BA 514/ACCT 514
ETHICS OF BUSINESS
SPRING 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, their 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.

All exams will be handled via D2L except for the AICPA Ethics Exams.

II. MBA STUDENTS: INDUSTRY/COMPANY BEST PRACTICES REVIEW PAPERS (2 @ 20% = 40%)
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:

PAPER 1 (20%) BEST PRACTICES FOR INDUSTRY 1

1. With your assigned industry you must speak to their trade associations 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).
2. You must interview at least three individuals within the trade association and at least three corporate members from three different firms. This will not be easy, but neither is business. 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 companies, 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%) BEST PRACTICES FOR COMPANYS 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.

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*
1/21 Lecture/Discussion/Seat Assignment: Chapter 1: Introduction, The importance of Business Ethics, Stakeholders, Corporate Social Responsibility, and discussion of Best Practices

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


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


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

2/16 Readings 3, Walmart Case (3)

2/17 05:00-23:30, Exam 1: Chapters 1-3 D2L

2/18 Lecture/Discussion of Chapter 4: Institutionalization

2/23 Readings 4 and Google Case (7).

2/25 Discussion of Chapter 5: The Business Ethical Decision Making Process, (pp.1735-1739; 1757-1783)

3/2 Readings 5 and Insider Trading at the Galleon Group Case (12)


3/8 Due 22:30, MACC Case: You must Copy/Paste the question and provide your answers

3/9-15 SPRING BREAK

3/16 Lecture/Discussion of Chapter 6: Individual factors and Moral Philosophy

3/17 Due 22:30, MBA PAPERS 1 & 2 DRAFTS

3/18 Readings 6, and NCAA Case (6)

3/21 05:00-22:30, Exam 2: Chapters 4-6 D2L
3/23       AICPA EXAM 1 (IN CLASS, NO MBA’S)
3/25       Chapter 7: Organizational Factors
3/30       Readings 7, and Starbucks Case (2)
4/1        Lecture/Discussion of Chapter 8: Developing an Ethics Program
4/6        Readings 8 and Whole Foods Case (13)
4/8        Discussion of Chapter 9: Managing the Ethics Program,
4/13       Readings 9, and Global Bribery Case (18).
4/14       05:00-23:30 Exam 3: Chapters 7-9 D2L
4/15       Lecture/Discussion of Chapter 10: Globalization Factors
4/20       Readings 10, Cardinal IG Case (16)
4/22       Discussion Chapter 11: Ethical Leadership
4/27       Readings 11, and Sustainability Case (4)
4/29       Discussion of Chapter 12: Sustainability
5/4        Industry and Company Report Presentations (MACC OPTIONAL)
5/6        Due 23:30, MBA PAPERS 1 AND 2
5/6        AICPA EXAM 2 IN CLASS (NO MBA’S)
5/10       05:00-23:30, Exam 4: Chapters 10-12 D2L
5/11       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

ASSOCIATIONS AND ORGANIZATIONS

- The Association for Practical and Professional Ethics
  http://www.indiana.edu/~appe
  An organization committed to encouraging high quality interdisciplinary scholarship and teaching in practical and professional ethics.
- The Association to Advance Collegiate Schools of Business (AACSB) Ethics/Sustainability Resource Center
Resources for teaching business ethics as part of management education.

- Better Business Bureau
  http://www.bbb.org
  A self-regulatory organization that monitors business performance and helps mediate disputes between businesses and customers

- Business for Social Responsibility
  http://www.bsr.org
  Resources to help companies implement ethics and social responsibility initiatives

- The Caux Round Table
  http://www.cauxroundtable.org/index.cfm
  An organization comprised of global business leaders that advocate positive change in the business world

- Corporate Watch
  http://www.corpwatch.org
  An online magazine and resource center that monitors corporate activity and works to expose corporate wrongdoing

- CSR Europe
  Supports member companies in integrating corporate social responsibility into the way they do business, every day

- Defense Industry Initiative on Business Ethics and Conduct
  http://www.dii.org
  A consortium of defense industry contractors that adheres to a set of principles for achieving high standards of business ethics and conduct

- EthicScan
  http://www.ethicscan.ca
  A Canadian consulting, corporate responsibility research house, and educational resource center

- Ethics and Compliance Officer Association
  http://www.theecoa.org/iMIS15/ECOAPublic
  Professional association for ethics officers and managers of ethics and compliance programs

- European Business Ethics Network
  http://www.eben-net.org
  Promotes values-based and ethical aware management to stimulate and facilitate discussion and debate on common ethical problems and dilemmas

- Institute for Business Ethics
  http://www.ibe.org.uk/index.html
  European organization created to encourage high standards of business behavior based on ethical values

- Green America
  http://www.greennamericatoday.org
  Provides resources for green consumers and businesses, including Green Pages, an online directory of thousands of socially and environmentally responsible businesses, products, and services
• International Association for Business and Society
  http://iabs.net
  An organization comprised of scholars and practitioners who are interested in the field of business and societal relationships
• International Business Ethics Institute
  http://www.business-ethics.org
  Helps organizations and industries implement international ethics programs
• Net Impact
  http://www.netimpact.org/
  Association of students and professions who are interested in using the power of business to create a better world
• Redefining the Corporation
  http://www.rotman.utoronto.ca/%7estake
  Provides direction for implementing balanced perspectives of stakeholder management based on the work of hundreds of researchers
• Social Venture Network
  http://www.svn.org
  An organization dedicated to supporting socially conscious entrepreneurs and changing global business practices
• Society for Business Ethics
  http://www.societyforbusinessethics.org
  An international organization of scholars and others interested in business ethics
• Transparency International
  http://www.transparency.org/
  An organization dedicated to increasing government accountability and curbing bribery and corruption worldwide
• World Business Council for Sustainable Development
  http://www.wbcsd.org/templates/TemplateWBCSD5/layout.asp?type=p&MenuId=MQ&doOpen=1&ClickMenu=LeftMenu
  A CEO-led, global association of over 200 companies dealing with business and sustainable development

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
CORPORATE CITIZENSHIP

- AT&T/BellSouth  
- Bechtel Jacobs Company  
  http://www.bechteljacobs.com/PublicInvolvement.html
- Cisco  
  http://www.cisco.com/web/about/citizenship/index.html
- ConocoPhillips  
- Merck  
  http://www.merck.com/responsibility/home.html
- Sony  
  http://www.sony.net/SonyInfo/csr/index.html
- Texas Instruments  
- Unicharm  
  http://www.unicharm.co.jp/english/csr/

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/
The Online Ethics Center for Engineering and Research
http://www.onlineethics.org/

GOVERNMENT AGENCIES

The White House
http://www.whitehouse.gov/
The United States Sentencing Commission
http://www.ussc.gov/
The United States Department of Justice
http://www.justice.gov/
The United States Office of Government Ethics
http://www.usoge.gov/
Federal Trade Commission
http://www.ftc.gov/
Federal Communications Commission
http://www.fcc.gov/

NEWS AND INFORMATION

CSR Wire
http://www.csrwire.com/

PUBLICATIONS

Business Ethics (Online Magazine)
http://business-ethics.com/
Business Ethics Quarterly
Ethikos
http://ethikospublication.com/
Journal of Business Ethics
http://www.springer.com/social+sciences/applied+ethics/journal/10551
Journal of Macromarketing
http://jmk.sagepub.com/
Teaching Business Ethics
http://www.springer.com/social+sciences/applied+ethics/journal/11234
Worthwhile Magazine
http://www.worthwhilemag.com/
UNIVERSITY ETHICS CENTERS AND PROGRAMS

- Boston College Center for Corporate Citizenship
  [http://www.bccccc.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://kennedvinsstitute.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.

FOR MORE INFORMATION SEE LINK: