

BA504 Ethical Leadership Spring, 2013

Professor:
Dr. Linda Treviño

Teaching Assistant: Mark Bushey
Email: mab746@email.psu.edu
Cell phone: 717-515-6760

ltrevino@psu.edu
402 Business, 865-2194
Home phone: 238-0029 (okay to call between 8 AM and 9 PM)
Cell phone: 814-321-1164

Office Hours: 402 Business, 1:30 – 3:-00 T/Th or by appointment

Please talk with me before or after class or email me for an appointment and we'll meet at a mutually convenient time.

TA: Mark Bushey – by appointment

Required Reading

1 - Treviño & Nelson, Managing Business Ethics, 5th Edition

The book is available to purchase or to rent at local bookstores and online. Used copies may also be available. *Be sure that you purchase the 5th edition.*

2 – Harvard course pack. Ordering information will be provided for a small course pack available for purchase online from Harvard. Each student is expected to purchase his or her own course pack. (Unauthorized copying of a course pack is a copyright and honor code violation).

3 – Additional readings that we are not required to purchase will be provided on ANGEL or via PSU libraries. I reserve the right to add relevant readings that come up during the course of the module, especially related to current events.

Purpose and Objectives of the Course

The objective of the course is to raise your awareness of the key role YOU play (as a manager and leader) in creating and maintaining responsible business conduct in your work group and organization, and to enhance your ability to deal with the complexities of ethical decision making in today's dynamic global business environment by clarifying your own values and by thinking about the relationship between those personal values, organizational values, societal/cultural values, and business practice. Readings and short lectures will provide an introduction to key concepts. Videos, cases, exercises, and assignments will help you apply and reinforce these concepts.

Overview of the Ethical Leadership Course

Ethical leadership and personal/corporate reputation are increasingly important in business today. Recent years have seen a massive decline in trust in business and its leaders. Further, the ability to trust peers and business partners, and to operate in an environment where laws are taken seriously, is essential for business to be conducted effectively.

Responsible business leaders must think broadly and complexly about their role in society and their relationships with multiple stakeholders. This requires reflection on our personal and corporate values and thinking beyond the short-term bottom line to consider the extent to which the firm is embedded in a network of relationships with multiple stakeholders in an increasingly

transparent world. I hope you will take this opportunity to reflect on the kind of leader you are and hope to be -- to think about your personal values and aspirations and how you can bring those to your future leadership role.

After completing the course, students will be able to:

- 1) Discuss the concept of values (personal, organizational, cultural), and how values relate to ethical decision making, ethical leadership, and ethical culture.
- 2) Analyze and assess the ethical leadership and ethical culture of an organization.
- 3) Apply ethical decision making frameworks to ethical dilemmas.
- 4) Explain how employees think and act in ethics-related situations and how leaders can influence that thinking and action in an ethical direction.
- 5) Discuss the concepts of corporate social responsibility, sustainability, stakeholder analysis, and apply those to specific cases.
- 6) Discuss business ethics and social responsibility in the context of the global business environment.

Course Requirements

1. **Contribution – 15%**. Per the MBA office, you are to attend the section for which you are scheduled.

You are also expected to prepare thoroughly for each class by carefully reading and studying assignments, and by preparing to contribute to class discussions of readings and cases. I find that, if one attends and is prepared, class participation and contribution come quite naturally in this class. If you have a good reason why you were unable to prepare (e.g. illness, sick child, etc.) let me know before class. Barring such a good reason, every student should be ready to be called upon to discuss assigned questions related to cases and readings.

Because it takes me a while to get to know so many of you, please sit in the same spot (we will be creating a seating chart) and **USE YOUR NAME TENTS EVERY DAY**.

WHAT IS A CONTRIBUTION? A contribution is not simply an uninformed “opinion.” In this class, expressing opinions is appropriate and valued. But, to be considered a valuable “contribution,” opinions should be stated in the context of the course concepts. Ask yourself, are these opinions “informed” by what you have read and are learning in class. I consider a worthwhile contribution to be substantial, relevant to the issues being addressed, reflective of preparation, additive to the ongoing discussion and helping to move the class discussion to a new level. One way to contribute is to bring a related current event issue to the class. We will spend a few minutes at the beginning of each class on these.

Mark will be attending about half of your classes and will help me in assessing contribution for those days. But, you will also have an opportunity to provide an assessment of your own and classmates’ contribution through a form that you should turn in each day. I will use a combination of these inputs, along with my own assessment, to assign you a contribution grade for each day (on a 10 point scale). Mark will post these as soon as possible after each class. That will allow you to keep track of how you’re doing.

2. Values exercise – 5% (pass/fail) - due Tuesday March 12 in dropbox before class – Use Academic Integrity Pledge. Each student will complete a values exercise – see ANGEL where the exercise is posted. Place your completed/typed values exercise in the drop box before class and *bring a hard copy with you to class that day to discuss*. To receive full credit you must answer ALL questions, show that you thought through the questions, and have included examples from your experience. I reserve the right to assign partial or no credit if your product is incomplete or poorly conceived. This is an exercise to get you thinking about your personal values and the kind of values you are looking for in an employer. **FEEL FREE TO DISCUSS THIS WITH CLASSMATES** but obviously, the final product should be your own.

3. Quizzes – 15% - There will be 9 announced short quizzes (the best 7 will count). Given that 2 quiz grades will be dropped, there will be no make-ups for quizzes missed. Quizzes are designed to provide motivation to prepare for class and to assess individual performance throughout the semester. They will be short (5-7 questions) straightforward multiple choice quizzes designed to test whether you read carefully and prepared for discussions (the quizzes will not be looking for “picky” details). We will be trying on-line quizzes this year (open book) and will go over them at the very beginning of the next class. Like in your Teams class, you will have 10 to 15 minutes to complete the quiz (10 minutes for a 5 item quiz, 15 minutes for a 7 item quiz). So, although quizzes are open book, there will not be time to search the book for answers. If you read the material with care, you should do well. We will provide further information about the open quiz window on ANGEL. If you have any questions or concerns, see Mark or me.

4. Ethical culture audit – 10% – maximum 5 double spaced pages – due Saturday, March 16 by midnight in ANGEL dropbox – send a copy to each of your teammates and bring hard copy to class – use AI pledge

This assignment is designed to provide you an opportunity to think about ethical culture in light of your previous experience and learn from teammates’ experiences.

Each of you should analyze the ethical culture of an organization for which you have worked – probably your most recent one. *Begin by carefully reading Chapter 5 of the textbook*. Then analyze the ethical culture of your organization. The ethical culture audit outline available on ANGEL and the audit questions in the tables in Chapter 5 should be helpful to you as templates for applying concepts from Chapter 5 to your experience.

You will have the opportunity to discuss your audits and experiences with teammates before and during class and then bring your takeaways to the entire class for discussion.

Your paper will be evaluated based upon accurate application of ethical culture concepts from Chapter 5, along with explicit examples from your experience. Use the outline on ANGEL.

If you do not have enough work experience in a large organization to complete this paper successfully, there are alternatives. You can analyze the ethical culture of the Smeal college and MBA program. Alternatively, you can conduct an in-depth interview with someone else who does have more organizational experience than you do. Please see me with questions.

5. Individual ethical dilemma analysis – 35%- maximum 8 double spaced pages - due in ANGEL dropbox April 9, midnight. The analysis focuses on a single ethical dilemma, a decision that you have faced at work. *See description and evaluation criteria on ANGEL for specifics.* IMPORTANT NOTE - Cover the points on the evaluation criteria sheet explicitly, succinctly, accurately and comprehensively. *You should be working on this paper along the way, as we cover concepts.* In addition to submitting to ANGEL, please place a hard copy in my faculty mailbox by noon the next day. The analysis you turn in should represent an individual effort that reflects your analysis of your own experience and your application of explicit course concepts to it. If you are having difficulty identifying an ethical dilemma please make an appointment to see me or Mark early. We can help.

6. TEAM final take-home assignment – 20% - submission date to be negotiated – assignment details to be provided.

Late assignments:

You must see me in advance if you expect to submit an assignment late. Assignments submitted late will incur an automatic 10% penalty unless you have a university accepted excuse. I will not accept an assignment submitted more than one week late at all except under extraordinary circumstances.

Summary of Student Evaluation

Contribution (best 12 of 13 classes)	15%
Values Exercise (Pass/Fail)	5%
Ethical Culture Audit	10%
Take Home Individual Ethical Dilemma Analysis	35%
9 Quizzes (best 7 of 9)	15%
Team Final	20%

Academic Integrity

I trust that you take academic integrity as seriously as I do and that you will hold yourself and your peers accountable to the honor code. In accordance with the code, you will pledge your adherence to academic integrity standards with your signature on every course deliverable. Any deliverable without the pledge and appropriate signature(s) will not be graded. Any violation of academic integrity will be addressed via honor code procedures.

Academic Integrity Pledge - Please use the following pledge (developed by the MBA Academic Integrity Committee) on ALL work that is handed in and please sign it.

“ I/We (signature) affirm that I/We have neither given, utilized, received, nor witnessed unauthorized aid on this deliverable and have completed this work honestly and according to the professor's guidelines.”

Other explicit requirements are noted below.

Quizzes – You are on your honor to complete quizzes COMPLETELY independently. Do not print quizzes or share ANY information about quizzes with anyone else, and report academic integrity violations to me. I reserve the right to alter quiz procedures if academic integrity concerns arise.

If, for any reason, on-line quizzing seems problematic, I will return to giving quizzes at the very beginning of class. If given in class, in keeping with the honor code, quizzes will be unproctored (academic integrity guidelines apply).

Team Assignments - Every team member is expected to participate fully in the team assignments (meetings, analysis, writing, presentation). If someone has not participated fully, that person's name should NOT be included on what is turned in. Including a non-participant's name on a team assignment is a breach of academic integrity for everyone on the team. On the other hand, if a problem arises, I expect team members to make responsible attempts to communicate early with the problem team member and to attempt to rectify the situation before it gets out of hand. I am available to help if needed.

Ethical Dilemma Analysis – This assignment should represent your own work entirely. Mark and I are available to help you if you have any difficulty. Feel free to talk with us.

Professional Integrity and Classroom Decorum

I expect students to follow professional standards of classroom behavior including respectful listening and constructive contribution. Please turn off electronic devices such as cell phones and refrain from using laptops for anything other than BA 504 note-taking (NO web surfing, instant messaging, tweeting, etc.). Laptops that are not being used explicitly for BA504 note taking should be closed. Failure to comply is disruptive to your classmates and to me so I expect students to talk with each other about the problem or report violations to me and I will talk with the affected student outside of class without identifying the reporter. Failure to fulfill this classroom decorum responsibility will result in deductions from contribution credit.

ACADEMIC INTEGRITY AT PENN STATE

According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University's Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

Any violation of academic integrity will be investigated and, where warranted, corrective academic and/or disciplinary action will be taken. For every incident where a penalty is assessed, an Academic Integrity Incident Report form must be filed. The form can be found on the Smeal College Intranet at this URL: <https://intranet.smeal.psu.edu/handi/undergraduate-incident-report-form-aiir/AIIR%20Form.pdf/view>. This form is to be used for undergraduate

courses. The report must be signed and dated by both the instructor and the student, and then submitted to Jeff Sharp, Associate Dean for Undergraduate Education, 202 Business Building.

In addition, the Smeal College has adopted the following Honor Code:

We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold to this standard in our future careers.

Plagiarism / Copying

Plagiarism is claiming work as your own that you have copied from another person, whether that other person knows about it or not. This includes copying from web sites without proper source citation and using homework or papers prepared by current or past students whether working as an individual or working in a group / team.

For a PSU tutorial on preventing plagiarism, go to <http://tlt.its.psu.edu/plagiarism/tutorial>.

Additional Penn State Policies

Affirmative Action & Sexual Harassment: The Pennsylvania State University is committed to a policy that all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, sex, sexual orientation, or veteran status. Direct all inquiries to the Affirmative Action Office, 211 Willard Building.

Americans with Disabilities Act: It is Penn State's policy to not discriminate against qualified students with documented disabilities in its educational programs. The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where Smeal College activities are held, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present documentation from the Office of Disability Services (located in 116 Boucke Building, 863-1807) that describes the nature of your disability and the recommended remedy. You may refer to the Nondiscrimination Policy in the *Student Guide to University Policies and Rules*. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to MBA courses should be arranged by contracting the MBA Office (814) 863-0474.

Faculty Bio

I thought you might be interested to know a bit about me. If not, feel free to skip. ☺

Linda Treviño is Distinguished Professor of Organizational Behavior and Ethics. She has been on the Penn State faculty since 1987 and served as Chair of the Department of Management and Organization from 1999 to 2004. She is currently Acting Chair while Dr. Gioia is on sabbatical. She has studied the management of ethical conduct in organizations for nearly 30 years. Her views on business ethics have been quoted in the press including the *New York Times*, the *Wall Street Journal*, *Newsweek*, *Business Week*, and other publications and she has appeared on CNBC. Her co-authored textbook with Katherine Nelson entitled Managing Business Ethics: Straight Talk About How to do it Right, was initially published by John Wiley in 1995 and is being revised for a 6th edition. The book is being used widely in the U.S. and abroad. A more academic book, coauthored with Gary Weaver, Managing Ethics in Business Organizations: Social Science Perspectives, was published by Stanford University Press in March, 2003. A book with D. McCabe and K. Butterfield on academic integrity was published by Johns Hopkins University Press last Fall. Professor Treviño has conducted ethics training for the Financial Industry Regulatory Association (formerly NASD) and regularly trains corporate ethics and compliance officers for the Ethics and Compliance Officers Association. She has consulted with for-profit and non-profit organizations, and has led research projects for the former Arthur Andersen's Ethics & Responsible Business Practices Consulting and for the Ethics Resource Center Fellows Program. She was appointed in 2003 to the faculty of the Business Roundtable's Institute for Corporate Ethics and serves on the Advisory Board to the Center for Ethics in Financial Services of the American College. Professor Treviño is an active researcher who traces her interest in ethics in part to her roots as the child of holocaust survivor parents. Her current research includes work on ethical leadership, ethical culture, why employees do and do not report ethical problems to management, moral disengagement processes in ethical decision making, values work in organizations, and the Penn State crisis. As part of her sabbatical in Spring, 2005, she worked with the Ethics Institute of South Africa to develop an ethical culture assessment tool that is being used with South African companies. In 2007, Professor Treviño was voted an Academy of Management Fellow, an honor bestowed on approximately one percent of Academy of Management members. In 2008, she was named Distinguished Professor by Penn State University. She has spoken to a variety of practitioner groups including the Conference Board, the Conference Board of Canada, the Ethics Officers Association, the Office of Government Ethics, the Defense Industry Initiative, the Money Management Institute, the Human Resources Planning Society, and the Veterans Health Administration. In 2008/9, she served on an Ethics Commission that proposed guidelines for developing an ethical culture at the Service Employees International Union where she learned a great deal about unions. She has been an Invited Fellow with the Ethics Resource Center Fellows program for 13 years and recently completed a term as Chair of the Academic Fellows where she coordinated the joint work of academics and ethics officers interested in advancing knowledge about organizational ethics. She is also working with current PSU administrators and consultants to plan an ethical culture assessment at Penn State. Professor Treviño has been married to Dan Treviño for 29 years, has two step-daughters (Anne and Debbie), a granddaughter (Sarah Elizabeth) and a gray tabby cat (Lucy). For fun, she likes to play African drums, attend plays and concerts, exercise, cook and eat ethnic foods, and travel.

CLASS SCHEDULE FOR BA504

Class #1 – Tuesday, March 12

INTRODUCTION TO COURSE – VALUES AND ETHICAL LEADERSHIP

Assignment:

- 1 – Familiarize yourself with the syllabus (which will be posted on ANGEL) and come prepared to ask questions.
- 2 – Values are the ‘glue’ that holds this course together. Complete the values exercise posted on ANGEL, drop it into the dropbox before class and bring a hard copy with you to class and be prepared to discuss. Email me if you have any questions.
- 3-Read Chapter 1 for orientation to the book and an analysis of the financial crisis

Class #2 – Thursday, March 14

GUEST SPEAKER: Aaron Beam, First CFO of HealthSouth who was involved in accounting fraud and served time in prison.

Attire: Business casual

Assignment:

- 1 - Read material posted on ANGEL on HealthSouth and Aaron Beam (in folder marked “readings not in text or coursepack”)
- 2 – An ethical question that some have raised is whether it is appropriate for us to pay Aaron Beam, a convicted felon, to speak with you and other students about his experiences. Give some thought to what you think about this question and feel free to discuss it among your peers or with me before his talk and then after it. I’m interested to know what you think. I actually talked about this on CNBC a number of years ago. Watch if you’re interested
<http://video.cnbc.com/gallery/?video=739960448>

Class #3 – Tuesday, March 19

ETHICAL CULTURE

Assignment:

- 1 - Read Chapter 5 on ethical culture.
- 2 – Conduct an ethical culture “audit” of an organization. Submit your ethical culture audit on ANGEL by midnight on Saturdayday March 16 and share it with your teammates. Over the weekend, think and talk about these audits from a compare/contrast perspective.

In class, I will give you time in your teams to decide what takeaways would most inform the rest of us. I will then call you back and ask you to share those takeaways with the entire class for discussion.

Class #4 – Thursday, March 21 (QUIZ 1)

INTRODUCTION TO INDIVIDUAL ETHICAL DECISION MAKING – PRESCRIPTIVE FRAMEWORKS FOR DECIDING WHAT’S RIGHT

Assignment:

- 1 – Read Chapter 2 of text, “Deciding What’s Right: A Prescriptive Approach.
- 2 – View the powerful 20 minute segment about Alton Logan, 26 Year Secret from the “60 Minutes” program found at

<http://www.cbsnews.com/stories/2008/03/06/60minutes/main3914719.shtml>

Think about it in terms of virtue ethics and be prepared to discuss in class

3 - Read the Pinto Fires case – follows Chapter 2

- a. Be prepared to discuss the case questions and to evaluate the recall coordinator's actions from the perspective of the frameworks in Ch. 2.

Class #5 – Tuesday – March 26

BEGINNING TO UNDERSTAND HOW PEOPLE *REALLY* MAKE ETHICAL DECISIONS

Assignment:

- 1 – Carefully review the Pinto Fires Case and be prepared to delve more deeply into the personal and organization realities behind the case.
- 2 – BEFORE TUESDAY, SUBMIT YOUR ETHICAL DILEMMA PAPER TOPIC TO THE ANGEL DROP BOX AND BEGIN WORK ON YOUR ETHICAL DILEMMA ANALYSIS PAPER!

Class #6 – Thursday March 28 (QUIZ 2)

DELVING MORE INTO HOW PEOPLE *REALLY* MAKE ETHICAL DECISIONS

- 1 - Read Chapter 3, Deciding What's Right: A Psychological Approach, pgs. 71-middle of page 97
- 2 – Carefully Read Reflections on the Pinto Fires case and rest of chapter pgs. 98-105.
- 3 - Consider the Pinto Fires case from the perspectives of ethical awareness, cognitive moral development, locus of control, cognitive barriers. Do you think moral disengagement was operating? What role might emotions have played?

Class #7 – Tuesday April 2 (QUIZ 3)

VOICING YOUR VALUES AND COURAGE AT WORK

- 1 - Read selected sections of Chapter 4 on voicing your values and whistleblowing – Pages 112-114 and 137-145
- 2 - Come prepared with at least one good example of a time when you successfully spoke up and be prepared to share what made it possible and what would have made it easier.
- 3 – Be prepared to discuss what you might do as an ethical leader to make it easier for people to feel free to speak up about problems of all kinds.
- 4 – WORK ON YOUR ETHICAL DILEMMA ANALYSIS PAPER!

Class #8 – Thursday, April 4 (QUIZ 4)

MANAGING FOR ETHICAL CONDUCT AND FOCUS ON OBEDIENCE TO AUTHORITY

Assignment:

- 1 - Read Chapter 7, Managing for Ethical Conduct - be prepared to apply all concepts to a video case to be shown in class

Class #9 – Tuesday, April 9 – (QUIZ 5)

- 1 – BRING DRAFT OF YOUR ETHICAL DILEMMA ANALYSIS PAPER!
- 2 - Read the classic HBR article (Parable of the Sadhu-coursepack) which will provide a good check for you as you finalize the ethical dilemma analysis assignment. At this

point, you should have drafted the paper. Discussing this article will provide an opportunity for you to check yourself to see if you're applying concepts appropriately – so after this, you should be doing minor “tweaking” on your paper only.

A. Prepare to discuss this article/case in light of

1. What is the ethical dilemma, stated in terms of values in conflict?
2. Apply the ethical decision making frameworks from (focus on consequences, principles, integrity). What is the right thing to do?
3. What factors (from Chapter 3) increased/inhibited moral awareness in this situation?
4. How did individual differences such as cognitive moral development, locus of control, relativism/idealism affect thinking, action. Can you categorize the major players?
5. What cognitive barriers to good ethical decision making may have interfered?
6. Do you think moral disengagement was an issue?
7. From Chapter 7, what other characteristics of the situation likely contributed? (Ch. 7 concepts such as goals, norms, roles, diffusion of responsibility, pressure/stress, psychological distance, etc.)
8. Ethical leadership – was there an ethical leader? If so, did it make a difference? If not, would it have made a difference? What would your recommendations be regarding what an ethical leader should do?

ETHICAL DILEMMA ASSIGNMENT DUE TUESDAY APRIL 9, at midnight – use AI pledge – place in ANGEL dropbox and a hard copy in my mailbox on second floor by noon the next day (top of stairs to the right) or bring to 452, the MGMT dept. office.

Class #10 – Thursday, April 11 (QUIZ 6)

CORPORATE SOCIAL RESPONSIBILITY, PHILANTHROPY AND INTRO TO SUSTAINABILITY

Assignment:

- 1 – Read selected section of Chapter 9, pgs. 322-337
- 2 – Read the short Merck case at the end of Chapter 9 and be prepared to discuss the case-based questions, and the role of philanthropy in corporate social responsibility.
- 3 – Erik Foley, Director of Penn State’s Sustainability Office will visit with us to talk about how PSU (as a large customer) works with companies to incorporate sustainability into its purchasing. Be prepared with good questions for Erik.

Class #11 – Tuesday, April 16 (QUIZ 7)

SUSTAINABILITY CONTINUED

Assignment:

- 1- Read selected section of Chapter 9, pgs. 338-348
- 2- Read Case – Cradle to Cradle Design at Herman Miller (coursepack) and be prepared to discuss C2C design, the PVC decision and its relationship to corporate social responsibility principles.
Think about the case from the stakeholder perspective. Who are the key stakeholders

and what are their interests? How do these relate to a decision to either stay with PVC or switch to TPU?

Be prepared to discuss the arguments for and against each decision.

How does such a decision relate to social responsibility concepts in Chapter 9?

Given your own beliefs about what the company should do, is yours a pragmatic decision, an ethical decision, a strategic decision, some combination?

What role should values play in this decision, if any?

Tough decisions such as these are often elevated to the CEO. If you were the CEO, what would you decide and why?

Class #12 – Thursday, April 18 (QUIZ 8)

GLOBAL ETHICS AND SOCIAL RESPONSIBILITY

Assignment:

1 – Read selected sections of Chapter 11, pages 405 (beginning with Recognizing and Dealing with Ethical Issues) – page 429.

2 – Work through the multi-media case (available through the coursepack)– Fighting Corruption at Siemens (focused on corruption) and be prepared to discuss the questions raised in the case, in light of Chapter 5 and 11 concepts.

Questions we will discuss:

What is corruption and who is harmed by it? What has been your exposure to it if any?

How did a well-known multinational firm like Siemens get itself into this situation?

If you were hired as the new CEO, what would be your concerns, biggest challenges from inside and out?

How did management respond to the corruption problem?

Based upon information in the case, analyze the ethical culture before and after changes were made.

How effective was the change process, in your view, and why? How about the new compliance program?

How would Siemens want employees to handle two of the situations presented in its training materials from the New Compliance Program– a request from a customer to arrange an internship for his son; a request from a Kazakhstan customer that Siemens arrange travel and sightseeing for 2 members of the economics ministry who are planning on joining customer representatives on an acceptance visit before delivery. What about paying a per diem of \$75 during the US training visit?

Consider especially how all of this relates to ethical leadership. How effective was Loscher in changing the tone from the top, and actions below?

If you were a Siemens employee working in a country where corruption laws exist but are not enforced, how would you respond to company changes? Are they adequate?

Overdone?

Class #13 – Tuesday April 23 – (QUIZ 9)

GLOBAL ETHICS AND SOCIAL RESPONSIBILITY –

2 - Read case - IKEA's Global Sourcing Challenge in the coursepack (focused on child labor) and be prepared to discuss in terms of both Chapter 9 and Chapter 11 concepts.

Think about the case from the stakeholder perspective. Who are the key stakeholders and what are their interests? How do these relate to a decision about how to handle the child

labor issue longer term and the more short-term question of whether to participate in the TV program.

Be prepared to discuss the arguments for and against appearing on the TV program. What about Rangan Imports – how should the company deal with this supplier? Longer term, what approach do you recommend? What is the company's social responsibility and how should IKEA think about it (pragmatically, ethically, strategically)? "Should the company continue to try to deal with the child labor issue [directly] through its ...suppliers?" Should it work with Rugmark? Should it withdraw from the market? Other ideas? Justify your decision (based upon what you have learned from Chapters 9 and 11)

In Chapter 11, Donaldson talks about ethical relativism vs. ethical imperialism. How do these concepts apply to the IKEA case? What's the appropriate approach? Is there a core value that should apply in this situation?

COURSE WRAP-UP

3 - What have you learned in this course that is most relevant for your future ethical leadership? Are there things that you can and will do differently? Is there an ethical leader you can look to for guidance and inspiration?