with the SIU Emergency Response Plan and Building Emergency Response Team (BERT) programs. Please reference the Building Emergency Response Protocols for Syllabus attachments on the following pages. **It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency.**

**INCLUSIVE EXCELLENCE**

SIU contains people from all walks of life, from many different cultures and sub-cultures, and representing all strata of society, nationalities, ethnicities, lifestyles, and affiliations. Learning from and working with people who differ is an important part of education as well an essential preparation for any career. For more information please visit: [http://www.inclusiveexcellence.siu.edu/](http://www.inclusiveexcellence.siu.edu/)
LEARNING AND SUPPORT SERVICES
Help is within reach. Learning support services offers free tutoring on campus and math labs. To find more information please visit the Center for Learning and Support Services website:
Tutoring: http://tutoring.siu.edu/
Math Labs: http://tutoring.siu.edu/math_tutoring/index.html

WRITING CENTER
The Writing Center offers free tutoring services to all SIU students and faculty. To find a Center or Schedule an appointment please visit http://write.siu.edu/

AFFIRMATIVE ACTION & EQUAL OPPORTUNITY
Our office's main focus is to ensure that the university complies with federal and state equity policies and handles reporting and investigating of discrimination cases. For more information visit: http://diversity.siu.edu/

Additional Resources Available:
SALUKINET: https://salukinet.siu.edu/cp/home/displaylogin
ADVISEMENT: http://advisement.siu.edu/
SIU ONLINE: http://online.siu.edu/
http://pvcaasiu.edu/