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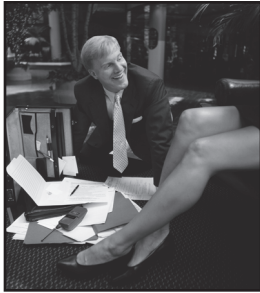


UNIT 1 Ethics, Values, and Social Responsibility in Business

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- 1. Thinking Ethically: A Framework for Moral Decision Making**, Manuel Velasquez et al., *Issues in Ethics*, Winter 1996
Outlined here are key steps and five different approaches to dealing with moral issues and helping to resolve **ethical dilemmas**. 2
- 2. Voicing Values, Finding Answers**, Mary C. Gentile, *BizEd*, July/August 2008
An article examining the difficulties of business schools **integrating ethics** into the curriculum and the importance of addressing ethics in core courses. The author describes a Giving Voice to Values (GVV) program developed by the Aspen Institute Business & Society Program and the Yale School of Management. 5
- 3. Is Business Ethics Getting Better? A Historical Perspective**, Joanne B. Ciulla, *Business Ethics Quarterly*, April 2011
If we fail to study history, we may find history repeating itself on us. The author, in a Society for Business Ethics Presidential Address, provides historical examples of **ethical issues** and discusses Harvard Business School's early attempts to use business history in teaching business ethics. 9
- 4. Building an Ethical Framework**, Thomas R. Krause and Paul J. Voss, *CRO*, May/June 2007
The authors examine 10 questions that should be considered to build an **ethical framework** and to encourage an **ethical corporate culture**. 14
- 5. Principles for Building an Ethical Organization**, Miriam Schulman, *Markkula Center for Applied Ethics*, Santa Clara University, June 2007
The author presents five principles for building an **ethical organization** offered by R. Gopalakrishnan to a group of executives during a Markkula Center lecture in June 2007. 16
- 6. Moral Management Methodology/Mythology: Erroneous Ethical Equations**, Andrew Sikula, Sr., *Ethics and Behavior*, March 19, 2009
Understanding the falsity of certain common beliefs helps one to move toward better **business ethics** and a higher degree of **moral management**. 18

The concepts in bold italics are developed in the article. For further expansion, please refer to the Topic Guide.



UNIT 2

Ethical Issues and Dilemmas in the Workplace

Unit Overview 24

Part A. Employee Rights and Duties

7. **Employers Are Stung with a Hefty Price When Employees Suffer an Identity Theft**, Stephanie Shapson Peet, Esq., *Supervision*, July 1, 2008
Stephanie Peet examines some of the **legal** background and consequences associated when **identity theft** occurs in the **workplace**. 27
8. **Are You Too Family Friendly?**, Susan J. Wells, *HR Magazine*, October 2007
As the proportion of single and childless workers increases, so do **complaints of unfairness** in **employers' benefits and policies**. 30

Part B. Organizational Misconduct and Crime

9. **High Rates of Misconduct at All Levels of Government**, Curtis C. Verschoor, CMA, *Strategic Finance*, July 2008
The results of the National Government Ethics Survey (NGES) show that the high incidence of **ethical misconduct** can be found both in the public sector of business as well as in the governmental sector. 35
10. **Under Pressure, Teachers Tamper with Test Scores**, Trip Gabriel, *NewYorkTimes.com*, June 10, 2010
Recent **scandals** illustrate the many ways, some subtle, that educators improperly boost students' test scores. 38
11. **Investigation into APS (Atlanta Public Schools) Cheating Finds Unethical Behavior across Every Level**, Heather Vogell, *The Atlanta Journal-Constitution*, July 6, 2011
Ethical issues presented in this article involve teachers who reportedly cheated due to fear of retaliation if they did not erase and correct mistakes on students' standardized test answer sheets and administrators who reportedly denied all allegations of **cheating**. Also, examined are examples of ways educators tampered with test results and three key reasons why **cheating** was permitted to flourish in Atlanta Public Schools. 40
12. **When You're Most Vulnerable to Fraud**, Rob Johnson, *Wall Street Journal*, August 16, 2010
Rob Johnson describes a sad situation for small businesses—when times are great—watch out, since this is the time when entrepreneurs are most vulnerable to **fraud**. 44
13. **When Good People Do Bad Things at Work**, Dennis J. Moberg, *Issues in Ethics*, Fall 1999, Markkula Center for Applied Ethics, Santa Clara University
The author identifies three problems—scripts, distractions, and moral exclusion—as explanations why good people do **bad things** at work. 48
14. **Behind the Murdoch Scandal? Scandalous Governance**, Geoff Colvin, *Fortune*, August 15, 2011
The author cites companies such as Enron, WorldCom, Tyco, Adelphia, Parmalat, Health-South, and News Corp as examples of scandalous **governance** while each was led by one powerful person in growing from a small enterprise to a large publicly traded organization. To the three problems identified in the preceding article by Moberg—scripts, distractions, moral exclusion—Colvin adds a fourth problem—the one-man problem. 51

Part C. Sexual Treatment of Employees

15. **More Men Make Harassment Claims**, Dana Mattioli, *The Wall Street Journal*, March 23, 2010
Since the start of the recession, a growing number of **sexual harassment** complaints have come from men. 53
16. **American Apparel and the Ethics of a Sexually Charged Workplace**, Gael O'Brien, *Business Ethics*, March 15, 2011
A company, American Apparel, whose alleged philosophy of sexual freedom in the workplace faces pending litigation for **sexual harassment** and creating a **hostile work environment**. 55
17. **What the Wal-Mart Ruling Means for Big Business**, Roger Parloff, *Fortune*, June 20, 2011
In a class-action **sex discrimination lawsuit**, the Supreme Court ruled 5–4 in Wal-Mart's favor. At issue was a claim of unconscious discrimination by the company in giving managers wide discretion in making pay and promotion decisions when allegedly many managers were of the male gender. 57

Part D. Discriminatory and Prejudicial Practices

18. **Older Workers: Running to the Courthouse?**, Robert J. Grossman, *HR Magazine*, June 2008
Robert Grossman reflects on the question: "Do greater numbers of baby boomers result in more **age discrimination suits**?" 59
19. **Fighting the High Cost of "Getting Even" at Work**, Anne Fisher, *Fortune*, August 16, 2011
The U. S. Equal Opportunity Commission reports that **retaliation complaints** now surpassed **racial discrimination complaints** as the number one employee lawsuit. 63

Part E. Downsizing of the Work Force

20. **Cost Reductions, Downsizing-related Layoffs, and HR Practices**, Franco Gandolfi, *SAM Advanced Management Journal*, Summer 2008
When firms need to cut costs, too often they start **laying people off**. Layoffs, according to the author, should be the last resort, not the first, because of their widespread negative effects. 65
21. **People Have to Come before Profits, Even in a Crisis**, Alistair Nicholas, *MercatorNet*, March 21, 2011
The author argues that the most important lesson from the Fukushima Daiichi nuclear power plant disaster is that training in **ethical decision making** must be part of crisis preparedness training so as to ensure that "people must come before profits—always and unconditionally." 72

Part F. Whistleblowing in the Organization

22. **Protecting the Whistleblower**, R. Scott Oswald and Jason Zuckerman, *CRO*, January/February 2008
According to the authors, companies should fine-tune internal probes to make **whistle-blowing** investigation more of an asset than a liability. 74
23. **Deep Throat's Lessons for Whistle-Blowers**, Patricia O'Connell, *Bloomberg Business Week*, June 3, 2005
Learn the seven **lessons for whistle-blowers** taken from the experience of Mark Felt, the so-called deep throat of the Watergate scandal. 76

24. **SEC Rule Will Let Whistle-Blowers Bypass Internal Programs**, Jesse Hamilton, *Bloomberg Business Week*, May 25, 2011
As part of a new bounty system under the Dodd-Frank Act, corporate whistle-blowers now will collect up to 30 percent of penalties for reporting **financial wrongdoing**, even if **internal reporting systems** are bypassed, The U. S. Chamber of Commerce is concerned the new SEC rule might leave “expensive, robust compliance programs collecting dust” as employees bypass corporate systems and go straight to the SEC with reports of **financial malfeasance**.

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Part G. Handling Ethical Dilemmas at Work

25. **The Parable of the Sadhu**, Bowen H. McCoy, *Harvard Business Review*, May/June 1997
The parable presented in this reading has significance for managers as they encounter **ethical dilemmas** that involve merging the individual ethic (**personal values**) and the corporate ethic (**organizational values**) to make the best decisions within the **corporate culture**. Bowen McCoy stresses the importance of management agreeing on a process for dealing with dilemmas and **conflicts of interest**.

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26. **“Rogue” Trading Lasted 3 Years**, Carrick Mollenkamp, Paul Sonne, and Deborah Ball, *The Wall Street Journal*, September 17, 2011
Switzerland’s UBS AG, reportedly facing over a \$2 billion loss on trades from its Delta One Desk, notified UK’s Financial Services Authority and the Serious Fraud Office requesting arrest of the trader in question. The trader allegedly exceeded his **trading limits** raising questions about the bank’s **internal controls**, particularly controls for exchange-traded funds (ETFs). A serious question concerns the risks of EFTs because of “complexity, opacity and interconnectedness” of the markets.

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UNIT 3 Business and Society: Contemporary Ethical, Social, and Environmental Issues

Unit Overview

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Part A. Changing Perspectives In Business and Society

27. **Trust in the Marketplace**, John E. Richardson and Linnea Bernard McCord, 2000
The authors scrutinize the significance of companies being cognizant of the precarious nature and powerful advantages of gaining and maintaining **trust** with their **customers** in the **marketplace**.

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Part B. Contemporary Ethical Issues

28. **Privacy and the Internet: Lives of Others**, *The Economist*, May 22, 2010
Facebook and Google face a backlash, from **users** and **regulators** alike, over the way they have handled **sensitive data**.
29. **The New E-spying Threat**, Brian Grow, Keith Epstein, and Chi-Chu Tschang, *Bloomberg BusinessWeek*, April 21, 2008
A *BusinessWeek* probe of rising attacks on America’s most sensitive **computer networks** uncovers startling security gaps.
30. **The Ethics of Social Media—Part I: Adjusting to a 24/7 World**, James Hyatt, *Business Ethics*, December 14, 2010
The new dilemmas for management in an era of **social media** and the need for improved internal controls, revised codes of ethics, and new policies are discussed.

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31. **The Ethics of Social Media—Part II: Playing by New Rules**, James Hyatt, *Business Ethics*, November 19, 2010
Part two of a series, the author examines various examples of how organizations are facing the **social media** challenge, including using such new services such as ReputationDefender, MyEdgePro, MyPrivacy, Cisco SocialMiner, and E-mail Analytics. 107

Part C. Global Ethics

32. **Ethics Must Be Global, Not Local**, Bill George, *Bloomberg Business Week*, February 12, 2008
The author argues “the only way to build a great global company is with a single global standard of business practices, vigorously communicated and rigorously enforced. To sustain their success, companies must follow the same **standards of business conduct** in Shanghai, Mumbai, Kiev, and Riyadh as in Chicago.” 110
33. **Conceptualizing a Framework for Global Business Ethics**, William J. Kehoe, *Rights, Relationships and Responsibilities: Business Ethics and Social Impact Management*, Fall 2003
What are important considerations in developing a **global code of ethics**? An eight-stage framework for global business ethics is developed. The framework begins with the stage of understanding the orientation of a firm and concludes with recommendations for promulgating and using a framework of global business ethics. 112
34. **Revisiting the Global Business Ethics Question**, Christopher Michaelson, *Business Ethics Quarterly*, April 2010
When in another country, do you do what is practiced there in terms of business ethics even if it is in conflict with your home-country **code of ethics**? Said another way, should home-country moral codes trump morals in host-country markets around the world? 126
35. **Taking Your Code to China**, Kirk O. Hanson and Stephan Rothlin, *Journal of International Business Ethics*, January 2010
The authors explain why it is so difficult for managers of U. S.-based firms to take **codes of ethics** from a home country to host countries. Examples of successes are presented. 135



UNIT 4
Ethics and Social Responsibility
in the Marketplace

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Part A. Marketing Strategy and Ethics

36. **Honest Innovation**, Calvin L. Hodock, *Marketing Management*, March/April 2009
Ethics issues in **new product development** could be stalling innovation growth. 144
37. **Serving Unfair Customers**, Leonard L. Berry and Kathleen Seiders, *Business Horizons*, 2008
Companies commonly adapt “The customer is always right” maxim as a basic premise for delivery **quality service**. A close examination of **customer behavior**, however, reveals that customers can be not only wrong but also blatantly unjust. 148
38. **Emerging Lessons**, Madhubalan Viswanathan, José Antonio Rosa, and Julie A. Ruth, *Wall Street Journal*, October 20, 2008
The authors delineate that for **multinational** companies, understanding the needs of poorer consumers can be both profitable and **socially responsible**. 155

The concepts in bold italics are developed in the article. For further expansion, please refer to the Topic Guide.

Part B. Ethical Practices in the Marketplace

39. **First, Make Money. Also, Do Good**, Steve Lohr, *The New York Times*, August 13, 2011
The concept that companies can **do well** by doing good underpins this article. 159
40. **Fraud Continues, but So Does Good Corporate Citizenship**, Curtis C. Verschoor, *Strategic Finance*, December 2009
While instances of fraud continue to plague business, companies continue to strive to practice good **corporate citizenship**. 161



UNIT 5

Developing the Future Ethos and Social Responsibility of Business

Unit Overview 164

41. **Creating an Ethical Culture**, David Gebler, JD, *Strategic Finance*, May 2006
David Gebler examines how **values-based ethics programs** can help **employees** judge right from wrong. 166
42. **Outside-the-Box Ethics**, Luis Ramos, *Leadership Excellence*, April 2009
Luis Ramos discusses five key characteristics of an **ethical culture**. 170
43. **Hiring Character**, Dana Telford and Adrian Gostick, *Integrity Works*, June 2005
In an excerpt from Dana Telford and Adrian Gostick's new book, *Integrity Works*, they present a look at business leader Warren Buffett's practice of hiring people based on their **integrity**. 172
44. **Strategic Organizational Diversity: A Model?**, Frederick Tesch and Frederick Maidment, *The International Journal of Diversity in Organizations, Communities and Nations*, August 6, 2009
Contemporary organizations pursue **diversity** for many reasons—for example, economic, ethical, regulatory, legal, and social. Ideally, an organization's human diversity matches its strategic goals. Little attention has been given, however, to a theoretical basis for diversity as an organizational goal. Modigliani's theory of diversity in investments might provide a model for managing an organization's human diversity and reducing its business risks. 176
45. **When Generations Collide**, Piper Fogg, *Trauma and Memory: Clinical and Legal Controversies*, February 2007
There are now four generations in the workforce: Traditionalists, Baby Boomers, Generation X, and Generation Y. Having them to work together can be a real challenge. This is especially true on university campuses. 180
46. **Fiduciary Principles: Corporate Responsibilities to Stakeholders**, Susan C. Atherton, Mark S. Blodgett, and Charles A. Atherton, *Journal of Religion and Business Ethics*, September 10, 2011
The article examines the origins of the **fiduciary** concept in shaping the ethical and moral duties of managers. Several studies are cited including the responsibility of corporate boards having "a fiduciary duty to make ethics-based decisions." 183

47. A Time for Ethical Self-Assessment, Rick Wartzman, *Bloomberg Businessweek*, December 23, 2008

What kind of person do you see when you look in the mirror. That is, when you do an ethical self-assessment what kind of person do you see? Peter Drucker called that question “the *mirror test*” or the “*ethics of prudence*.”

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Test-Your-Knowledge Form

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