

**Anti-corruption guidelines (“Toolkit”)
for MBA curriculum change
July 2012**

**A project by the Anti-Corruption
Working Group of the
Principles for Responsible Management
Education (PRME) initiative,
United Nations Global Compact**



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Foreword

The mission of the Principles for Responsible Management Education (PRME) initiative is to inspire and champion responsible management education, research and thought leadership globally. The PRME are inspired by internationally accepted values such as the principles of the United Nations Global Compact. They seek to establish a process of continuous improvement among institutions of management education in order to develop a new generation of business leaders capable of managing the complex challenges faced by business and society in the 21st. century.

While many initiatives have committed themselves to participation in responsible management, practical tools relevant to such practices, in particular at the academic level, are still emerging. To that effect, the PRME in collaboration with the UN Global Compact, have set up an academic Anti-corruption Working Group for a four-year project to integrate anti-corruption values into core curricula of leading business schools. The project aims at promoting ethical decision-making and anti-corruption competencies at the post-baccalaureate level by offering business schools and management-related academic institutions substantive anti-corruption guidelines for curriculum change with the aim of teaching students to take effective and ethical decisions that benefit both business and society.

In this direction, the Anticorruption Working Group has developed comprehensive anti-corruption guidelines for curriculum change for business schools and management-related academic institutions around the world. The guidelines integrated into a single “Toolkit” provide the tools to address the ethical, moral, and practical challenges students will face in the marketplace. The toolkit integrates different topics as modules which constitute the “menu” instructors can choose from for organizing stand-alone courses and/or course modules.

The toolkit provides guidance and step by step approaches on successful guidelines, methods, techniques, mechanisms and processes for effective changes in responsible management curricula. By drawing lessons and experiences from several sources around the world, the Toolkit describes various methodologies and strategies. The toolkit relies on these elements:

- It is easy to use
- There is a process for ongoing updating
- It can be adapted for local use
- Modules can be adjusted to course subject matter and time constraints
- The course focuses in part on core topics that are essential for global discussion
- The subject matter is sufficiently concrete and practical to enlist collaboration with the private sector, and governmental and non-governmental organizations

Following the publication of this The PRME Secretariat will identify and select pilot business schools around the world which will be responsible for initial toolkit implementation. This process will enable adaptation for local use and improve core elements.

The PRME Secretariat would like to thank the Anticorruption Working Group members – especially the sub-working group facilitators and Matthias Kleinhempel at IAE Business School - for their valuable contributions to the toolkit’s development. We look forward to their continued involvement in assessing its effectiveness. This project is supported by Siemens as part of the Siemens Integrity Initiative.

Jonas Haertle
Head, PRME Secretariat
UN Global Compact Office

Overview

1. The Problem

Concerns about high levels of corruption and a lack of public and private sector transparency and accountability continue to dominate both public and private sector agendas. These issues are seen as major contributors to the global financial crisis that we are experiencing, and the impact has been demonstrated by various high profile major company ethical failures.

At academic and practice levels, two global anti-corruption and transparency trends are emerging. First, management is gaining recognition as a profession that has generally accepted standards of admission and appropriate conduct. As this consensus develops, business practice will increasingly be governed by ethical principles to which practitioners are expected to adhere (see for example, the Harvard Business School MBA Oath). Second, there is a shift in the prevention, detection, and enforcement burdens from government to business enterprise brought about by the privatization of norm-making first promulgated by the United States Federal Sentencing Guidelines through governmental incentives. Variations of this approach are now pursued in such diverse jurisdictions as Australia, Italy, the United Kingdom, Switzerland, Canada, South Africa and Korea.¹

Understanding of these trends is crucial for practitioners, as they will greatly influence business practices in the near future and will require managers to have an appropriate set of skills to ensure transparency and accountability. Including business ethics course material in the Undergraduate and Graduate management education curricula is a key step in ensuring an effective business response to this growing private enterprise compliance role. As an organized body of knowledge, this educational enhancement is of recent origin and to which experienced managers may have not been exposed, Executive Education students can supplement the Master's and Bachelor's business education that they received with timely, issue specific materials. Traditional liberal arts subjects such as economics and political science can be enriched with research and discussion that focuses on the many facets of corruption and efforts to curtail it. In sum, there is a need for teaching and research guidelines for this growing body of knowledge that includes suggested content, methodology and framework for administering it in the B-schools at different levels of Management and liberal arts education.

2. PRME's Solution

The mission of the Principles for Responsible Management Education (PRME) initiative is to inspire and champion responsible management education, research and thought leadership globally. The primary objective of the PRME working group on anti-corruption is to develop a toolkit for use by business schools to design or adapt anti-corruption modules, or to integrate anti-corruption content with existing curricula, with specific reference to MBA programs.

A free-standing course is vital to the successful integration of anti-corruption topics into the management curriculum. Fifteen to twenty years ago, when business ethics was emerging as a credible discipline and one to which students should be exposed, the initial method (where it could be found) was to discuss the ethical dimensions of issues that arose in existing subjects.

These treatments were superficial because they lacked the anchor of a disciplined approach to the ethical issues that arise in the performance of traditional functions. For example, an accounting professor when asked if he taught ethics in any of his courses replied: "I like to kind of bring up issues, but I don't have an ethics component *per se* in the course. And I don't think that it would be appropriate in an MBA core

¹ See for example, Ronald E. Berenbeim and Jeffrey M. Kaplan, *The Convergence of Principle and Rule-Based Ethics Programs – an Emerging Global Trend?* The Conference Board, October 2007.

course . . .”² “Kind of bring[ing] up ethics issues” suggests that the classroom conversation was limited to issue identification and superficial analysis. For example, is it ok or not to bribe? (1) OK because it is the standard way of doing business in the country. Out of respect for local custom and the need not to put the company at a competitive disadvantage, it is justified; (2) Wrong. Bribery is wrong. There is no opportunity in this exchange for a rigorous analysis of a well defined problem.

Integrating anti-corruption topics into the management education curriculum requires focused discussion on subject matter and method:

Subject matter – much of business education focuses on functional problems and issues (e.g., finance, marketing, administration) and not on topical areas (corruption). Thus, there is a twofold challenge in integrating anti-corruption subject matter into the management education curriculum: (1) It belongs to no one area of functional expertise and corruption’s multiple causes necessitates an interdisciplinary treatment; and (2) As corruption resistance, prevention, and detection is not the province of a single function, there is a challenge in making the case that it is a free-standing discipline that is entitled to its own faculty and resources.

Yet in the global business arena with 24 hour media scrutiny, unethical behavior can affect the key elements of business success – profitability, productivity and brand. As such, an appropriate course in the recognition, analysis and resolution of ethical issues is a vital part of the business curriculum and within that area of study, corruption in all its forms is a necessary subject of conversation.

Method – Utilization of the case method is an essential strategy in business education because it teaches students to identify with verbal precision moral issues in situations that are common to them and in so doing to develop rules that are derived from analytic methods. Optimal case study discussion scenarios focus on actual incidents. Like any difficult decision, these scenarios require the student to deal with problems where critical facts are missing or ambiguous and in which irrelevant elements (so called *red herrings*) confuse and divert the discussion. The best scenarios enable students to identify relevant facts, make reasonable assumptions about information that is lacking (as is the case with all decisions) and (importantly, in this instance) to articulate moral responses to ethical dilemmas.

Articulation is only the first step. Given the dynamic nature of knowledge evolution in this area, curricula is needed that links research to ‘context specific’ situations that are based on the experiences of target audiences. There is an active conversation within the business education community regarding the best ways to provide the student with methods for operationalizing the ethical choices that they have made. As one business ethicist observed about business students and ethical problems: “Instead of asking *what would you do?* Ethical case discussions should ask the question ‘What if I were going to act on my values: What would I do and say? To whom? How? In what sequence?’”³

For reasons underscored by this comment, the curriculum also needs to explore the degree to which an ethical temperament is innate and whether and what environmental factors can be used to enhance it. (See description of study topic 4, p. 5)⁴ Further, it suggests that the decision-making command structure requires detailed attention. The notion that the tension between two different facilities produces decision-making outcomes is the subject of much comment. One example of how this process works compares decision outcomes to the effort needed by a rider to direct an elephant from an intuitively chosen path. As

² Jeff S. Everett, *Ethics Education and the Role of the Symbolic Market*, Journal of Business Ethics, Vol 76, No.3 (December, 2007), pp. 253-267 at 258.

³ Mary Gentile: *Missing the point on biz ethics*, The Providence Journal, July 5, 2007. See also, *Giving Voice to Values* <http://www.givingvoicetovaluesthebook.com> www.GivingVoiceToValues.org

⁴ Evolutionary biologists have used chimpanzee experiments to suggest that certain moral traits may be innate rather than evolved. As Frans B. M. deWaal said in a May 6, 2011, NYU Paduano Seminar, “if chimpanzees show a sense of fairness maybe we didn’t have to wait for the French Revolution and the human discovery of the importance of equality”. For a discussion of de Waal and other sources, see Frances Fukuyama, *The Origins of the Political Order – from Prehuman Times to the French Revolution*, Farrar, Straus and Giroux (2011), pp. 31-35.

this example illustrates, optimal conditions for ethical choice depend on the interplay of three factors: (1) rider (decision maker); (2) elephant (institution); and (3) path (business objectives).⁵ Another similar approach known as *prospect theory* postulates that decision-making is a shared function between System 1 (fast, automatic, intuitive) and System 2 (slow, deliberate, analytical).⁶

3. Resources and Institutional Capabilities

The PRME Working Group on Anti-Corruption was created at the end of 2008 by a group of business schools committed to integrated issues raised by the UN Global Compact Tenth Anti-Corruption Principle into the business curriculum. Today, within the broader framework of PRME, the group involves over 30 academic institutions and its work is divided among core discipline subgroups (economics, ethics, law, management, behavior, politics) to develop a ten module management education curriculum that relies on the core disciplines for: (1) core concept readings; (2) case studies; (3) primary source documents; and (4) scenarios for class discussion. Each of the modules also includes suggested study questions for classroom discussion. Instructors worldwide will select readings and questions from these recommended texts and questions. The curriculum is designed to be flexible. Instructors can select elements from the resources identified and integrate them into their own courses. In a crossover section at the end of the toolkit, teaching methods suggestions are offered that can be utilized in a variety of different cultural environments and classroom settings.

4. Deliverables

The Curriculum/Toolkit The curriculum utilizes a mix of core concept readings (e.g., Linda N. Edwards & Franklin Edwards, *Economic Theories of Regulation: Normative vs. Positive*), detailed case discussion (e.g., *Weighing the Trade-Offs in the Goldman Settlement*), primary sources and documents (Transparency International (2008), *Business Principles for Countering Bribery: Small and Medium Enterprise, (SME Edition)*) and scenarios devised for class discussion which rely on Socratic and Case Method teaching to discuss core concepts, methods and problems. Each of the ten study modules includes a long list of these resources to allow faculty of different countries to design a course that is appropriately suited to the necessities of his/her students.

- (1) **Core Concepts:** The recognition and framing of ethics dilemmas and social responsibility and their importance in strategic decision making.
- (2) **Economics, Market Failure and Professional Dilemmas:** Economics and market failure in its various forms and how it is manifested in corruption.
- (3) **Legislation, Control by Law, Agency and Fiduciary Duty:** What is a fiduciary obligation? To whom is the agent/fiduciary obligated and for what? Many of the agency issues to which corruption gives rise flow logically from improper gifts, side deals and conflicts of interest.⁷
- (4) **Why Corruption, Behavioral Science:** The module addresses the question: What does Behavioral Science teach us about how to design a performance incentive system that encourages integrity as well as productivity? Can Behavioral Science research be used to develop a consultant client relationship system that reduces corrupt practices?

⁵ See for example: www.ethicalsystems.org

⁶ For elephants, see Jonathan Haidt, *The Happiness Hypothesis – Finding Modern Truth in Ancient Wisdom*, Basic Books (2006), for prospect theory, see Daniel Kahneman, *Thinking Fast and Slow*, Farrar Straus & Giroux (2011). In 2002, Kahneman was awarded the Nobel Prize for Economics for prospect theory – which he developed in collaboration with the late Amos Tversky (1927- 1996). The physicist, Freeman Dyson has postulated that Sigmund Freud (Id and Ego) and William James (once-born and twice born) have also proposed alternative forms of executive functioning that need to be considered in discussing how people respond when confronted with difficult choices. Freeman Dyson, *How to Dispel Your Illusions*, The New York Review of Books, December 22, 2011, pp.40-43.

⁷ Kenneth W. Clarkson, et. al, *Duties of Agents and Principles*, West's Business Law, Eighth Edition, South-Western Thomson Learning. Jane P. Mallor, et. al, *The Business Judgment Rule*, Business Law, 12th ed., The McGraw-Hill Companies.

- (5) **Gifts, Side Deals and Conflicts of Interest:** Legislation and cases to understand gifts, side deals, and conflicts of interest and the lying and obfuscation that is often used to conceal them.
- (6) **International Standards and Supply Chain Issues:** Frameworks and analytic methods for discussing the problems that companies face in the need to respect moral standards across borders, local customs (e.g., giving and receiving gifts) and bribery. Are there optimal supply chain management measures for resisting these kinds of corrupt practices?
- (7) **Managing Anti-Corruption Issues:** Designing, implementing, and overseeing corporate ethics and compliance systems in response to local and global compliance regimes.
- (8) **Functional Department and Collective Action Roles in Combating Corruption:** The Functional departments examined include human resources, marketing, accounting and finance.
- (9) **Truth and Disclosure, Whistleblowing and Loyalty:** These topics raise issues of timing and context as to what point and under what circumstances is it permissible for an agent or employee to blow the whistle on corruption. What procedures do companies need for this process? What kinds of protection are required for the whistleblower and for the safeguarding of information?
- (10) **The Developing Global Anticorruption Compliance Regime:** Topics include (a) global public policy principles and how are they promoted/enforced (e.g., UN Global Compact's 10th Principle and UN Convention against Corruption (UNCAC); OECD Anti-Corruption Principles); and (b) links between corruption and forms of state failure such as deprivation of human rights and environmental degradation.⁸

Implementation: The implementation of a global curriculum confronts program content and staffing challenges:

Content – Although the course utilizes the earlier described five introductory core topics for a worldwide curriculum with limited variation, faculty will need regional and – in the case of Executive Education – industry or even company specific content. Participating institutions may also combine elements from the different topics to design classes and courses that meet their own distinctive requirements. They are encouraged to promote this adaptation by utilizing local networks of private (MNCs, SMEs), public, academic, NGOs, and Global sector institutions such as the Global Compact Local Networks to develop a timely, focused curriculum for each region. Each of these groups needs to determine its own priorities and present them to plenary sessions for resolution on curriculum integration. Discussions are also needed with high risk industry associations some of whom have their own initiatives (e.g., pharmaceuticals, defense, extraction, forest products) for dealing with corruption issues.

5. The Critical Support Needed from Business Institutions, Global, Non-Governmental and Local Governmental Organizations

These parties can lend vital support in encouraging academic institutions to use the PRME curriculum, sharing case studies and concerns with the PRME leadership, providing guest speakers in PRME classrooms and meetings, offering internships to promising students, and sponsoring conferences that focus on critical corruption issues.

⁸ For an "algorithm" to help multinational managers make tradeoffs between conflicting norms in home and host countries, see Thomas Donaldson, *The Ethics of International Business*, Oxford University Press (1991), for a contrasting view, see Minh Chau, *Decriminalization of Corporate Bribery – The Supply Side*, 2008 students.wharton.upenn.edu/~mih/.../Decriminalizing%20Bribery.pdf

How to Use this Toolkit

The basic idea of this Toolkit is to present a buffet of ideas and resources on how you can take education on anti-corruption to the next level. We present both, up-to-date content in a comprehensive way as well as support for the delivery in the classroom. You as faculty can choose those elements deemed most useful in revising your curriculum. The list of content, the provided search function and compiled index will help you complement your course with additional topics or alternatively design a new stand-alone course. The up-to-date overview of content can serve as a point of orientation what topics currently characterize the international anti-corruption debate. All of the corresponding chapters outline why they are important, what learning goals and questions could be defined, what literature, cases and dilemmas for practicing exist.

We also added a section on learning methodologies to reflect if any of the presented ideas could enhance the learning experience in your class or institution. Not all ideas would work in all settings or represent true innovations. Their aim is merely to inspire and encourage further progress when delivering modules. Course participants surely note the additional efforts as well as the professionally compiled course design. Faculty members at top institutions spend, as a rule of thumb, about three hours on the preparation of every hour taught. Furthermore, we added a FAQ as well as index section for your convenient search for concepts. We hope to help you make these preparations more efficient and effective with this Toolkit.

1. Core Concepts

Rationale

In building fundamental knowledge of the interplay of markets, ethics, and law, core concepts lay the groundwork for a business ethics and anti-corruption curriculum. Core concepts explore the requirements for a “morally articulate” solution to management issues in general, and resisting corrupt practices in particular. The elements of a morally articulate solution are: (1) Truth – insistence on truthfulness and accuracy of facts on which the solution is based; (2) Justice – “The tribute that power pays to reason” (Robert Jackson); and whether there are limits to reason’s scope in global markets with significant local cultural differences (Amartya Sen).

In this regard, a just decision-making process requires substantive and procedural fairness, good faith and results that are solicitous of rights and rigorous in the imposition of duties; and utilization of philosophical or economic problem solving methods which include but are not limited to: (a) Classical Virtue; (b) Duty based (deontology); and (c) Utilitarian (consequentialism); and (d) game theory which provide a framework for determining the appropriate course of action when confronted with an ethical challenge. It is not unusual for these analyses to prescribe conflicting courses of action.

Whistleblowing dilemmas afford a good example of how utilization of these methods can obtain different recommended courses of action. Regardless of motive or good faith, whistleblowing has a utilitarian justification if it results in the best outcome while deontology duty-based ethics disapproves of disloyal acts under almost any circumstances. Further, how can the greatest good for the greatest number be determined? To whom is the greater loyalty owed – to friend or country?

These ethics and economic analytic methods are useful tools for discussing key governance and citizenship topics such as stakeholder obligation and sustainability – subjects in which corruption problems invariably arise. Ethics based discussion can also utilize stakeholder analysis, the problem of restricted reasons and permissible violation, neutral, omni-partial rule-making, and the entity and property conceptions of corporate purpose. The issue is not whether these approaches are consonant with current business decision and strategy formulations. Indeed, their purpose is to offer an alternative for individual and organizational choice to analytic methods that are now in use.⁹

Learning objectives

Upon completion of the module, students will have ethical decision-making skills to:

- **Frame ethical issues:** One study found that case study participants “who faced a potential fine cheated *more*, not less than those who faced no sanctions. With no penalty, the situation was construed as an *ethical dilemma*; the penalty caused individuals to view the decision as a *financial one*” (emphasis supplied).¹⁰ This finding will come as no surprise to anyone familiar with legal *safe harbor* formulas.
- **Operationalize ethical choices:** As one business ethicist observed about business students and ethical problems, people often want to act ethically, “they simply don’t know how to do it effectively. . . Instead of asking *what would you do?* Ethical case discussions should ask the question “What if I were

⁹ Making an Ethical Decision, Terry Halbert, J.D. & Elaine Ingulli, J.D., Law and Ethics in the Business Environment, 3rd ed., 1999, Southwestern College Publishing, Restricted Reasons and Permissible Violation, Arthur Isaak Applbaum, Ethics for Adversaries: The Morality of Roles in Public and Professional Life, 1999, Princeton University Press, Neutral Omni-partial Rule-Making, Ronald M. Green, The Ethical Manager, 1994, Prentice-Hall, Inc., Ethics and the New Game Theory, Gary Miller, Ethics and Agency Theory, edited by Norman R. Bowie and R. Edward Freeman, 1992, Oxford University Press. Onora O’Neill, A Question of Trust, The BBC Reith Lectures, 2002, Cambridge University Press, 2002.

¹⁰ Max H. Bazerman and Ann E. Tenbrunsel, Stumbling Into Bad Behavior, The New York Times, April 21, 2011, p. A27.

going to act on my values: What would I do and say? To whom? How? In what sequence?”¹¹ This comment raises the question of the degree to which an ethical temperament is innate and whether and what environmental factors can be used to enhance it.¹²

- **Use ethical reasoning for decision-making:** (e.g., deontology, utilitarianism) in order to discipline thinking about ethical choices, and how to use ethics analytics for decision making.¹³ Different ethics analytics will often lead to prescriptions for different courses of action.

Study Questions

1. What advice would Friedman (“The Social Responsibility of Business”) and Allen (“Our Schizophrenic Conception”) give to Curt, the executive vice president of “Curem Pharmaceutical”? Do you agree with Friedman or Allen? Use ethical methods and fiduciary duty concepts to support your position.
2. If you were the manager of “Bally’s Grand Casino”, would you treat Elaine Cohen any differently? What would Friedman (“Increase Profits”) and Allen (“Schizophrenic Conception”) advise the manager to do? If you were the manager of Starbucks (“Crossfire”) would you allow customers with “open carry” guns to frequent Starbucks? Use ethical methods and legal concepts to support your position.
3. Does outsourcing labor and production violate one’s duty to stakeholders (“Swaminomics”); and, who exactly are one’s stakeholders? How would Applbaum (“Restricted Reasons & Permissible Violation”) judge these behaviors?

Core Literature

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| <p>Applbaum, A.I. 1999. <i>Ethics for Adversaries: The Morality of Roles in Public and Professional Life</i>. Princeton University Press. Neutral Omni-partial Rule-Making.</p> <p>The adversary professions--law, business, and government, among others--typically claim a moral permission to violate persons in ways that, if not for the professional role, would be morally wrong. Lawyers advance bad ends and deceive, business managers exploit and despoil, public officials enforce unjust laws, and doctors keep confidences that, if disclosed, would prevent harm. <i>Ethics for Adversaries</i> is a philosophical inquiry into arguments that are offered to defend seemingly wrongful actions performed by those who occupy what Montaigne called "necessary offices."</p> | <p>Core concepts</p> |
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¹¹ Mary Gentile: Missing the point on biz ethics, The Providence Journal, July 5, 2007. Gentile has written a book and developed a curriculum on Giving Voice to Values that explores these ideas in detail. <http://www.givingvoicetovalues.org>. The curriculum was developed in collaboration with the Aspen Institute and Yale School of Management and is now housed and funded at Babson College. The approach and materials have been piloted at over 250 institutions on 6 continents. Giving Voice to Values (GVV) is an innovative, cross-disciplinary business curriculum and action-oriented pedagogical approach for developing the skills, knowledge and commitment required to implement values-based leadership. Rather than the usual focus on ethical analysis, GVV focuses on ethical implementation and asks the question: What would I say and do if I were going to act on my values? Drawing on the actual experiences of managers as well as multi-disciplinary research, GVV helps students identify the many ways to voice their values in the workplace. It provides the opportunity to script and practice in front of peers, equipping future business leaders not only to know what is right, but how to make it happen. The institutions established in this process then formulate and enforce specific rules of conduct. See for example, the US Constitution. Such evolution can be critical to success in a global business institution effort to articulate common principles. As Justice Oliver Wendell Holmes of the US Supreme Court wrote, “a constitution is made for people of fundamentally different views”.

¹² Evolutionary biologists have used chimpanzee experiments to suggest that certain moral traits may be innate rather than evolved. As Frans B. M. deWaal said in a May 6, 2011, NYU Paduano Seminar, “if chimpanzees show a sense of fairness maybe we didn’t have to wait for the French Revolution and the human discovery of the importance of equality”. For a discussion of de Waal and other sources, see Frances Fukuyama, *The Origins of the Political Order – from Prehuman Times to the French Revolution*, Farrar, Straus and Giroux (2011), pp. 31-35.

¹³ *Ibid.*

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| <p>Donaldson, T and Dunfee, T.W. 1999. <i>Ties that Bind: A Social Contract Approach to Business Ethics</i>. Harvard Business Press Books 7277-SRN-ENG.</p> <p>This text offers a method for untangling the ethical dilemmas that arise through business transactions, regardless of culture or context. It also demonstrates how empirical descriptions and normative evaluations of business policies must cooperate to inform sound business decisions. Examples are used to support the author's points, featuring companies such as AT&T, Levi-Strauss and Royal Dutch/Shell.</p> | Core concepts |
| <p>Friedman, M. 1970. "The Social Responsibility of Business is to Increase Its Profits", <i>The New York Times Magazine</i>, September 13.</p> <p>Milton Friedman takes the position that corporations cannot be socially responsible, only people can have responsibilities. In continuing with this thought, he then suggests that social responsibility is then directed at the corporate executive of a business, not the business as a whole. The corporate executive has primary responsibility to his employers to conduct business as they see fit, and manage the business to create the most profit while following the "basic rules of society".</p> | Core concepts |
| <p>Green, R. 1994. <i>The Ethical Manager</i>. Prentice-Hall, Inc.</p> <p>This case-oriented text applies insights in ethical theory to a variety of issues drawn from today's managerial experience. The carefully selected cases go beyond simply raising questions to theoretically exploring the nature of moral decision-making in management. The text employs the NORM (Neutral, Omnipartial Rule-Making) method to assess a series of complex issues. This new method for moral reasoning, based on the work of John Rawls and other recent philosophers, dramatically simplifies the handling of complex cases and enables students to make defensible, reasoned assessments of a broad range of current business practices.</p> | Core concepts |
| <p>Halbert, T. and Ingulli, E. 1999. <i>Making an Ethical Decision</i>. Law and Ethics in the Business Environment. 3rd ed. Southwestern College Publishing.</p> <p>Modern business is full of ethical dilemmas. Law And Ethics In The Business Environment equips students with the tools and practice needed to effectively handle the ethical issues they will likely face as a manager. Offering a unique interdisciplinary blend of theory and practical applications, it combines up-to-the-minute issues in business ethics with the latest in case law. The book includes contemporary readings, current cases, historical quotes, chapter problems, chapter projects, and Internet-based assignments. A wealth of interactive projects--including role plays, mock trials, mock hearings, debates, round tables, and negations--gives you hands-on experience grappling with real-life ethical dilemmas. The text also includes insightful case and end-of-chapter questions that help sharpen critical-thinking skills.</p> | Core concepts |
| <p>Lambsdorff, J. G. 2007. <i>The Institutional Economics of Corruption and Reform</i>. Cambridge University Press.</p> <p>Corruption has been a feature of public institutions for centuries yet only relatively recently has it been made the subject of sustained scientific analysis. Lambsdorff shows how insights from institutional economics can be used to develop a better understanding of why corruption occurs and the best policies to combat it. He argues that rather than being deterred by penalties, corrupt actors are more influenced by other factors such as the opportunism of their criminal counterparts and the danger of acquiring an unreliable reputation. This suggests a novel strategy for fighting corruption similar to the invisible hand that governs competitive markets. This strategy - the 'invisible foot' - shows that the unreliability of corrupt counterparts induces honesty and good governance even in the absence of good intentions. Combining theoretical research with state-of-the-art empirical investigations, this book will be an invaluable resource for researchers and policy-makers concerned with anti-corruption reform.</p> | Core concepts |

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| <p>Miller, G. 1992. <i>Ethics and the New Game Theory</i>. Edited by Norman R. Bowie and R. Edward Freeman. Oxford University Press.</p> <p>While economics has its origins in the ethical inquiries of the moral philosophers, the relationship between ethics and economics has been attenuated in the 20th century. This chapter of the book “Ethics and Agency Theory” attempts to analyze the reasons for this, and to argue that recent developments in game theory provide the basis for a renewed foundation for the ethical study of economic behavior.</p> | Core concepts |
| <p>Rose-Ackerman, S. 2005. <i>Corruption and Government</i>. Cambridge University Press.</p> <p>Corruption is a worldwide phenomenon. Developing countries and those making a transition from socialism are particularly at risk. This book suggests how high levels of corruption limit investment and growth and lead to ineffective government. Corruption creates economic inefficiencies and inequities, but reforms are possible to reduce material benefits from payoffs. Corruption is not just an economic problem, however; it is also intertwined with politics. Reform may require changes in both constitutional structures and the underlying relationship of the market and the state. Effective reform cannot occur unless both the international community and domestic political leaders support change.</p> | Core concepts |
| <p>Transparency International. 2010. <i>Working Paper: Corporate Responsibility and Anti-Corruption</i>.</p> <p>The greed and irresponsibility that were uncovered in the wake of the 2008 financial crisis illustrate the deep lack of understanding of the true meaning of corporate responsibility, its relationship to corporate governance and how both can help to address corruption and encourage a holistic approach to building corporate integrity. This working paper attempts to bridge this gap by putting forward how work to combat bribery and corruption deserves a place in the corporate responsibility canon.</p> | Core concepts |
| <p>Waheed, A. 2004. <i>How Corporate Governance impact Corruption and financial bottom line in emerging markets</i>, Triple Bottom Line Investing Conference (Frankfurt, November 2-3).</p> | Core Concepts |
| <p>Waheed, A. 2007. <i>Anti-Corruption: Building Business Advantage through Ethical Practices. Business case for Anti-Corruption</i>, RBI-Responsible Business Initiative Conference (Karachi, September 11).</p> <p>Responsible Business Framework (RBF) developed by the Responsible Business Initiative offers a flexible yet firm and practical internal point of reference for companies who wish to structure their anti-corruption programs within a holistic ethical context. It is capable of seamlessly integrating demands of the PACI Principles as well as Transparency International’s Independent Assurance Framework into performance across six dimensions of responsible business behaviour that can be quantified through four incremental levels, arriving at a “pay-out” or rewards stage. RBF argues that the current form of socially responsible business is the contemporary avatar of a timeless business philosophy. It is what good business has always been about, namely quality, integrity, honesty and long-term trust, balanced by stewardship of resources, fair profits and public accountability.</p> | Core Concepts |

Additional Literature

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2. Economics, Market Failure and Professional Dilemmas

Rationale

The Economics, Market Failure and Professional Dilemmas topic provide students with an introduction to market failure. This session focuses on issue recognition and it review economic and ethics methodologies to frame and analyze problems for successful decision making.

Understanding of market failure constitutes recognition that markets do not always maximize the welfare of all participants. In extreme instances, market failures can violate Human Rights as defined under the 1948 United Nations Universal Declaration of Human Rights. Arguably, corruption is the form of market failure that leads to the most serious violations of human rights. It adds to cost and diminishes value and it is used by corrupt and repressive regimes to consolidate their power.¹⁴ Examples of market failure and resulting abuses include:

- (1) monopoly/monopsony – price gouging;
- (2) information asymmetries – fraudulent sales;
- (3) externalities – pollution; sustainability issues; and
- (4) public goods – free riding.¹⁵

Corruption inevitably entails one or more of these kinds of market failure. Further, corruption burdens the local economies in ways that potentially give rise to systemic market failure in the relationship between the developed and developing world.

Learning objectives

Upon completion, students will:

- Understand market failures from a policy perspective, their origin and consequences – particularly with regard to corrupt practices;
- Devise an appropriate course of action towards various types of market failures through ethical reasoning;
- Explain and discuss potential policy and regulatory options to reduce or minimize market failure and to resolve professional dilemmas;
- Analyze and formulate ways in which the private sector can contribute to minimizing market failure through Corporate Social Responsibility (CSR) practice;

¹⁴ See for example, Ronald Berenbeim, Linking Human Rights to Anti-Corruption, Vital Speeches of the Day, February 2011, Volume LXXVII, No. 2.

¹⁵ For a discussion of the various forms of market failure, see Economic Theories of Regulation: Normative vs. Positive, Linda N. Edwards, Franklin R. Edwards. Differential State regulation of Consumer Credit Markets: Normative and Positive Theories of Statutory Interest Rate Ceilings, 1978, Federal Reserve Bank. See also Garrett Hardin, "The Tragedy of the Commons", Science, Vol. 162, No. 3859 (December 13, 1968), pp. 1243-1248. For a theological view of market failure, see John Paul II, Centesimus Annus (1991). There is disagreement as to whether corruption is a form of market failure. Some argue that governmental efforts to control corruption can cause market inefficiencies and that a balance needs to be struck between preventing corruption and permitting a degree of low level bribery. Daron Acemoglu and Thierry Verdier, The Choice Between Market Failures and Corruption, The American Economic Review, Vol. 90, No. 1 (Mar., 2000), pp. 194-211. Such analysis begs the question as to the strenuousness and cost of many governmental corruption prevention efforts. For information asymmetries, see http://nobelprize.org/nobel_prizes/economics/laureates/2001/public.html 2001 Nobel Prize citations for George A. Akerlof, A. Michael Spence, Joseph E. Stiglitz, For externalities, see Arthur Cecil Pigou, The Economics of Welfare. For an alternative view to Pigou, see Ronald Coase, The Problem of Social Cost (1960).

Study Questions

1. Why do market failures tend to bring about laws or regulations to counter their effects? What's the role of CSR in providing public good according to Belsey?
2. Based on the Edwards article, which market failures or imperfections are present in the "Lobster Thermidor" (The Economist) case?
3. Based on the Halbert & Ingulli reading ("Making an Ethical Decision"), identify at least one market failure related to your employment situation and apply the methods of ethical reasoning to this failure.
4. What does Paldam mean for seesaw dynamics and how these influence corruption patterns compared to GDP levels and culture? What's the most appropriate level of government intervention according to Acemoglu and Verdier?

Core Literature

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| Edwards, L.N. and Edwards, F.R. <i>Economic Theories of Regulation: Normative vs. Positive</i> . | Core concepts |
| Halbert, T. and Ingulli, E. 1999. <i>Making an Ethical Decision</i> . Law and Ethics in the Business Environment, 3rd ed. Southwestern College Publishing. Modern business is full of ethical dilemmas. Law And Ethics in the Business Environment equips students with the tools and practice needed to effectively handle the ethical issues they will likely face as a manager. Offering a unique interdisciplinary blend of theory and practical application, it combines up-to-the-minute issues in business ethics with the latest in case law. The book includes contemporary readings, current cases, historical quotes, chapter problems and projects, Internet-based assignments, and a wealth of interactive projects, including role plays, mock trials, mock hearings, debates, negotiations, and round tables, that give hands-on experience grappling with real-life ethical dilemmas. The text also includes insightful case and end-of-chapter questions that help sharpen critical-thinking skills. | Core concepts |

Additional Literature

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| Acemoglu, D. and Verdier, T. <i>The Choice between Market Failures and Corruption</i> ¹⁶ , http://econpapers.repec.org/paper/delab/97-06.htm | Core concepts |
| Evrensel, A.Y. 2010. "Institutional and Economic Determinants of Corruption: A Cross-Section Analysis", <i>Applied Economics Letters</i> , 17, 551-554. | Core concepts |
| Mocan, N. 2008. "What determines corruption? International Evidence from Microdata", <i>Economic Inquiry</i> , 46(4), 493-510. | Core concepts |
| Paldam, M. <i>The cross-country pattern of corruption: economics, culture and the seesaw dynamics</i> ¹⁷ , http://www.sciencedirect.com/science/article/pii/S0176268002000782 | Core concepts |
| Besley, T. and Ghatak, M. <i>Retailing public goods: The economics of corporate social responsibility</i> , http://eprints.lse.ac.uk/5890/ | Case |
| Starkman, D. 1997. "Pollution Case Highlights Trend to Let Employees Take the Rap", <i>Wall Street Journal</i> , October 9. | Case |
| The Economist, <i>The Price of Lobster Thermidor</i> , http://www.economist.com/node/154544 | Case |

¹⁶ Because government intervention transfers resources from one party to another, it creates room for corruption. As corruption often undermines the purpose of the intervention, governments will try to prevent it. They may create rents for bureaucrats, induce a misallocation of resources, and increase the size of the bureaucracy. Since preventing all corruption is excessively costly, second-best intervention may involve a certain fraction of bureaucrats accepting bribes.

¹⁷ This paper investigates and explains the cross-country pattern in the 1999 corruption index from Transparency International. The economic part of the model has four variables: the level and growth of real income per capita, the inflation rate, and the economic freedom index. The economic transition from poor to rich strongly reduces corruption, while periods of high inflation increase corruption. The cultural part of the model uses a set of dummies for "cultural areas", and the Gastil index for democracy. Both parts offer satisfactory explanations and interact. However, the (relative) difference between GDP levels within the same cultural area is smaller than the (relative) difference between levels of corruption. The interaction therefore points to something different from culture: the inherent seesaw dynamics of corruption.

3. Legislation, Control by Law, Agency and Fiduciary Duty

Rationale

This unit explores legal issues such as the entity vs. property view of corporate purpose, fiduciary relationships, negligence, and strict liability. Law is the minimal standard of business obligation and, of the three disciplines – markets, ethics, and law, it is the one to which at least some attention is most likely paid in most management education courses. This is the case particularly in light of the United States Federal Sentencing Guidelines for Organizations and their 2004 revisions; similar incentives for ethics and compliance programs in other countries; stepped up US enforcement of the Foreign Corrupt Practices Act (FCPA); and the recent passage of the UK Bribery Act.

Yet legal discussion without the contextual elements of economics and ethics is insufficient for management education in a global economy.¹⁸ This deficiency is particularly critical in corruption dilemmas because while narrow, legal based decisions may be sufficient to avoid indictment or conviction they can still cause market failures that are unethical because they seriously undermine the rights of market participants – particularly in less developed countries.

This unit includes:

- (1) Core concept readings – are useful to set the stage and give a sense of emerging global trends in anti-corruption legislation and to provide information about rules formation and implementation in different settings and countries
- (2) Primary resources – provide essential knowledge on actual legislation in different countries enable students to compare different systems
- (3) Scenarios and Case studies – afford students opportunities to identify and frame issues with precision, apply analytical and decision making skills based on existing rules of law, and evaluate the result of their solutions

Learning objectives

Upon completion, students will:

- Explain and discuss the technical elements of different national anti-corruption legislation formulations, implementation and enforcement actions;
- Analyze pros and cons of legal systems, have a grasp on trends in the global anti-corruption regime with a firm understanding of necessary improvements
- Understand and manage fiduciary conflicts;
- Apply knowledge and experience about anti-corruption legal system to corporate conduct issues, and be able to formulate internal organization rules to comply with international standards

Study questions:

1. How do you think the US Sentencing Guidelines (“Living with the Organizational Sentencing Guidelines”) and non US compliance approaches (convergence of principle and rule based ethics) might change corporate behavior. Are the compliance costs justified? Compare and contrast US and Non US program effectiveness.
2. Do you agree with the current trend towards the deferred prosecution or settlement of white-collar crime (“In Justice Shift” and “Weighing the Trade-Offs in the Goldman Settlement”)? Does this comport with the new policies of the US Department of Justice (“US Lifts a Policy in Corporate Crime Cases”)?

¹⁸ For a good discussion of the US legal context of these issues, see William T. Allen, *Our Schizophrenic Conception of the Business Corporation, Corporate Governance*, (1992), New York University Center for Law and Business.

3. What are the implications of the Corporate Sentencing Guidelines for individuals, companies and judges (“Deals & Consequences” & “SEC v. Goldman Sachs”)?
4. Sketch out the relationships between parties described or implied in the case “Quality Department Stores” Which of these can be called “fiduciary” relationships according to Cavers (“Disloyal Agents”)? Given your analysis, how should the investment manager vote?
5. Discuss the fiduciary conflicts that Janet faces in the “Needy & Company” case; particularly in relationship to the reading “A Promise to be Ethical.” Is it realistic in view of the conflicts faced as careers evolve?

Literature

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| <p>Berenbeim, R. and Kaplan. <i>The Convergence of Principle- and Rule-Based Ethics Programs: An Emerging Global Trend?</i> www.adr-ny.com/articles/HedgeFundDisputes.pdf</p> <p>There is a growing recognition that principles and rules are both essential elements in an effective ethics and compliance program. What is at stake in the ethics versus compliance debate? There are some preliminary signs that legal imperatives in various countries will push companies toward a middle way that embraces aspects of both approaches.</p> | Core concepts |
| <p>Berenbeim, R. 2010. “Navigating the Tensions between Principles, Rules and Values”. Vital Speeches of the Day, February.</p> <p>The article presents a speech by Business Ethics Principal Researcher for The Conference Board Ronald Berenbeim, entitled "Between 'Box-Ticking' and DNA," delivered at The World Banks Council for Internal Justice in Washington, D.C. on November 16, 2009. He discusses organizational ethics and prudence in compliance programs. He focuses on the three essentials of a justice-driven organization: constitutionalism, policies and values.</p> | Core concepts |
| <p>Berenbeim, R. and Kaplan. 2009. “Ethics and Compliance Enforcement Decisions – the Information Gap”, <i>Wall Street Lawyer</i>, October.</p> <p>Senior executives and corporate directors want to know whether companies have "received credit" (i.e., avoided prosecution or obtained sentence reductions) for having effective ethics and compliance programs - but such information is in short supply.</p> | Core concepts |
| <p>Glassman, J.K. <i>The Hazard of Moral Hazard</i>, http://www.commentarymagazine.com/article/the-hazard-of-moral-hazard/</p> <p>When someone insures you against the consequences of a nasty event, oddly enough, he raises the incentives for you to behave in a way that will cause the event. So if your diamond ring is insured for \$50,000, you are more likely to leave it out of the safe. Economists call this phenomenon “moral hazard,” and if you look around, you will see it everywhere. “With automobile collision insurance, for example, one is more likely to venture forth on an icy night,” writes Harvard economist Richard Zeckhauser. “Federal deposit insurance made S&Ls more willing to take on risky loans. Federally subsidized flood insurance encourages citizens to build homes on flood plains.”</p> | Core concepts |
| <p>Kaplan, J. Dakin, L.S., and Smolin, M.R. “Living with the Organizational Sentencing Guidelines”, <i>California Management Review</i>, 36 (1), 136-146.</p> <p>The article focuses on the organizational sentencing guidelines. A brief historical overview of guidelines for sentencing corporations as outlined by the United States Sentencing Commission is presented. Several steps toward developing an effective organizational compliance program are outlined, including tailoring standards and procedures to the company's particular business, effectively communicating compliance standards to all employees, and consistently enforcing such guidelines. The merits of an incentives-based approach to corporate compliance are also considered.</p> | Core concepts |

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| Samadi F. <i>Effective compliance programmes to earn reductions in fines.</i> http://www.globalcompetitionreview.com/news/article/30769/effective-compliance-programmes-earn-reductions-fines/ France's Competition Authority looks set to become the first European agency to offer a guaranteed 10 per cent reduction in fines for companies that operate a meaningful compliance programme. | Core concepts |
| 2009. "Bribery And Corruption Reform: Proposed Modern Uk Laws Target Companies And Llps", <i>Venulex Legal Summaries</i> , 1-6. | Primary source |
| 2011. <i>UK Bribery Act guidance published</i> , <i>Reactions</i> ; March, 244-244. | Primary source |
| Departures & Sample Economic Offenses from <i>US Sentencing Guidelines</i> . http://www.ussc.gov/Guidelines/2010_guidelines/Manual_PDF/2010_Guidelines_Manual_Full.pdf | Primary source |
| <i>NYU Stern Code of Conduct</i> http://www.stern.nyu.edu/UC/CurrentStudents/CodeofConduct/CON_022122 | Primary source |
| <i>SEC v. Goldman Sachs</i> , <i>SEC Litigation Release</i> . http://www.sec.gov/litigation/litreleases/2010/lr21489.htm | Primary source |
| Cavers, D. <i>Disloyal Agents</i> . | Case |
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| Henning, P.J. and Davidoff, S.M. <i>Weighing the Trade-Offs in the Goldman Settlement</i> . http://dealbook.nytimes.com/2010/07/16/weighing-the-trade-offs-in-the-goldman-settlement/ | Case |
| Lichtblau, E. <i>In Justice Shift, Corporate Deals Replace Trials</i> . http://www.nytimes.com/2008/04/09/washington/09justice.html?pagewanted=all | Case |
| Thomas Jr., L. <i>Deals & Consequences</i> . http://www.nytimes.com/2005/11/20/business/yourmoney/20jail.html?pagewanted=print | Case |
| Wayne, L. <i>A Promise to be Ethical in an Era of Immorality</i> . http://www.nytimes.com/2009/05/30/business/30oath.html | Case |
| Zicklin, L. <i>Quality Department Stores</i> . | Scenario |
| Zicklin, L. <i>Old City Enterprises</i> . | Scenario |
| Zicklin, L. <i>Needy & Company</i> . | Scenario |

4. Why Corruption: Behavioral Issues

Rationale

Module on behavioral issues provides an overview of various challenges faced by an individual to counter corruption and unethical issues at the workplace, society, cultures and countries. An individual is an outcome of the society, cultures, family and his past experiences which crafts his behavior. The module tries to bring out issues that an individual faces on the work place when encountered with moral dilemmas emanating from various cultural factors, country specific traits and traditions, issues that evolve due to individual's traditions and practices. The module further ventures into how the needs of individuals lead the individuals to address their need hierarchy. Individual behaviour in the organizations is subject to numerous factors including organizations, internal environment and the context in which the organization is operating. The behaviour of the individuals, whether with reference to own self, the society or the group is an important factor influencing performance.

Behavioral sciences investigate the decision processes and communication strategies within and between organisms in a social system. Behavioral sciences include two broad categories: neural—decision sciences—and social communication sciences. On analyzing the anti-corruption behavior both the aforementioned categories, often reflect that individual behavior and remain at the core of the entire decision making process. The scientific treatment of this specific issue, as it appears from the current available literature, sometimes appears not to touch problems at the grassroots level relevant to behavioral issues and applications in the context of anti-corruption behavior.

Some institutions have been offering courses in the past – with titles like, “Power Influence,” “Strategic Communication,” “Management of Self and Others,” etc., some institutions have replaced their courses with other courses like “Ethics”, Behavioral Science Interventions in Organizational Development”, “Culture and Society” etc. Designing a module on behavioral science with an anti corruption dimension gives direction to such courses and makes them more relevant to issues of anti corruption. Ideas, research and insights of how behavioral science could be imbibed within the framework of other main stream courses on management, human resources, procurement and supply chain management, accounting etc. is given in the following examples:

Implications of Behavioral Science in consultant client relationship system that reduce corrupt practices (useful for issues of supply chain, product design, sales and advertising, human resource, etc.)

What does Behavioral Science teach us about how to design a performance incentive system that encourages integrity as well as productivity? (This topic could fit into courses on management, human resources, organizational behavior, managerial accounting, etc.)

Learning Objectives

The module broadly aims to discuss individual behaviors that trigger corrupt or anti corrupt behavior amongst individuals in a particular context. The universal principles of ethical behavior are always the focal point of curriculum and the module aims to deliver the following learning outcomes for the target groups;

- to create awareness about behaviors of individuals
- to induce wider thinking for anti-corrupt behavior
- to develop individual action of anti corruption in context specific situations
- to induce an overall anti corruption environment amongst students.

A detailed curriculum toolkit for Behavioral Issues has been listed below. An outline of the curriculum has been crafted under various topics and sub topics and the relevant cases/ scenarios have been indicated along with in a tabular format at the end.

Study questions

1. Corporate strategies are influenced due to improper framing of risk assessment. How the framework created by Daniel Kahneman does influence an individual's behavior to think and act?
2. How do the two systems of thinking System 1 and System 2 (Daniel Kahneman) help an individual to act in a non corrupt manner?
3. The behavior of an individual could be analyzed under the Basket of Needs and Modes of Thinking frameworks. How can these frameworks be used to influence human behavior to understand the needs of an individual and spread anticorruption practices?
4. Social identity theory answers how the behavior of an individual is shaped by social influences. Discuss ways in which application of this theory can be used to influence behavior of individuals against unethical and corrupt practices.
5. Develop a framework to communicate corporate values to influence individuals' behavior in the organization through the concept of theodicy, thereby leading the organization to move in a coherent direction.
6. Is corruption an individuals' perception of corruption only? Discuss how does the concept of Theodicy influence an individual's perception?
7. Discuss how theodicy proposition illuminates perceptions of corruption in organizations. How can we bring in reforms by using theodicy perspective in defining perceptions of organizational corruption?
8. Based on the article 'The Propensity to Bribe in International Business' outlines the scenarios where individuals are less likely to engage in bribe.
9. Why have Louis and Palmer emphasized the significance to return to the original concept of values as a set of guiding principles?
10. Taking queue from the framework of 'Giving Voice to Values' suggests seven interventions that would lead an individual to distinguish anti corrupt behavior from corrupt behavior.
11. In the case 'Going Global: Working in Jumandia' how should Sonya resolve the dilemma of pursuing the issues of corruption in her organization. How should she foster her ethical and anti-corrupt behavior that she acquired from her home country in the country of her posting?

Literature

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| <p>Brown, E. and Cloke, J. 2011. "Critical perspectives on corruption: an overview", <i>Critical perspectives on international business</i>, 7 (2), 116-124.</p> <p>The paper is a guest editorial of Critical perspectives on International Business Vol. 7. No 2, 2011. (Critical perspectives on Corruption: an overview) : the write-up seeks to trace some of the key elements of corruption studies and the major direction in which the field has moved in the recent past that is since 2006. It explores some of the connections between dominant discourse of corruption and anti corruption and upheavals that have occurred in the global economy.</p> | Core concepts |
| <p>Den Nieuwenboer, N.A. and Kaptein, M. 2008. "Spiraling down into Corruption: A Dynamic Analysis of the Social Identity Processes That Cause Corruption in Organizations to Grow", <i>Journal of Business Ethics</i>, 83 (2), 133-146.</p> <p>Spiraling down into corruption: A dynamic analysis of the social identity processes that causes corruption in organizations to grow. The article focuses on the spread and growth of corruption in organizations. For this purpose, three downward organizational spirals are formulated: the spiral of divergent norms, the spiral of pressure and the spiral of opportunity. The article uses the social identity theory to explain the mechanisms of each of the spirals. The perspective looks at a better understanding of the development of corruption in organizations.</p> | Core concepts |

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| <p>Dion, M. 2010. "What is corruption corrupting? A philosophical viewpoint ", <i>Journal of Money Laundering Control</i>, 13 (1), 45-54.</p> <p>What is corruption corrupting? A philosophical viewpoint. The paper is an overview to look at up to what extent philosophers (from Pluto to Rousseau) have described the phenomenon of corruption in a way that is relevant for corrupt practices in globalised markets. Sometimes it becomes very difficult for one to say what corruption is and what it is not.</p> | Core concepts |
| <p>Hooker, J. 2009. "Corruption from a cross-cultural perspective", <i>Cross Cultural Management: An International Journal</i>, 16 (3), 251-267.</p> <p>Corruption from a cross cultural perspective: Cultures have fundamentally behavioral norms due to their different conception of human nature. They can be broadly classified as rule based and relationship based, distinguishing by the fact that behavior is regulated primarily by respect for rules in the former and authority figures in the latter. Corrupting behavior differs around the world partly because of different norms and partly because cultural systems break down in different ways. Activities such as nepotism or cronyism that corrupt the rule based cultures function strictly to promote corruption elsewhere. Behavior that is normal in the west, such as bringing lawsuits or adhering strictly to the contract, may be viewed differently in other regions and could have an element of corruption elsewhere. Practices such as bribery that are often corrupting across cultures are nonetheless corrupting for very different reasons in various regions.</p> | Core concepts |
| <p>Kahneman, D. 2011. <i>Thinking, Fast and Slow</i>. Allen Lane.</p> <p>Daniel Kahneman, recipient of the Nobel Prize in Economic Sciences for his seminal work in psychology challenged the rational model of judgment and decision making. In his work 'Thinking, Fast and Slow', Kahneman takes us on a groundbreaking tour of the mind, identifying two systems that drive the way we think. System 1 is fast, intuitive, and emotional; System 2 is slower, more deliberative, and more logical. Kahneman exposes the extraordinary capabilities—and also the faults and biases—of fast thinking, and reveals the pervasive influence of intuitive impressions on our thoughts and behavior. The impact of loss aversion and overconfidence on corporate strategies, the difficulties of predicting what will make us happy in the future, the challenges of properly framing risks at work and at home, the profound effect of cognitive biases on everything from playing the stock market to planning the next vacation—each of these can be understood only by knowing how the two systems work together to shape our judgments and decisions. The work explains the behavior of an individual. The work has been adopted in this module as it helps us to understand how we make our decisions. Analyzing issues logically would make better decisions. This differentiates what would be the impact of a certain kind of action led by the behavior, which is an outcome of the way we think.</p> | Core concepts |
| <p>Kayes, D.C. 2006. "Organizational Corruption as Theodicy", <i>Journal of Business Ethics</i>, 67 (1), 51-62.</p> <p>The literature in this paper draws on Webers's theodicy problem to define organizational corruption as the emerging discrepancy between experience and normative expectation. The paper presents four normative principles enlisted by observers to respond to perceived corruption: moral dilemmas, detachment, systematic regulation and normative controls. The events illustrated in the paper illustrate how theodicy informs descriptive accounts of corruption and exposes two limitations of normative models of ethics.</p> | Core concepts |
| <p>Palmer, L., Foley, J. and Parsons, C. 2004. "Principles not values", <i>Industrial and Commercial Training</i>, 36 (1), 38-40.</p> <p>Principles Not Values: Corporate values are increasingly common in private companies and now are being adopted in the public sector companies also. It has been witnessed that the implementations of corporate values is quite often unsuccessful. The article argues that</p> | Core concepts |

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| employers can reap significant benefits by returning to the original concept of values as a set of guiding principles by focusing on and communicating the business needs of the company, rather than making them culturally specific and woolly values. By embedding these principles in the organization, and making sure that progress in each area of principle is monitored and controlled, individual employees will understand better what they need to do and the organization could move in one coherent direction. | |
| <p>Pelletier, K.L. and Bligh, M.C. 2008. "The Aftermath of Organizational Corruption: Employee Attributions and Emotional Reactions", <i>Journal of Business Ethics</i>, 80 (4), 823-844.</p> <p>The aftermath of organizational corruption: Employees Attributions and Emotional Reactions</p> <p>The literature analyses employee attributions and emotional reactions to unethical behavior of top leaders in organizations involved in ethics scandals. Employees attributed the organizations' poor ethical leadership to a number of causes, including lack of moral reasoning, breach of trust, hypocrisy and poor ethical behavior role modeling. The targeted top leaders' emotional reactions to corruption included cynicism, optimism, pessimism, paranoia and fear under the organizational frameworks and ethics interventions. (The literature helps to identify various causes leading to individual's behavior leading to corruption and how various interventions could reduce corrupt practices.)</p> | Core concepts |
| <p>Rothstein, B. and Eek, D. 2009. "Political Corruption and Social Trust: An Experimental Approach", <i>Rationality and Society</i>, 21 (1), 81-112.</p> <p>Political Corruption and Social Trust: This piece of literature addresses how variations in the level of social trust differ across countries. It builds upon theories pointing to the importance of trust-worthy governmental institution for creating social trust. The results support the hypothesis that trust in authorities influences the perceptions of the trust worthiness of others in general. The influence of vertical trust on social trust was trust for both the high and low trusting samples.</p> | Core concepts |
| <p>Sanyal. 2009. "The propensity to bribe in international business: the relevance of cultural variables", <i>Cross Cultural Management</i>, 16 (3), 287-300.</p> <p>The paper seeks to examine the extent to which national cultural characteristics impact the propensity of firms based in the country to engage in bribery to gain advantages when conducting business overseas. It further argues that bribery is less a cultural phenomenon instead it is bred in poverty and is illustrative of business behavior occurring in a highly regulated an inward looking economy. As a country prospers and the domestic operating environment becomes more hygienic, corruption will have a salutary effect on international behavior of firms based in that country.</p> | Core concepts |
| <p>Sharma, S. 2007. <i>Basket of Needs and Modes of Thinking Framework. Management in New Age: Western Windows Eastern Doors</i>. New Age International Publishers.</p> <p>Idea of 'Basket of Needs' is based on six dimensional view of human beings in terms of biological, economic, political, social, psychological and spiritual dimensions which have been represented further by three models; human being as bio-spiritual entity ; human being as socio-political entity; human being as psycho-economic entity. As bio-spiritual entities, human beings not only seek to fulfill their biological needs but also seek to explore their inner dimension/ inner self and its relationship with the world outside. As spiritual entities they tend to seek 'self realization'. As social beings they tend to seek fulfillment in social relationships and as political beings they tend to display power need. As psychological entities, they tend to seek self-actualization and as economic entities they tend to maximize 'utility'. The idea of 'Basket of Needs', wherein the basket, leads us to at a holistic model of human beings. The idea provides an analytical framework for 'social-analytics'. This can be used to analyze social dynamics in terms of dynamic interactions of the six dimensions of</p> | Core concepts |

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| <p>human personality and their manifestations in human societies. In the model, self is defined in terms of needs. Expressions of the Self can be observed in terms of satisfaction of various needs.</p> <p>On the other hand a framework of 'modes of thinking' has been designed to understand different human beings displaying different mix of modes of thinking which have been segmented as power acquisition, calculative and acquisitive, knowledge seeking, concern for others and liberation from oppression. Cultures, societies and nations differ in their emphasis and mix of these modes of thinking. Different cultures and nations can be studied from the viewpoint of their 'modes of thinking'. The 'modes of thinking' framework helps to understand how to analyze our behavior and responses as they emanate from the above mix. It emphasizes that the concern for others and the liberation of self helps in improving the responses. Understanding of combined frameworks of the basket of needs and modes of thinking frameworks provides a better understanding of our behavior leading to a better understanding of corrupt and unethical behavior.</p> | |
| <p>Columbia CaseWorks case with GVV Teaching Note "Going Global: Working in Jumandia"</p> <p>Case Jumandia is an interesting case which brings out moral dilemma for an executive who encounters a different culture. Different countries have different expectations and behavior. The issue of handling moral dilemmas that Sonya faces when she encounters a totally different culture from her native land has been discussed. How to handle corrupt and unethical behavior has been addressed as the area of concern in this case.</p> | Case |
| <p>ECCH case "Jianbao Questioning His Values"</p> <p>A conscientious middle manager at a state-owned enterprise, Jianbao, learns the ugly truth about the behavior of a trusted senior colleague, once considered as his mentor. Now, Jianbao must walk a fine line and find a way to balance his loyalty to Ren against the risks to the company while safeguarding his own career. He chooses to write a letter - describing Ren's misappropriations - to the parent company's Disciplinary Inspection Committee. (A) The approach backfires. Should he have handled the matter differently? (B) Did he do the right thing but in the wrong way?</p> | Case |
| <p>GVV case "Paying Bribes" ; --ECCH case with GVV Teaching Note "Blue Monday";</p> <p>The case talks about a moral dilemma where the organization is caught between whether to follow the kickbacks route or to continue with anti corrupt and anti bribery policy. Alex, an expatriate sales director for the new Chinese subsidiary of a multinational pharmaceutical company is concerned about the poor sales figures. Frustrated with his sales team he tries to understand why. One of the sales representatives, Anita, speaks openly about the cause of the company's failing market share and explains that local competitors pay doctors financial kickbacks and that there is no way around to do business in that industry in China. Alex knows that this is against the code of conduct and he has to take a position to motivate his team.</p> | Case |
| <p>GVV case "The Indent for Machines: A Sugary Finale"</p> <p>The case exposes an individual to decide how to decide in case of external pressures to which managers are exposed at various points in time. In this case an executive who has always been upright and has worked for public good is exposed to certain corrupt external pressures from the existing system. The managers are exposed how to make decisions in such environments.</p> | Case |

Curriculum Issues of Behavioral Science

| Topic | Sub-Topic(s) | Suggested Literature Cases/ Scenarios |
|---|--|--|
| Individual Factors and Corruption | External Factors affecting behavior at individual level | Daniel Kahneman (2011); Thinking Fast and Slow; Allen Lane 2011 |
| | Individual values and corruption | Subhash Sharma (2006); Management in New Age: Western Windows Eastern Doors; New Age International Publishers 2007 --Columbia CaseWorks case with GVV Teaching Note "Going Global: Working in Jumandia" |
| | Motivating forces driving corruption | --ECCH case with GVV Teaching Note "Jianbao Questioning His Values" |
| | Dealing with corruption at individual level | --GVV case "The Indent for Machines: A Sugary Finale" (A) and (B); --GVV case "Paying Bribes" ; --ECCH case with GVV Teaching Note "Blue Monday" |
| Corruption at Organizational level | Group dynamics and its' impact on corruption in organizations | |
| | Concept of Institutional corruption | |
| | Emergence of Corruption as a group behavior Dealing with corruption at organizational level | --GVV/Carnegie Council video case "Tasty Bite"; --ECCH case with GVV Teaching Note "Blue Monday"; ----ECCH case with GVV Teaching Note "Jianbao Questioning His Values" |
| Cross-Cultural Issues and Corruption Corruption and Social Setting | Corruption as a result of interactive cultural forces | --Columbia Case Works case with GVV Teaching Note "Going Global: Working in Jumandia" |
| | Corruption under different social settings | --Columbia Case Works case with GVV Teaching Note "Going Global: Working in Jumandia" |
| | Role of organizations in dealing with corruption at social level | GVV case "Not an Option Even To Consider (A) and (B)" |
| Miscellaneous Issues | Understanding Corruption at country level | GVV case "Not an Option Even To Consider (A) and (B)" |

5. Conflicts of Interest

Rationale

This topic provides a general overview of ethics management issues, with specific reference to conflicts of interest. Giving and receiving of gifts to unduly influence business decisions, as well as side deals (when individuals who represent organisations enter into separate transactions for private benefit) are good examples of conflicts of interest.

Ethics is critical in the fight against corruption – whereas traditional anti-corruption mechanisms (risk management, internal controls, forensic investigations, hotlines, disciplinary procedures, etc.) are mostly aimed at restricting opportunities for employees to engage in misconduct (and to punish them when they do), an ethics programme is generally aimed at encouraging and rewarding positive behavior. This approach is also supported by a focus on corporate governance (emphasizing the role of the board and senior executives in terms of directing and control of companies, based on the ethical principles of honesty, accountability and transparency) as well as a broader commitment to corporate responsibility, e.g. acknowledging the normative social obligations of businesses. All these discussions are usually framed by a systemic discussion about the most ethical economic system within which companies / individuals could / should operate.

Dealing successfully with the issue of conflicts of interest is a key component of an effective ethics programme. Companies acknowledge that sometimes the interests of their employees will conflict with the interests of the company, and that this is undesirable. For example, if an individual makes decisions about suppliers based on lavish gifts or entertainment that s/he has received rather than the quality of the product or service on offer, it is clear that the interests of the company will suffer in the process. This will also be the case if individuals start to engage in side deals that would benefit them personally at the expense of their companies.

The most basic response to prevent conflicts is to develop clear policies. Most companies acknowledge that conflicts cannot always be prevented but should always be declared and managed. A “conflict of interest declaration” that is completed by all new employees upon induction is therefore a good start but does not go far enough. Ultimately, companies would like their employees to understand why this is a problem and not merely to comply with policies. A deeper understanding of the issue will lead to a higher level commitment to comply with both the letter and the spirit of relevant policies.

The following is suggested as a meaningful way to engage with the topic:

- Theory – participants should have a basic understanding of theories to decide between right and wrong, and how this applies within a business environment (business ethics theory)
- Practice – participants should have a basic understanding of the practical steps companies should take to manage ethics, with specific reference to conflicts of interest [Daniel: I would add that “practice” goes beyond company steps and also involves the development and practice of individual abilities and approaches to enacting values-driven behavior. This is one of the places where GVV comes in.]
- Integration – participants should be familiar with specific ways in which leading companies address the problem

Theory

Most ethics text books provide a basic overview of the key ethical theories: consequentialism, deontology, contract theory, virtue ethics, etc. By providing a basic overview of these theories and then applying them to short case studies / dilemmas, participants will become proficient with the different approaches.

Practice

It is always useful to look at practical examples of how companies manage ethics. An ethics management framework usually takes the following basic format: ethical risk assessment, development and implementation of policy, training and communication, on-going support (e.g. hotline, ethics officer) and stakeholder engagement:

- Ethical risk assessment usually comprises the administration of a confidential questionnaire in which employees share their perceptions on the frequency and nature of misconduct, as well as the perceived prevailing values in the organization
- The development of an ethics policy is based on stakeholder engagement and the development of a formal document that provides, amongst others, a leadership message, guidance on expected behavior and information on where to find help
- Implementation of the policy usually comprises a combination of training programs (online and / or face-to-face) and communication (information on the intranet, posters, newsletters, etc.). Although case studies, web-based research and company visits could provide some insight, the best way would be for employees at all levels to engage in action-planning and rehearsal of potential situations with which they could be confronted in the workplace. This kind of pre-scripting will prepare employees to recognize and respond effectively to actual situations when they (inevitably) arise¹⁹.
- Ongoing support is provided by an ethics officer (a senior level officer who is targeted with ethics management and reports directly to the CEO and / or the board of directors), as well as a confidential hotline – this is a whistle blowing mechanism that is usually outsourced, but could also be complemented by an internal helpline that is used to provide guidance
- Stakeholder engagement is a formal process that goes beyond ethics management and is often linked to sustainability / integrated reporting processes. Stakeholder engagement has to be preceded by a careful stakeholder analysis process, where the most important stakeholder groups and the issues that they are interested in can be identified.

Integration

Linked to the previous two areas, discussions on conflicts of interest will focus on the theoretical rationale (competing interests, individual versus company level ethics, ways to decide between right and wrong) and practical application. By being exposed to case studies or dilemmas, participants will be able to practice integration of the theoretical background with analysis of specific cases, action-planning, practical decision making and implementation.

Learning objectives

Having accomplished the topic, students should be able to:

- Explain the main ethical theories and apply them to practical cases
- Explain the main components of an ethics management programme
- Define conflicts of interest and describe ways to manage them
- Assess the effectiveness of policies, specifically with regards to gifts and side deals
- Analyze approaches that may be effective in responding to such ethical challenges and should acquire and practice applying these action tools and arguments.

¹⁹ This approach is at the heart of the Giving Voice to Values programme, which has informed this topic.

Core literature

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| <p>Donaldson, T., and Dunfee, T. W. 1999. <i>Ties that Bind: A Social Contracts Approach to Business Ethics</i>. Harvard University Press.</p> <p>This seminal book provides a detailed outline of Integrative Social Contracts Theory. Integrative Social Contracts Theory (ISCT) was developed by Tom Donaldson and Thomas Dunfee to provide guidance on ethical issues in international business. The basic message of ISCT is that “implicit agreements constitute part of the basic software of business ethics” (Donaldson & Dunfee, 2000, p. 437). As opposed to traditional social contract theory that investigates the contracts between citizens and governments, ISCT focuses on how economic participants will define business ethics. The veil of ignorance in ISCT is more revealing than the one suggested by Rawls. The basic assumption is made that participants do not know their economic standing, e.g. which company they work for or what their personal wealth is. However, they are granted knowledge about their economic and political preferences, as well as a basic sense of right and wrong. Under these circumstances, participants are then hypothetically gathered for “a global congress to construct an agreement that would provide a fundamental framework for ethical behavior in economic activities” (Donaldson & Dunfee, 2000, p. 438). The use of “integrative” emphasizes that “ISCT is based upon a hypothetical social contract whose terms allow for the generation of binding ethical obligations through the recognition of actual norms created in real social and economic communities. A hypothetical social contract is thereby integrated with real or extant social contracts” (Dunfee, 2006, p. 304). Donaldson and Dunfee argue that their hypothetical global congress for business ethics will not be able to agree on a detailed set of ethical rules and guidelines, but rather will agree on a process or broad framework. This framework of business ethics as social contracts is what they call the Global ISCT Macrosocial Contract for Economic Ethics and includes, amongst others, the following characteristics (Donaldson & Dunfee, 1999, p. 46): Local economic communities have moral free space in which they may generate ethical norms for their members through microsocial contracts; Norm-generating microsocial contracts must be grounded in consent, buttressed by the rights of individual members to exercise voice and exit; and In order to become obligatory (legitimate), a microsocial contract norm must be compatible with hypernorms.</p> | Core concepts |
| <p>Donaldson, T. 2001. “Values in tension: ethics away from home”. In M. Hoffman, R. Frederick, and M. Schwartz (Eds.), <i>Business ethics: readings and cases in corporate morality</i> (Fourth ed., 475-483). New York: McGraw-Hill.</p> <p>This article was originally published in the Harvard Business Review (September / October, 1996) and investigates the difficulties companies experience when they operate in foreign countries. The article is a precursor to the fully-fledged Integrative Social Contracts Theory developed by Donaldson and Dunfee, and suggests the following guidelines: Treat corporate values and formal standards of conduct as absolutes; design and implement conditions of engagement for suppliers and customers; allow foreign business units to formulate ethical standards and interpret ethical issues; in host countries, support efforts to decrease institutional corruption, exercise moral imagination.</p> | Primary source |

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| <p>Gentile, M. 2010. <i>Giving Voice to Values: How to Speak Your Mind When You Know What's Right</i>. New Haven: Yale University Press.</p> <p>Giving Voice to Values (GVV) is an innovative curriculum for values-driven management and leadership, designed to be integrated across the core business curriculum as well as to stand alone. The Aspen Institute was founding partner, along with Yale School of Management, and incubator for GVV which is now funded by Babson College.</p> <p>Drawing on both the actual experiences of business practitioners as well as cutting edge social science and management research, Giving Voice to Values fills a long-standing and critical gap in business education by expanding the definition of what it means to teach business ethics. Rather than a focus on ethical analysis, this new curriculum focuses on ethical implementation and asks the question: "What if I were going to act on my values? What would I say and do? How could I be most effective?"</p> <p>Giving Voice to Values identifies the many ways that individuals can and do voice their values in the workplace, and provides training to build the muscle necessary to do so, by giving students opportunities to script and practice this voice in front of their peers.</p> | Primary source |
| <p>Velasquez, M. 2006. <i>Business Ethics – concepts and cases</i>. NJ: Pearson Education.</p> <p>Note: there are text books available that provide a basic introduction to business ethics. This is only one of them. Most books follow the same structure: an introduction to core ethical theories, and an illustration of specific applications of ethics to the business environment (e.g. conflicts of interest, insider trading, etc.), illustrated by cases. Many of these books also have country specific examples, and members of faculty are therefore encouraged to find a book that would be most appropriate to their specific context.</p> | Primary source |
| <p>Albert "Jack" Stanley in Nigeria (HBS Case: 312034-PDF-ENG)</p> <p>An international joint venture successfully bid for contracts to build six LNG trains on Nigeria's Bonny Island but, before the final train came on stream, became entangled in a widening corruption probe triggered by an unrelated accusation against an employee of Technip, the French JV partner. The (A) case discuss the JV's "business as usual" approach to doing business in the context of Nigeria's political culture and the predicament of the JV's alleged manager, Albert "Jack" Stanley, after being terminated in 2004 by Halliburton, parent of the U.S. JV partner, for taking kickbacks.</p> <p>The case is intended to be used to explore the following questions: what's wrong with bribery where everyone knows that the only way to procure contracts in a given country is to bribe officials; how much responsibility do parent companies have for the actions of their subsidiaries and how should they discharge these responsibilities; and what options are available to individuals caught up in corruption probes. The case introduces the FCPA, the UK Bribery law, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. It may also be used to discuss the extraterritorial effect of anti-corruption laws and the reasons countries seek to regulate business behavior that occurs completely outside their borders.</p> | Case |
| <p>Going Global: Working in Jumandia</p> <p>The case is available from Columbia CaseWorks at http://www4.gsb.columbia.edu/caseworks, ID# 070601, written by Professor Michael Feiner. The case is part of the Sanford C. Bernstein & Co. Center for Leadership and Ethics Case Series and was sponsored by the Citi Foundation.</p> <ul style="list-style-type: none"> Recent MBA on the fast track at a petroleum company encounters bribery in her high profile posting in a developing country near the Equator. Works well in courses on international business, ethics, business law, organizational behavior, leadership, communications, and career management. | Case |

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| <p>Indian entrepreneur case</p> <p>Video case about an Indian entrepreneur who dealt with corruption: http://itunes.apple.com/WebObjects/MZStore.woa/wa/viewPodcast?id=482677656</p> | Case |
| <p>Jianbao Questioning His Values (A) and (B) – from the GVV curriculum</p> <p>The cases A and B were inspired by interviews and observations of actual experiences but names and other situational details have been changed for confidentiality and teaching purposes. The cases are intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. The cases were prepared by Henri-Claude de Betonies and Charlotte Butler, (Research Studies Manager at the Euro-Asia Centre-INSEAD). They were inspired by a paper written by Kevin Qiao for a course taught by Professor de Bettignies. Copyright © 2009 by CEIBS (China Europe International Business School) and INSEAD. The case itself is available at the European Case Clearinghouse: www.ecch.com.</p> <p>Case Summary and Faculty Discussion Guidelines (5 pages)</p> <ul style="list-style-type: none"> • Middle manager at a state-owned enterprise learns a trusted senior colleague has in favored some suppliers with inappropriate lending conditions and excessive price mark-ups. After an unsuccessful attempt to deal with the issue and some substantial cost to the organization as a result of the senior manager's behavior, Jianbao considers how he might have been more effective. • Works well in operations or supply chain management, organizational behavior, leadership, communications and ethics courses, as well as in discussions of international business challenges. | Case |

List of additional readings

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| Elegido, J. M. 1996. <i>Fundamentals of Business Ethics – a Developing Country Perspective</i> . Ibadan, Nigeria. Spectrum Books. Chapters 8, 10, 11, 12 and 13. | Core concepts |
| Green, R.M. <i>Neutral Omni-Partial Rule Making</i> . | Core concepts |
| <i>Bribery & The Foreign Corrupt Practices Act</i> . http://www.usdoj.gov/criminal/fraud/docs/dojdocb.html | Primary source |
| International Chamber of Commerce. 2005. <i>Combating Extortion and Bribery: ICC Rules of Conduct and Recommendations</i> . Available at: http://www.iccwbo.org/uploadedFiles/ICC/policy/anticorruption/Statements/ICC_Rules_of_Conduct_and_Recommendations%20_2005%20Revision.pdf | Primary source |
| NHO. 2006. <i>Crossing the line? An NHO guide for companies' work policies and practices with regard to gifts, entertainment and various expenses for people who are not company employees</i> . http://nho.nsp01cp.nhosp.no/files/crossing_the_line_web_2.pdf | Primary source |
| Transparency International. 2004. <i>Business Principles for Countering Bribery: Guidance Document</i> . http://www.transparency.org/content/download/573/3493/file/bpcb_ti_guidance_doc_november_202004.pdf | Primary source |
| Transparency International. 2005. <i>Business Principles for Countering Bribery: TI Six Step Process - A practical guide for companies implementing anti-bribery policies and Programs</i> . http://www.transparency.org/content/download/2252/13124 | Primary source |
| Transparency International. 2008. <i>Business Principles for Countering Bribery: Small and Medium Enterprise (SME) Edition</i> . Available at: http://www.transparency.org/content/download/29197/443933/file/BusinessPrinciples_SME30Jan2008.pdf | Primary source |

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| Transparency International. 2009. <i>Business Principles for Countering Bribery</i> . Available at: http://www.transparency.org/content/download/43008/687420 | Primary source |
| World Economic Forum. 2009. <i>PACI Principles for Countering Bribery</i> . http://www3.weforum.org/docs/WEF_PACI_Principles_2009.pdf | Primary source |
| Avorn J. 2004. <i>Powerful Medicines</i> . New York: Alfred A. Knopf. | Case |
| Dietz, J., Grover, A. and Guerrero, L. 2009. <i>Medical Equipment Inc in Saudi Arabia</i> . Accessed: www.hbsp.harvard.edu/ → 907C42-PDF-ENG | Case |
| Green, R.M. <i>Roger Berg</i> . | Case |
| Loftus, P. and Holzer, J. <i>J&J Settlement in Bribery Case</i> . http://www.proffournal.com/mail/wrkfiles/Ethics201115.html#art_1 | Case |
| Morgenson, G. and McGeehan, P. <i>Wall Street and the Nursery School</i> . | Case |
| Ornstein, C. and Weber, T. <i>The Doctors Will See It Now</i> . http://www.usatoday.com/money/usaedition/2011-05-06-HeartSociety06_CV_U.htm | Case |
| Wazana A. 2000. "Physicians and the pharmaceutical industry: is a gift ever just a gift?", <i>Journal of the American Medical Association</i> , 283, 373-380. | Case |

Study questions

Provided as part of each case study.

Mini caselets

The following cases form part of an online ethics training programme (e-evaluation) developed by Just Managing Consulting and may be used for educational purposes only.

1. You are the sole owner of a medium-sized company. You have a cousin who owns a cleaning business and has tendered for the contract to provide services at your company. His quote was the second cheapest, and you cannot get proper references from the company who was the cheapest. You know that you will get quality service from your cousin. What do you do?
2. You are responsible for the evaluation of tender documents for a large contract. At a compulsory site meeting where you meet the prospective tenderers you run into an old friend from school. He is the owner of one of the companies that is likely to put in a strong bid and invites you for a drink after the meeting. You have not seen him for a long time and would really like to catch up on news. What do you do?
3. You are an engineer who often has to work on site and has to stay in touch with clients. One of your colleagues is an "old school" engineer who has a very good relationship with all the clients, but does not have a cell phone. He has just been presented with a state of the art smartphone by one of your clients, who stated the need to be able to contact him at all time is the business reason for giving him the phone. What do you do?
4. You work in the Marketing and Sales department of a large company. Your daughter recently joined the company as a junior sales representative - she was appointed via the normal processes and all proper disclosures were made with regards to your family relationship. You have to make recommendations in terms of bonuses and promotion, and your daughter has clearly been the star performer in the department - this is backed up by objective sales data. What do you do?
5. You are the team leader in a business unit. One of your major suppliers has just delivered a Christmas gift to all 15 members of the team. The gifts are within the policy limit of the company, but come in the wake of a strenuous relationship with the supplier over the last year. This supplier has never given gifts before and their contract is up for renewal soon. What do you do?

6. International Standards and Supply Chain

Rationale

This topic provides an overview of the challenges related to corruption and unethical practices in the supply chain, with the emphasis on providing guidance and tools for dealing with corruption among a company's supply-chain members and other stakeholders.

The worldwide dispersion of value chains means that the issues relevant to a company extend far beyond the area, country or region where it is located. With the globalization of markets, the increased role and influence of corporations in the economy brings about higher expectations on their *responsibility* and *accountability* for the impacts of their activities on the environment and on society, synthesized by the concepts of corporate social responsibility and, in a broader sense, corporate sustainability. At the same time, advances in communications technology offer easier and faster access to information about an organization's activities in different locations.

While a company cannot be held responsible for the actions of every party with which it has a relationship in the supply chain, there will be situations where its ability to control and to influence others will be accompanied by a responsibility to exercise that control or influence. Governments, consumers and other stakeholders are increasingly interested in supply chain conditions such as ethics, labor conditions, safety, quality and environmental impacts, demanding higher transparency and disclosure of critical information. In the attempt to reduce corruption, the development of laws, international agreements and voluntary standards bring about new management responsibilities. Differences in local customs can bring particular risks and ethical dilemmas. In regions of weaker governance and poor law enforcement, companies need an extra attention and additional tools in order to ensure they comply with their own voluntary ethical statements and international standards.

Although an ethical supply chain management involves also concerns with human rights, labor practices and impacts on the environment, on the consumers and on the community, these issues deserve a more detailed attention that is beyond the scope of this topic, but they should nonetheless be seen as part of a broader ethics and integrity system which addresses the supply chain. Fundamentally, corruption has the potential to undermine the ethical environment of a company and therefore its capacity to manage all the issues above with responsibility and proper track of risks. At the country level, corruption hinders development and deprives the population from economic, social, environmental and political rights. In order to effectively address the challenging ethical consequences of the globalization, the companies need extensive guidance procedures and resources. This will help the companies in deployment of 'corporate sustainability' orientation by infusing the knowledge about emerging standards and good practices.

Learning objectives

With this topic, students should be able to:

- Understand the risks, costs, dilemmas and the raising expectations and responsibilities concerning the activities of companies in global and local business environments;
- Develop appreciation of increasingly critical role played by ethical behavior towards bringing acceptable and transparent practices in the company's respective supply chains;
- Analyze the challenges posed by the compliance to anti-corruption laws and adoption of international agreements in the face of diverse local customs and regions with weaker governance;
- Discuss the possible reflexes of globally accepted ethical standards on business strategy, as well as on management practices; and
- Understand how to put in place an anti-corruption framework with tools and measures adapted to the different types of relationships in the company's supply chain - including partners and intermediaries such as agents, joint ventures, subsidiaries, sub-contractors, and establish the respective mechanisms of control and response.

Study questions

1. Based on Chapter 1 of *Business against Corruption* (UNGC, 2006) and on your own analysis, discuss what is the relationship, if any, between corruption and the other 9 Principles to be adopted by businesses under the United Nations Global Compact.
2. According to the “United States Bill of Rights” and the “Universal Declaration of Human Rights” have any basic human rights been violated in the “Oil Rig” case? Are the ex-pats justified in getting better treatment than the Angolans? Should basic human rights now include on-line privacy and freedom of expression on the internet (“Google’s Quixotic China Challenge” & “China Kowtows to Nobody”)?
3. Should cruise workers that service US ports enjoy the rights of other US workers (“Life Is No Love Boat”)? Are sweatshops ethical, according to Krugman (“In Praise of Cheap Labor”) or the Dalai Lama?
4. Do human rights considerations exist (“Universal Declaration” & “Dalai Lama”)? If so, as the CEO of a corporation, how would you apply these ideas to workers in Bangladesh (“Lives Held Cheap in Bangladesh Sweatshops”)? And, to the children who purchase cigarettes in Africa (“Big Tobacco Sets Its Sights on Africa”) and other countries (“Philip Morris’ Global Race”)?
5. Multinational corporations often report the problem of ‘unethical behavior’ from host country groups, particularly if they are in the ‘weak governance zones’. Assuming that your company has entered in country identified to have weak governance, what steps you would recommend to refrain from using subcontracts, purchase orders or consulting agreements as a means of channeling payments to public officials, to employees of business partners or to their relatives or business associations?
6. ‘Higher undue payment to the agents’ is one of the common forms of corruption. What steps can a company take to ensure that remuneration of agents is appropriate and for legitimate services only? What challenges the company may face in implementing these steps?
7. If a company has dealings with business partners that are registered in offshore locations, what steps should it take to ensure that these partners are not involved in money laundering, bribery and other illicit financial activities?
8. Development and dissemination of the Guidelines to combat corruption is an important step towards standardization of Anti-corruption measures globally. However, sometimes it is observed that despite the efforts from the different stakeholder groups, the effective adoption and implementation of the guidelines becomes a challenging task. Considering that your country has adopted the ‘Guidelines for Multinational Enterprises’, developed by the Organization for Economic Co-operation and Development (OECD), indicate the possible challenges your company may face in its’ implementation.
9. Companies with large numbers of suppliers face a challenge in identifying general areas of corruption risk. How the companies can effectively identify the general potential risk areas, assess the risk and prioritize suppliers for due diligence?
10. Integrity and transparency in both the public and private domains are key concepts in the fight against corruption. In a multinational company with large supplier network, what are the potential challenges in ensuring the agreement of all the concerned on maintaining integrity and transparency?
11. Businesses face particularly great corruption risks in their supply chains, resulting in billions of dollars of direct loss to firms each year. Moreover, businesses face extraordinary additional risks in many parts of the world where suppliers engage in corrupt practices involving governments and other public actors. With help of suitable illustrations analyze how the corruption at different stages of procurement and supply could increase the indirect risks and costs for the business.
12. In many instances, suppliers are as large (or larger) as their customers and equally or more sophisticated. In other cases, particularly in the developing world, suppliers will be small and medium-size local businesses that may either be unsophisticated about the expectations of MNC customers. Further, their customer base is not diversified and they may be excessively or totally reliant on a single contract. They may be operating with few resources and thin margins or under various pressures or cultural norms that increase the risk of corruption. Under such a situation, where you are dealing with different types of suppliers having different capacity, what measures you would like to recommend to ensure the maintenance of uniform ethical standards across the chain?

13. The misuse of 'Financial Institutions (FI)' in furthering the corruption is an important area of concern. It may include collection or payment of bribe or other unlawful transactions. Sometimes, it may not be possible for the FIs to make distinction between the 'routine account transaction' and 'corruption related transaction.' If you are designing an anti-corruption program for any FI, what important elements you would like to be included in the program and why? Comment on the extent to which US (Sarbanes-Oxley, Dodd-Frank) and UK legislation (Anti-Bribery Act) effectively address FI generated corruption issues.
14. Collective action has proven to be effective in fighting corruption. The smart businesses apply different anticorruption practices and efforts, including Collective Action, in a variety of ways. Discuss how an effective anti-corruption program could be initiated through "collective action" in your high corruption-risk region based small and medium enterprise (SME). In theory it would. I am not certain that collective action initiatives have been successfully implemented (e.g., islands of integrity, publish what you pay). As for examples and how well they have worked (Defense, extraction, and pharma industries). Industry initiatives have been more effective than regional ones – at least in my experience.
15. "Corporations entering the foreign-market bring more than a product or service to the market. They also influence, directly or indirectly, the development of ethical standards in the society in the long-run." Elaborate and discuss how justifying the corrupt practices in name of 'local requirements' adversely affects the companies in long-run, beyond the boundaries of regions and time. I would go further and ask how credible the local requirements rationale is. Corruption is against the law in virtually every country. Since when is violating the law a local requirement?

Core Literature

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| <p>Conklin, D. 2009. <i>Corruption: The International Evolution of New Management Challenges</i>. Ivey Publishing.</p> <p>Abstract: New laws and international agreements seek to create a worldwide shift towards the reduction of corruption, and so management responsibilities are continually evolving. Further, the issue of ethics in deciding the management policies and decision-making is quite dynamic in nature and often depends on subjective interpretation. The text explains the difficulty of drawing a line to guide decisions of corporate employees and suggests the implementation of clear corporate guidelines in regard to corruption.</p> | Core concepts |
| <p>Berenbeim, R. 2005. <i>Using Ethical Analysis to Guide Offshoring</i>. The Conference Board.</p> <p>Abstract: In offshoring, the companies are exposed to the high risk due to a number of factors. The present executive-report on offshoring highlights the related issues from the ethical perspective. It offers guidance on how can companies significantly reduce their exposure to risk when considering offshoring?</p> | Core concepts |
| <p>Berenbeim, R. and Shakya, M. 2011. <i>Integrating Developing Countries into the Global Supply Chain: A Global Buyers' and Producers Perspective</i>. The Conference Board.</p> <p>http://supplychainbriefings.com/Conf%20Board%20Global%20Supply%20Chain.pdf</p> <p>Abstract: This is a collection of selected case-studies focusing on how companies in developing countries can enhance the competitiveness by integrating with global supply-chain in innovative ways. The detailed examples provided reveal a variety of channels through which developing countries can be integrated into the global supply chain. This outcome may occur as a result of development of new collaborative arrangements between global buyers, producers, and local suppliers. Case study investigation shows ways in which integration may result or be made more sustainable by improving transport and retail distribution logistics.</p> | Core concepts |

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| <p>His Holiness the Dalai Lama. 1999. <i>Human Rights on the Eve of the 21st Century</i>.</p> <p>Abstract: This is a lecture script of the address by His Holiness the Dalai Lama at United Nations Educational, Scientific and Cultural Organization (UNESCO) Meeting in Paris during February 1999. He shared his views on the fundamental of human rights and its' relevance in the global context. The lecture focuses on the common universal thread of human rights irrespective of culture and context. It has also been emphasized that there is no contradiction between the need for economic development and the need to respect human rights.</p> | Core Concepts |
| <p>Krugman, P. 1997. <i>In Praise of Cheap Labor: Bad Jobs at Bad Wages</i>. http://www.slate.com/articles/business/the_dismal_science/1997/03/in_praise_of_cheap_labor.html</p> <p>Abstract: The article deals with the fundamental issues of 'working conditions' in the third world countries. The discussion focuses on how the increasing industrialization in the economically weaker countries has impacted the 'working-condition dynamic' across the different industries and the living standards of the people. The article sets tone for analyzing how the entry of large corporations may affect the workers in the low-income countries. The author's critical evaluation of the different situations in practice challenges the notion of an international labor standard with the argument that it can hinder the participation of developing countries in the global economy, and their own economic growth.</p> | Core Concepts |
| <p>Kusyk, S. 2010. <i>Learning to navigate the Rough Seas of Ethics</i>. Accessed: www.hbsp.harvard.edu/IIR027-PDF-ENG</p> <p>Abstract: Doing business across borders presents a minefield of ethical dilemmas that many managers are ill-equipped to deal with. This article deals with three main myths surrounding cross-cultural management: the appeal to local etiquette over moral considerations; the idea that tolerance based on relativism and subjectivism will solve cross-cultural dilemmas; and the belief that profit justifies dubious means. The article includes some dilemmas for readers to consider for themselves, all aimed at helping international managers formulate sound approaches to deal with the questionable behaviors they face across cultures.</p> | Core concepts |
| <p>New, S. 2010. "The Transparent Supply Chain", <i>Harvard Business Review</i>. October.</p> <p>Abstract: The article describes how transparency in supply chains could be ensured by focusing on all the dimensions and processes right starting from the very origin of the chain. The article includes the conceptual issues, explained with practical examples. It aims to develop a perspective on ethical considerations and human right issues, which are essential to develop a transparent supply chain.</p> | Core concepts |
| <p>Paine, L.S., Deshpande, R. and Margolis, J.D. 2011. "A Global Leaders Guide to Managing Business Conduct", <i>Harvard Business Review</i>. W1109A-PDF-ENG</p> <p>Abstract: Based on the survey of more than 6,200 employees from the top ranks to the front lines of four leading multinationals based in the U.S., Europe, and Japan, the article identified a strong consensus on basic standards of conduct that companies should follow worldwide. Further it establishes need for new ethical approaches in managing business conduct meeting the required standards. It establishes the need for management of ethical business conduct and leadership in the organizations.</p> | Core concepts |
| <p>Rose-Ackerman, S. 2002. ""Grand" corruption and the ethics of global business", <i>Journal of Banking and Finance</i>, 26, 1889-1918.</p> <p>Abstract: The article focuses on the issue of corruption in the global business. The concept of 'Grand Corruption' is concerned more with level at which it takes place than it's' magnitude. The focus is on the discussing the perceived and practical ethics of the global enterprises while dealing with the corruption in the different contexts, and thus, it's' reflections could be realized at the policy level.</p> | Core concepts |

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| <p>Transparency International. 2008. <i>Using the OECD Guidelines to Tackle Corporate Corruption</i>.</p> <p>Abstract: This is a Transparency International Working Paper on adoption of the OECD Guidelines for Multinational enterprises. The paper presents the details of the progress made in combating the corruption and includes a number of bribery case examples in recent past. It also highlights the challenges that need to be addressed for combating corruption through effective adoption of the guidelines.</p> | Core concepts |
| <p>Heimann, F., Vincke, F. (Eds). 2008. <i>Fighting Corruption - International Corporate Integrity Handbook</i>. International Chamber of Commerce, No. 678.</p> <p>Abstract: This is an edited book focusing on different issues like money laundering, the role of agents, extortion, accounting and whistle blowing. This provides guidelines and could be reference for managers, compliance officers, lawyers and anyone concerned with stamping out bribery, extortion and the other evils associated with corruption.</p> | Primary source |
| <p>International Organization for Standardization, ISO 26000. 2010. <i>Guidance on Social Responsibility</i>.</p> <p>Abstract: ISO 26000:2010 provides the organizations guidance to principles, practices and management of social responsibility. It provides a clear framework for identifying and engaging with stakeholders and managing the organizational performance to meet their expectations. It is intended to encourage them to go beyond legal compliance, recognizing that compliance with law is a fundamental duty of any organization and an essential part of their social responsibility. It is intended to promote common understanding in the field of social responsibility, and to complement other instruments and initiatives for social responsibility, not to replace them. It is important to note that ISO 26000:2010 is not a management system standard and nor is intended or appropriate for certification purposes or regulatory or contractual use. However, the framework could be used for planning and implantation supply-chain management systems in a socially responsible manner.</p> | Primary source |
| <p>OECD. 2006. <i>The OECD Risk Management Tool for Investors in Weak Governance Zones</i>. OECD, Investment Division, Directorate for Financial and Enterprise Affairs, 1- 19. http://www.oecd.org/dataoecd/26/21/36885821.pdf</p> <p>Abstract: The OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones aims to help companies that invest in countries where governments are unwilling or unable to assume their responsibilities. It addresses risks and ethical dilemmas that companies are likely to face in such weak governance zones, including obeying the law and observing international instruments, heightened care in managing investments, knowing business partners and clients and dealing with public sector officials, and speaking out about wrongdoing.</p> | Primary source |
| <p>OECD. 2009. <i>OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions</i>. www.oecd.org/document/21/0,3746,en_2649_37447_2017813_1_1_1_37447,00.html</p> <p>Abstract: The OECD Anti-Bribery Convention establishes legally binding standards to criminalize bribery of foreign public officials in international business transactions and provides for a host of related measures that make this effective. It is the first international anti-corruption instrument focused on the 'supply side' of the bribery transaction. This document contains the official text and commentaries of the 1997 Convention, the 2009 Recommendation of the Council for Further Combating Bribery, the 2009 Recommendation on the Tax Deductibility of Bribes to Foreign Public Officials and other related instruments.</p> | Primary source |

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| <p>OECD. 2011. <i>OECD Guidelines for Multinational Enterprises: Recommendations for Responsible Business Conduct in a Global Context</i>. http://www.oecd.org/dataoecd/43/29/48004323.pdf</p> <p>Abstract: The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in/from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. The Guidelines aim to promote positive contributions by enterprises to economic, environmental and social progress worldwide.</p> | Primary source |
| <p>The Wolfsberg Group. 2011. <i>Wolfsberg Anti-corruption Guidance</i>. http://www.wolfsberg-principles.com/pdf/Wolfsberg Anti Corruption Guidance Paper August 18-2011 (Published).pdf</p> <p>Abstract: This guidance document from Wolfsberg Group, which comprises of selected international banks, aims to identify measures to prevent corruption in the operations of the financial institutions. This also provides an internal framework for global financial institutions to fight corruption.</p> | Primary source |
| <p>UNGC. 2010. <i>Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers</i>. United Nations, New York. http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/Fighting Corruption Supply Chain.pdf</p> <p>Abstract: The UN Global Compact's Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers aims to help companies reduce corruption risks in their supply chains. In plain terms, it outlines why businesses must join the fight against corruption and provides pragmatic advice on addressing this complex challenge. It covers both the large as well as small and medium-sized enterprises (SMEs) and presents most of the important supply-chain corruption issues in form of the guiding text or scenarios.</p> | Primary source |
| <p>United States Bill of Rights. http://www.archives.gov/exhibits/charters/bill_of_rights.html</p> <p>Abstract: In the United States, the Bill of Rights is the term for the first ten amendments to the United States Constitution. These amendments explicitly limit the Federal government's powers, protecting the rights of the people by preventing Congress from abridging freedom of speech, freedom of the press, freedom of assembly, freedom of religious worship, and the right to bear arms, preventing unreasonable search and seizure, cruel and unusual punishment, and self-incrimination, and guaranteeing due process of law and a speedy public trial with an impartial jury. This offers a basic framework to analyze the human right issues and could be used in the context of organizations' impact on the human rights.</p> | Primary source |
| <p>Universal Declaration of Human Rights. www.un.org; www.un.org/en/documents/udhr</p> <p>Abstract: A set of guiding articles for protecting and promoting human rights, the United Nations' 'Universal Declaration of Human Rights', provides a common standard for all peoples and all nations. This could be used as a basis for effective teaching and education to promote respect for these rights and freedoms. It could be used to analyze the organizational practices and actions in terms of their impact on the human rights and freedom.</p> | Primary source |
| <p>UNODC. <i>United Nations Convention against Corruption</i>. http://www.unodc.org/unodc/en/treaties/CAC/index.html</p> <p>Abstract: The United Nations Convention against Corruption focuses on prevention and control corruption. It aims to warn the corrupt that betrayal of the public trust will no longer be tolerated and reaffirms the importance of core values such as honesty, respect for the rule of law, accountability and transparency in promoting development and making the world a better place for all. It aims to offer a new framework for effective action and international cooperation. The Convention introduces a comprehensive set of standards, measures and rules that all countries can apply in order to strengthen their legal and regulatory regimes to fight corruption.</p> | Primary source |

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| <p>World Bank Institute. 2008. <i>Fighting Corruption through Collective Action: A guide for business (Version 1.0 - A joint effort with business, NGOs, and multilaterals)</i>. http://info.worldbank.org/etools/docs/antic/Whole_guide_Oct.pdf</p> <p>Abstract: This Guide is intended to help companies meet the legal, competitive, economic and ethical challenges posed by corruption as they do business around the world. This Guide explains Collective Action, its benefits, and how to use it. It aims at demonstrating that the private sector can be part of the solution to prevent and fight corruption and provides incentives for companies to become more actively involved. Information in this Guide is intended for use by business but should also be of interest to governments and other organizations concerned about reducing corruption. It may also be used for training and education in the subject-area of Anti-corruption.</p> | Primary Source |
| <p>World Economic Forum. 2009. <i>PACI Principles for Countering Bribery</i>. http://www3.weforum.org/docs/WEF_PACI_Principles_2009.pdf</p> <p>Abstract: The Partnering Against Corruption – Principles for Countering Bribery (“PACI Principles”) are the product of a Task Force constituted by Member companies of the World Economic Forum in partnership with Transparency International and the Basel Institute on Governance. PACI Principles aim to raise standards across industries and contribute to the goals of good governance and economic development. This document has been designed to provide all companies with practical guidance and a reference point for developing their own implementation policies and procedures for countering bribery.</p> | Primary source |
| <p>Bearak, B. <i>Lives Held Cheap in Bangladesh Sweatshops</i>. http://www.calbaptist.edu/dskubik/sweatshop.htm</p> <p>Abstract: The Case-situation portrays the inhuman working conditions for the workers in Bangladesh garment factories. These factories are supplier to some of the big brands in Europe and rest of the world. The case triggers the issue of responsibility of both the supplier and customer in ensuring the minimum acceptable standards, as displayed in the organizational policies and practices.</p> | Case |
| <p>Byrnes, N. and Balfour, F. <i>Philip Morris’ Global Race</i>. http://www.businessweek.com/magazine/content/09_18/b4129038611856.htm</p> <p>Abstract: The Case-story describes the Philip Morris’ entry into new global markets to produce and market the Cigarette. The United States cigarette market appeared to offer no further growth and, therefore, Philip Morris successfully launched its’ product in other countries, where the opportunities were enormous. The case-story raises a concern about ethical aspect of promoting such harmful product and questions ‘what makes an ethical market and product choice?’.</p> | Case |
| <p>Ciulla, J. <i>The Oil Rig</i>.</p> <p>Abstract: A Wharton student case, highlighting the situation of conflict in different treatment of the employees on the basis of their racial and geographical situation and thus, creating an ethical dilemma. While dealing with the issue of health and safety of the workers from the different cultures, it focuses on the issue of basic human considerations in organizational policies. This could be used for discussion or for class simulation.</p> | Case |
| <p>Duhigg, C and Barboza, D. 2012. “In China, Human Costs Are Built Into an iPad”, <i>The New York Times</i>. Accessed at: http://www.nytimes.com/2012/01/26/business/ieconomy-apples-ipad-and-the-human-costs-for-workers-in-china.html</p> <p>Abstract: The Case-report describes the issue of how conflicting business forces may adversely affect the process of ensuring transparency in the supply-chains. Sometimes, the companies do not disclose the name of the suppliers and other members in the chain due to competitive pressures, which may pose a serious challenge in protecting the human rights. This report aims to highlight this problem by focusing on Apple’s supply-chain partner practices.</p> | Case |

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| <p>A. Epstein, G. <i>China Kowtows to Nobody, Especially Google</i>. http://www.forbes.com/2010/03/24/china-google-hong-kong-internet-freedom-beijing-dispatch.html</p> <p>B. MacMillan, D. <i>Google's Quixotic China Challenge</i>. http://www.businessweek.com/technology/content/mar2010/tc20100324_284005.htm</p> <p>Abstract: The series of above two case-article (11 A and B) shows how the challenges in the country's business environment may influence the decision to do business in the particular environment. The first article focuses on highlighting the issue of 'information protection' policy of Chinese Government as perceived by the different stakeholders. The second report describes the consequent action by the Google. The documents could be used for discussion separately or in-combination, depending on the context of the use.</p> | Case |
| <p>A. Goo, S and Van den Berg J. 2008. Ethics Management at a Cross Border Enterprise (A). Accessed: www.hbsp.harvard.edu/ → HKU778-PDF-ENG</p> <p>B. Goo, S and Van den Berg J. 2008. Ethics Management at a Cross Border Enterprise (B): Misconduct in a Public Office. Accessed: www.hbsp.harvard.edu/ → HKU780-PDF-ENG</p> <p>Abstract: The Case-series comprises of the two cases and concerns concerns Choi & Leng Paper Ltd ("C&L") , a Hong Kong-based company that falls into the category of small- and medium-sized enterprises ("SMEs"). The company consists of a paper recycling business in Hong Kong and a paper mill in Huizhou, China. The case explores the challenges faced by SMEs conducting cross-border business. Part B of the case looks at the sale of paper through an open-tender bid. The sale is being investigated by the Independent Commission Against Corruption ("ICAC"), which suspects a staff member of the buyer of a possible corruption offense. The aim is to show the importance of strong internal control procedures and how top management should endeavor to make sure their businesses are run ethically.</p> | Case |
| <p>A. Kennedy, R.E and Di Terra, R. 2001. <i>Corruption in International Business</i> (A). Accessed: https://www.iveycases.com/?aspxerrorpath=/cases/pages/home.aspx → 701128e</p> <p>B. Kennedy, R.E and Di Terra, R. 2001. <i>Corruption in International Business</i> (B). Accessed: https://www.iveycases.com/?aspxerrorpath=/cases/pages/home.aspx → 20701129</p> <p>Abstract: The Case-series comprises of the two cases and explores various aspects of corruption in international business. It aims to provide a broad discussion of the ethical, business, and legal aspects of corruption and presents a series of caselets that are designed to promote discussion of how students would act in particular situations, as well as the potential costs and benefits of these actions. The main focus is on efforts to combat corruption.</p> | Case |
| <p>Kluger, J. <i>Big Tobacco Sets Its Sites On Africa</i>. http://www.time.com/time/health/article/0,8599,1911796,00.html</p> <p>Abstract: The Case-situation focuses on the growing demand for Cigarettes in Africa due to increasing smoking habits. The ethical dilemma for a marketer could be to decide about the social responsibility dimensions both in degree and form. The situation combines the different aspects of ethical decision problems in strategic and functional decisions.</p> | Case |
| <p>Prager, J.H. <i>For Cruise Workers, Life is No "Love Boat"</i>. http://joshuaprager.com/wsj/articles/1997-07-03/index.php</p> <p>Abstract: The Case describes how ethical considerations may affect wage policy and working conditions for employees. Describing the situation of cruise workers, it focuses on the dynamics of different expectations and objectives of the stakeholders and raises a basic question of how 'justification in a context could be ethical if compared to global standards'.</p> | Case |
| <p>Stiglitz, J. <i>Inequality</i>. http://www.vanityfair.com/society/features/2011/05/top-one-percent-201105</p> <p>Abstract: The Case-article explains the situation of rising 'economic inequality' in United States of America. While focusing on the dynamics of inequality in context of United States, it links the different dimensions of inequality like causes, implications, and responsibilities and thus, questions the relevance of current economic models to achieve desired balanced economic growth in the society.</p> | Case |

List of Additional Readings

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| <p>Donaldson, T. 1996. "Values in Tension: Ethics Away from Home". <i>Harvard Business Review</i>. Accessed www.hbsp.harvard.edu/ → 96502-PDF-ENG</p> <p>Abstract: What should managers working abroad do when they encounter business practices that seem unethical? Should they, in the spirit of cultural relativism, tell themselves to do in Rome as the Romans do? Or should they take an absolutist approach, using the ethical standards they use at home no matter where they are? Focusing on the issue of ethical behavior in companies across borders, the article describes how companies can provide clear direction on ethical behavior for managers working abroad--while also leaving room for managers to use judgment to respond to business practices abroad that seem unethical.</p> | Core concepts |
| <p>Gillies, A. 2010. "Reputational concerns and the emergence of oil sector transparency as an international norm", <i>International Studies Quarterly</i>, 54, 103–126.</p> <p>Abstract: This study argues that reputational concerns of several high-profile actors drove the emergence of oil sector transparency as an international norm. This study narrates the surprising and rapid spread of the transparency norm in developing country oil affairs, a process which suggests that reputational utility should be considered as a possible explanation for norm emergence.</p> | Core Concepts |
| <p>Hinsey, J, Subramanian, G and Kalka, M. 2001. "Global Approaches to Anti-corruption". Accessed: www.hbsp.harvard.edu → 902062-PDF-ENG</p> <p>Abstract: This Technical-Note focuses on the issue of 'Strong Foreign Corrupt Practice Law and competitive advantage conflict.' Describing how the strong anti-corruption regulatory framework in US was perceived by the US companies to be a 'competitive disadvantage.' By taking a hypothetical case-situation as illustration, it aims to discuss strategies for operating within the bounds of U.S. and international anticorruption laws, particularly in environments where that sort of prohibited conduct is expected or encouraged to conduct business.</p> | Core Concepts |
| <p>Puffer, S.M and McCarthy D.J. 1995. "Finding the Common Ground in Russian and American Business Ethics". Accessed: www.hbsp.harvard.edu/ → CMR134-PDF-ENG</p> <p>Abstract: Business ethics in Russia are changing as is the very nature of Russian business itself. This article compares Russian and American conceptions of ethics in business using a framework of ethical and unethical practices in both countries. While Americans may consider some current Russian business practices to be questionable or even unethical, they may fail to appreciate that the reverse is true as well. The article also presents a fundamental issue of 'cultural impact on managers' ethics perception in the multicultural environment.</p> | Core concepts |
| <p>Save the Children UK. 2005. <i>Beyond the Rhetoric – Measuring Revenue Transparency</i>. http://www.savethechildren.org.uk/en/54_5101.htm</p> <p>Abstract: This report compares the revenue transparency of oil and gas companies, identifying leaders and laggards across six countries. Oil and gas companies have generated enormous wealth. But rather than improving the lives of ordinary people, these revenues have often fuelled wars and corruption, weakened economic development and worsened poverty. Children are most vulnerable to the devastating impact of these conflicts, and the resulting chronic under-investment in health and education. This report focuses on company performance and compares the revenue transparency of oil and gas companies, identifying leaders and laggards across six countries. It also presents a measurement framework that points the way towards a 'gold standard' for company disclosure.</p> | Core concepts |

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| <p>Global Advice Network. <i>Sector-specific Anti-Corruption Resources</i> (Banking, Construction, Defense, Extractive Industries, and other sectors). http://www.business-anti-corruption.com/anti-corruption-tools-inventory/sector-specific-anti-corruption-resources/</p> <p>Abstract: This is a web-link with variety of anti-corruption resources. It includes case studies, guidelines and principles. The resources have also been classified as 'sector specific' or 'country specific' and thus, offering a wider choice. It covers all the major sectors like Construction, Banking, Defense, Extractive Industries and some other sectors.</p> | Primary source |
| <p>Bodrock, P. 2005. "The Shakedown". Accessed: https://www.iveycases.com/ProductView.aspx?id=37254</p> <p>Abstract: Customer Strategy Solutions, a California-based developer of order fulfillment systems, is facing a shakedown. Six months after the firm's CEO, Pavlo Zhuk, set up a software development center in Kiev, he faces a number of issues, reflecting corrupt practices in the country. Even as the picture of rampant bribery and corruption in Ukraine becomes clear, Zhuk still doesn't want to pull out. This fictional case-study captures a number of issues in establishing a venture in a corrupt environment. It also includes expert commentary on the major issues.</p> | Case |
| <p>Guthery, D., Wenninger, D. and Dodenhoff, A. 2001. "American Mining Company (AMC) in Colombia". Accessed: https://www.iveycases.com/ProductView.aspx?id=25251</p> <p>Abstract: This case presents This case focuses on the ethical dimensions of decision an American-based company must make in order to survive in a country experiencing civil war. Major issues addressed include: company's obligation for the protection if its employees; type of payments under the Foreign Corrupt Practices Act; and company's decision to pay fees to terrorist organizations in order to continue to operate.</p> | Case |
| <p>Lane, H.W. and Wesley, D.T.A. 2005. "Statoil Iran". Accessed: https://www.iveycases.com/ProductView.aspx?id=32110</p> <p>Abstract: Less than one year after being awarded a contract to develop one of the world's largest offshore petroleum fields, Statoil's future in Iran appeared to be in jeopardy. Statoil was at the center of a corruption investigation that had resulted in the resignations of three of the company's top executives, including its CEO. The issue was alleged bribes paid by Horton Investments, on Statoil's behest, to secure lucrative petroleum development contracts. The case explores the issues of management behavior and ethics in International environment.</p> | Case |
| <p>Lane, H.W. and Wesley, D.T.A. 2011. "International Farm Equipment Co.". Accessed: https://www.iveycases.com/ProductView.aspx?id=51563</p> <p>Lane, H.W. and Wesley, D.T.A. 2011. "Asis Electronics". Accessed https://www.iveycases.com/ProductView.aspx?id=51564</p> <p>Abstract: Both the above cases aim to introduce the Foreign Corrupt Practices Act (FCPA) and discuss its impact on corporations and managers. Both could be used in conjunction. The First Case is about US-based International Farm Equipment Co. (IFE), one of the first companies to return to Iraq after the UN began to ease sanctions on Iraq (also known as the "Oil for Food" program). IFE had been an important supplier of agricultural equipment to Iraq until the Gulf War in 1990. Shortly after it established its Iraq office, the Iraqi Ministry of Agriculture demanded a direct payment of 10 percent of all future contracts. Several other companies had agreed to make the payments, including at least one prominent IFE competitor. The payments would be classified as "post-sale commissions" and would be conducted through a third party agent working on IFE's behalf. The Second case, which also focuses on the similar issue, is about Asis Electronics, a subsidiary of a European-based corporation. The controller became concerned that Asis may have over-invoiced the government. After he is asked to sign the annual compliance document he must decide whether or not to report the irregularities though established "protected communications channels" that ensured confidentiality.</p> | Case |

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| <p>Paine, L.S. and Khunaphanse, P. 1997. Siam Cement Group: Corporate Philosophy (A). Accessed: www.hbsp.harvard.edu/ → 398018-PDF-ENG</p> <p>Paine, L.S. and Khunaphanse, P. 1997. Siam Cement Group: Corporate Philosophy (B). Accessed: www.hbsp.harvard.edu/ → 398019-PDF-ENG</p> <p>Abstract: A series of two cases focusing on Siam Cement Group, Thailand. Case A portrays the decision making situation where managers must decide about allocation of available supply and whether to attempt to uphold government-controlled prices among the company's agents. It aims to enhance understanding of a corporate value system rooted in Thai culture and illustrates the company philosophy of corporate social responsibility and fairness. Case B focuses on a decision problem whether to apply its management philosophy and code of ethics when doing business outside of Thailand. The status of the code in joint ventures and contractual relationships is of particular concern.</p> | Case |
| <p>Rawi, A., Di Tella, R. and Kothandaraman, P. 2006. "Infosys in India". Accessed: https://www.iveycases.com/ProductView.aspx?id=41062</p> <p>Abstract: Shortly after Infosys was founded in 1981, its managers faced a major turning point when they made a decision to operate without giving in to the petty corruption rife in the Indian economy. Within just a few years, that decision had truly defined the company. Over the next 25 years, Infosys managers went to extraordinary lengths to avoid even the most modest of practices that they considered inappropriate. The case Explores the practices and methods adopted by the Infosys in Indian environment.</p> | Case |
| <p>Wicks, A., Mead, J., Werhane, P. and Freeman, E.R. 2010. "ExxonMobil and the Chad-Cameroon Pipeline". Accessed: www.hbsp.harvard.edu/ UV0100-PDF-ENG</p> <p>Abstract: This case presents the dilemma of a multinational oil and gas company, ExxonMobil, as it factors in the ethics issues related to the environment and cultural differences in deciding whether to proceed with building a pipeline in Chad and Cameroon, two of the poorest and most corrupt developing countries in West Africa. The case may be used to analyze the ethical implications of an ROI/Risk-management business decision. It also helps in understanding the dynamics of different stakeholder groups in shaping the ethical decision of the organization.</p> | Case |
| <p>Woo, C.H.L, Lau, A. and Wong, R. 2006. "Accuform: Ethical Leadership and its Challenges in the Era of Globalisation". Accessed: www.hbsp.harvard.edu/ HKU622-PDF-ENG</p> <p>Abstract: AccuForm, a German-Hong Kong joint venture specializing in the production of chemical coatings for application to garments, is confronted with a situation where an unauthorized Chinese manufacturer had stolen one of AccuForm's experimental coatings, applied it to their own brand of clothing, and sold it to the public as an AccuForm product. The product had caused allergic reactions in some children, and the media had widely reported the incident. The Case aims identify and solve the ethical dilemma/challenges faced by foreign companies operating a joint venture with R&D and manufacturing operations in China, highlighting jurisdictional, cultural, and management style differences. It also helps to understand the importance and difficulty of maintaining the professional integrity and ethics of a multinational organization in a multicultural context.</p> | Case |

Core teaching resources

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| <p><u>Resource T6.1</u></p> <p>“And if you just allow the file to go without any question, about 3 Million US Dollars could be paid to you,” said Mr. Jackson, a recently retired senior-rank army officer, now working as an agent for a Truck manufacturing company. The company was a joint venture of two global companies created to cater to the Army requirements in a fast developing Asian country. Hearing no response from the army chief General Roberts, he further added, “I know earlier people used to accept the commission and in future also, the people would keep on accepting, so there’s no point in not accepting this....” General was silent for some time and then replied firmly, asking Jackson not to continue with such unethical discussions; else he could take further action.</p> <p>The company had supplied about 7000 trucks to the army in the past; this issue was regarding the purchase of 600 trucks. As the General was not very happy with the quality of the Trucks, he decided not to buy the trucks from the same supplier. Earlier, he had heard about the corruption in the army purchase, but this experience was more shocking as he directly got the offer. He shared this issue and the offer with the Defense Minister of the Country following week, who also was shocked to hear about this.</p> <p>And about a year later, while talking to the media persons, the General revealed about the offer and entire episode. Immediately, the issue was at the focus in the parliament, the opposition parties alleging the Government of being involved in the corrupt practices. Looking at the situation, the Defense Minister made a statement in the parliament and confirmed that General Roberts shared this issue and immediately I asked him to take the further action but at that he was not interested in taking the issue further.</p> <p><u>Questions</u></p> <ol style="list-style-type: none"> 1. Under the present situation, critically analyze the role of the General and the Defense Minister from the ethical behavior perspective. 2. Do you find the General’s approach to deal with problem appropriate? 3. What precautions in the system could have prevented this type of problem to appear? 4. What should be done now, after a year of this indirect bribe-offer? | <p>Caselet</p> |
| <p><u>Resource T6.2</u></p> <p>The situation presented in the article “In China, Human Costs Are Built Into an iPad” (Duhigg, C; Barboza, D., 2012) occurs with many companies, as supply chains tend to move where costs are lower and regulations laxer. Based on the article, discuss the following situations:</p> <p><i>Suppose a company with the same supplier received summaries of this article and, after a few internal discussions, decides to appoint you to advice on the case. The Board considers that the company has been taking the necessary measures, having established a code of conduct for suppliers, but also realizes the reputation risks involved. You are asked to offer an objective and impartial diagnosis of the situation, identify strengths, gaps and propose measures to ensure that the best intentions of the company in pursuing its business goals are not hampered by the unethical behavior of other actors in its supply chain.</i></p> <p><i>They ask for an honest view of the situation, but by experience you know it doesn’t mean they will implement your proposals unless you show a clear picture of the risks and opportunities involved by taking action versus keeping current practices and reacting as the news come up. Top executives consider the company is doing its best and have total confidence on the loyalty of their consumers. You, on the other hand, know the expectations regarding supply chain responsibility, expressed for example in the multi-stakeholder designed ISO 26000 and the OECD’s Guidelines for Multinational Enterprises, which presents the concept of “due diligence” with risks arising in the supply chain and the recommendation that companies “observe standards of employment and industrial relations not less favorable than those observed by comparable employers in the host country” (OECD, 2011, p. 36). However, you also feel this can be a good opportunity to display your vision and strategic thinking skills, so you won’t waste it by offering only procedural advice.</i></p> | <p>Scenario</p> |

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| <ol style="list-style-type: none"> 1. How would you structure your advice to the company? Present the main arguments, recommendations, and associated risks and opportunities. 2. If the company you work for had suppliers in similar conditions, but which haven't happened to come up in the news, would your recommendation be any different? Explain. 3. Knowing that the cheap labor and less strict conditions in the region also attract other companies in the sector, which possibilities you see for collective action? Suggest some paths, considering this or any other region the (supposed) company operates which present degrading working conditions. | |
| <p><u>Resource T6.3</u></p> <p>Dr. Marshal, Head of an academic department in a public sector Asian University was looking at the list of the books proposed to be procured for the Library. Most of the books were not relevant for the academic programs of the department. Also the academic standard of the books was not up to the requirement. He thought to avoid making the recommendation but remembered the instructions from the Vice-chancellor's office to immediately make the recommendations, as the budget year is going to end in two-days and if the books not purchased, grants would be returned, so it's better to procure something than no procurement.</p> <p>Assuming you in place of Dr. Marshal;</p> <ol style="list-style-type: none"> 1. What decision would you make regarding recommendation and why? 2. How do you rate the book procurement system of the University? 3. Why was there delay in initiating last minute procurement before the grant was to lapse? | Scenario |
| <p>International Chamber of Commerce (ICC), Transparency International (TI), United Nations Global Compact (GC), World Economic Forum Partnering Against Corruption Initiative (PACI). 2011. <i>RESIST – Resisting Extortion and Solicitation in International Transactions: A company Tool for Employee Training</i>. HTTP://www3.weforum.org/docs/WEF_PACI_RESIST_Report_2011.pdf</p> <p>Abstract: Jointly developed by United Nations Global Compact, International Chamber of Commerce, Transparency International and World Economic Forum, <i>Resisting Extortion and Solicitation in International Transactions (RESIST)</i> is a training tool comprising of 22 real-life scenarios sketching the various issues of procurement, supply and market related corruption situation. RESIST scenarios are organized in two sections representing the presales and bidding stage as well as the post-award project implementation stage. Each of the 22 scenarios addresses two basic questions in a concrete and specific manner: <i>How can the enterprise prevent the demand from being made in the first place?</i> And <i>how should the enterprise react if the demand is made?</i> In addition, the Annex includes a series of good practice recommendations that can apply to most situations.</p> | Scenarios |
| <p>UNGC. 2010. <i>Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers</i>. United Nations, New York, 31-62.</p> <p>The Section 3 (<i>Guidance on Preventing and Responding to Corruption in the Supply Chain</i>) of the document presents 11 common supply chain scenarios involving corruption during the vendor selection process, during the contract performance and corruption involving bribery of government officials or other third parties. In each case it is offered guidance on how to prevent and respond to corruption (more detailed guidance is offered in the first sections of the document).</p> <p>The document provides an appendix with tools such as a template Code of Conduct for Suppliers, Anti-corruption contract language and a Due diligence protocol.</p> | Scenarios ; Tools |

Additional Teaching resources

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| Global Infrastructure Anticorruption Center. 2008. <i>Anti-Corruption Training Manual (Infrastructure, Construction and Engineering Sectors)</i> . http://www.giaccentre.org/anti_corruption_training.php | Training |
| Global Infrastructure Anticorruption Center. <i>Online Training Module</i> . http://www.giaccentre.org/onlinetraining.intro.php | Training |
| Global Advice Network. <i>Due Diligence Tools</i> . http://www.business-anti-corruption.com/due-diligence-tools/ (Provides orientation, tools and flowcharts illustrating the critical points a company should be alert to in processes like Agent Screening, Consultant Evaluation, Joint Venture Consortium, Contractor Procedure and Public Procurement). | Tools |
| Global Infrastructure Anticorruption Center. <i>Contract Terms</i> . http://www.giaccentre.org/contract_terms.php | Tools |
| UNGC, UNODC. 2010. <i>Online Anticorruption Learning Tools</i> . http://thefightagainstcorruption.unglobalcompact.org/ | Tools |
| Business Anti-Corruption Portal: Country Profiles. http://www.business-anti-corruption.com/anti-corruption-tools-inventory/country-specific-information/ | Portal |
| Business Anti-Corruption Portal: Industry. http://www.business-anti-corruption.com/anti-corruption-tools-inventory/sector-specific-anti-corruption-resources/ | Portal |
| Business Anti-Corruption Portal: Voluntary anti-corruption standards. http://www.business-anti-corruption.com/anti-corruption-tools-inventory/voluntary-anti-corruption-principles/ | Portal |

7. Managing Anti-Corruption Issues

Rationale

The topic broadly aims to make the target learning group familiar with the different anti-corruption tools and measures, particularly in reference to application in the organizational context. The topic is structured on the basis of different types of existing knowledge resources on 'management of Anti-corruption in the organizations.' The teaching-learning process would broadly focus on developing an appreciation towards the effective management of Anti-corruption initiatives in the organization.

The management of anti-corruption issues within the organizational context requires the understanding regarding the following dimensions of the issue;

1. First, the need for Anti-corruption measures from the management perspective; focusing on how the changing environmental factors necessitated the integration of 'Anti-corruption' as one of the basic objectives of the organization.
2. Secondly, the available models and tools for managing the Anti-corruption in the organizational context; which would include the understanding about the different programs, procedures, guidelines and models suggested by the globally acceptable agencies, organizations working on this issue.
3. Lastly, 'Anti-corruption program' as a management process, integrating with the other processes and sub-systems in the organizations. This would include the focus on how effectively the management process could be developed to implement the Anti-corruption tools and models without creating any tension or conflict with the other management sub-systems of the organization.

The knowledge resources listed under this topic aim to capture the learning need of the target audience from all the three perspectives mentioned above. However, variation in the degree and magnitude of analysis is recommended according to the expected knowledge level of the different learning groups. The suggested literature is on the basis of what already exists. Keeping the dynamic nature of the topic, particularly in terms of context-specific management approaches, the real-time research to create the new material may help in enhancing its' relevance.

The topic is positioned to be included in the advanced stage of the masters' level management programs, as the target learning-group is supposed to have the basic knowledge of functional management issues. By making adjustment in terms of reduction in the depth of analysis of the issues, the topic could also be included at advanced stage of the Bachelors' level program in Management. The design of the topic offers flexibility in a way, as it could also be developed as 'independent' Executive Development Program.

Learning objectives

Having accomplished the topic, students should be able to:

- Be aware of the breaches for unethical behavior and corruption in the organization's activities and operations;
- Understand the role of private actors in anti-corruption initiatives, from local regulations to collective action, and the emerging responsibilities associated with them regarding both their own operations and spheres of influence;
- Understand the importance of establishing a consistent ethical system encompassing anti-corruption management;
- Independently identify corruption risks and the key areas of attention for an effective management of ethics and anti-corruption programs;
- Apply the widely available anti-corruption management models in specific organizational contexts; and
- Understand the implications and reflect on the necessary adaptations in order to encompass the different functional areas in implementing ethics and anti-corruption programs.

Study questions

1. In the texts 'The Bottom Line Benefits of Ethics Code Commitment' and 'Business Ethics and Corporate Ethics Programs - Before or after a scandal', the authors argue that, under certain conditions, an ethics system can create competitive advantage. Focusing not on the attributes of the code itself, but on the organizational framework where it is applied, discuss:
 - What are these conditions? Do you agree with the authors?
 - Which are the pitfalls if those conditions are not met in the implementation of a code of ethics?
2. Based on the text The Care and Feeding of an Effective Anti-Corruption Compliance Program, discuss:
 - In order to make an anticorruption program effectively work, how can ethics and compliance officers obtain the support from such managers and business operators who see corruption as being in their own interest?
 - How can a company monitor and ensure compliance more effectively?
 - In your opinion, would these suggestions work (in your company, for example)? If not, why?
 - What other measures would you like to add to questions (a) and (b)?
3. By selecting any organization of your choice, what measures you would like to suggest to adopt the UNGC Management Model to fight anti-corruption? How you will ensure the implementation of the model across the organization's value chain?
http://www.unglobalcompact.org/docs/news_events/8.1/bac_fin.pdf page 9)
4. It is often suggested that business organizations must design and develop an effective system for managing the anti-corruption process effectively. However, while operating under the different environmental conditions, the multinational companies often face the challenge in standardizing the process and procedures in the respective 'anti-corruption systems'. Considering, the requirements of an interactive and open system, how this problem of standardization could be addressed without affecting the output and performance effectiveness of the 'system? Discuss.
5. "The compliance-based approach to manage the anti-corruption procedures produces good tangible output. However, to make anti-corruption as a culture in the organization we need to integrate it in the organizational philosophy and strategic processes." Elaborate and discuss how the 'anti-corruption culture' can be promoted in the organizations.
6. The Transparency International Business Principles offer a sound framework to develop practical approaches to fighting corruption in the business organizations. Assuming that you are required to develop an anti-corruption system in your organization to adopt these principles, what challenges you expect to encounter in the integrating and adopting these principles in the different organizational systems and why? (Assume the context and organization, you are familiar with).
7. Multinational corporations often face the 'centralization vs. decentralization' dilemma in their business processes. Keeping in view the highly context-specific requirements of organizational anti-corruption management systems, what type of organization structure would you recommend and why?
8. "The routes of 'anti-corruption' can be traced in the concepts of 'business-ethics' and 'corporate social responsibility (CSR)'. This raises a fundamental question regarding its' positioning in the organization. At practice level, the 'anti-corruption' is often approached as risk-management process. Making it part of the management process and practice requires an integrated focus." Discuss and suggest how the process of anti-corruption management can be developed and positioned separately in the organizations without allowing the influence of 'program-based CSR'.
9. Developing 'anti-corruption management' in the organizations can also be viewed as a change management process. The success of the process depends largely on the leadership at all the levels. Discuss the measures you would like to suggest for developing leadership for the desired change, aiming at 'anti-corruption driven organizations.'

10. Discuss how an organizations' 'anti-corruption management' process can be aligned with the external stakeholders to strengthen the collective action system. Do you expect any managerial challenges in promoting 'collective action' based approach to fight corruption? If yes, how the problem areas could be addressed.
11. "Ethical systems lead to ethical behavior, which in-turn results into ethical climate on the organization. However, without proper ethical climate, it becomes very challenging to develop an ethical system and thus, managers need to have a total view of the organizations while attempting to develop ethical response systems." Elaborate and discuss the interrelationship between organizations' 'ethical climate' and its' 'ethical responses'.

Core Literature

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| <p>Berenbeim, R. and Kaplan. 2007. <i>The Convergence of Principle-and Rule-Based Ethics Programs: An Emerging Global Trend?</i> The Conference Board.</p> <p>Abstract: This is second part of a two-part article series. The first article, discussed the growing recognition that principles and rules are both essential elements in effective compliance programs and thus, appreciating need for creation of required framework. In the present article, the authors take a country-by-country look at what is happening in the ethics vs. compliance debate. It elaborates the compliance situation in Australia and South Korea while comparing the situation with United States' compliance scenario at different instances.</p> | Core concepts |
| <p><u>Badaracco Jr., J.L. 2001. We Don't Need Another Hero, www.hbsp.harvard.edu → R0108H</u></p> <p>Abstract: The article describes the four rules managers can use to effect positive change quietly but steadily within their organizations. It emphasizes that the heroic model of moral leadership usually doesn't work in the corporate world. Modesty and restraint are largely responsible for the achievements of the most effective moral leaders in business. The author says the quiet leaders he has studied follow four basic rules in meeting ethical challenges and making decisions. The rules constitute an important resource for executives who want to encourage the development of such leaders among their middle managers.</p> | Core Concepts |
| <p>Berenbeim, R. 2008. "Survey Points to Both Risks and Benefits Posed by Third-Party Ethics Program Requirements", <i>Employment Relations Today</i>, Summer.</p> <p>Abstract: The article focuses on ethical behavior of organizations, particularly while joining hands with the third-parties. On the one side, involving third parties become almost essential for the organizations due to a number of factors but on the other side the companies are increasingly realizing that entering into such relationships exposes them to greater risk of legal and reputational loss. The article describes how the companies try to balance ethical standards by developing third-party compliance programs and identifies its potential risk and benefits.</p> | Core concepts |
| <p>Biegelman, M.T. 2008. <i>Building a World-class Compliance Program</i>. John Wiley & Sons, Inc. NJ.</p> <p>Abstract: The book mainly focuses on important issues in developing an effective compliance programs in the organizations. While linking the significance of ethics and compliance, it traces the growth and evolution of compliance programs in the corporations. It also examines the international landscape of corruption. The selected cases/examples on 'compliance' offer practical insights on designing and administering the compliance programs in the organizations.</p> | Core Concepts |
| <p>De Kluyver, C. A. 2009. <i>Primer on Corporate Governance 6: Oversight, Compliance And Risk Management</i>. Harvard Business Publishing, BEP024. http://hbr.org/product/a-primer-on-corporate-governance-6-oversight-compl/an/BEP024-PDF-ENG</p> <p>Abstract: The book chapter discusses a key responsibility of boards in ensuring the effective corporate governance. The chapter is part of the book 'A Primer on Corporate Governance,' focusing on corporate governance from both a macro- and micro-perspective. Using the historical data and examples including the recent scandals, it raises the principal challenges facing today's boards and offers a comprehensive framework for how to successfully manage them.</p> | Core Concepts |

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| <p>Hall, A.T., Bowen, M.C., Ferris, R., Royle, M.T. and Fitzgibbons, D.E. 2007. Accountability Lens: A New Way to View Management Issues, www.hbsp.harvard.edu/ → BH248-PDF-ENG</p> <p>Abstract: It contends that viewing organizations through an accountability lens (i.e. source, focus, salience, intensity) helps illuminate issues of governance and ethical dilemmas common to most individuals at work. It examines accountability as not only an organizational benefit, but as an absolute necessity. It aims to illustrate ethical and unethical behavior in organizational settings through the accountability lens, and suggest that firms may best succeed and experience maximum success when accountability is a large part of organizational culture.</p> | Core Concepts |
| <p>Hansen, H.K. 2011. "Managing Corruption Risks", <i>Review of International Political Economy</i>, 18 (2), 251-275.</p> <p>Abstract: This article investigates the emerging engagement of private actors and specifically Western corporations in international anti-corruption. It explores this engagement as governing practices that have emanated quite independently from the inter-state system commonly understood to be at the core of the anti-corruption regime. It demonstrates how corporate anti-corruption ties in with a relatively new way of perceiving corruption. In this framing, anti-corruption comes out as risk management, which is latched on to notions of corporate social responsibility and business ethics. The article also contributes discussions about the role of private actors and their micro practices in global governance.</p> | Core Concepts |
| <p>Hess, D., Dunfee, T. 2000. <i>New Strategy for Fighting Corruption: The C2 Principles</i>. http://knowledge.wharton.upenn.edu/article.cfm?articleid=178</p> <p>Abstract: The paper focuses on the phenomenon of corrupt payments and show why, increasingly in today's global marketplace, companies won't be able to get away with treating bribes as "business as usual." The authors offer a set of norms--the C2 (Combating Corruption) principles--by which companies publicly pledge that they will resist demands for bribes while taking steps to control corrupt payments and be transparent in their international transactions.</p> | Core Concepts |
| <p>Kleinhempel, M. 2008. <i>Business Ethics and Compliance Programs: A Practical Introduction</i> (MBA Course/Module presentation).</p> <p>Abstract: The purpose of this note is to provide a brief introduction to this topic, presenting the most relevant academic and business stances as well as describing the key traits of suitable ethics systems for companies. It explains how the consequences of unethical organizational practices for companies, officials, employees and shareholders can be devastating. While focusing on the desired ethical behavior of the corporations, the authors suggest moving beyond the compliance and aiming at integrity. It presents the practical model for developing effective ethical system and value-based ethical strategy in the organizations.</p> | Core concepts |
| <p>Melé, D. 2009. <i>Business Ethics Action</i>. Palgrave Macmillan, United Kingdom.</p> <p>Abstract: This book defends the need to orient business to people. It critically examines the common approaches in which business ethics is presented exclusively as a tool for solving ethical dilemmas by applying principled theories. While focusing on both the important dimensions of Business Ethics principles and virtues, it argues how without neglecting efficiency or profits, human well-being should be the first priority of every business. Through illustrative case studies and interesting pedagogy, this book can help the students in applying the foundations and principles of business ethics to real world situations.</p> | Core concepts |
| <p>Paine, L.S. 1994. Managing for Organizational Integrity, www.hbsp.harvard.edu → 94207</p> <p>Abstract: Ethics is as much an organizational as a personal issue. Managers who fail to provide leadership and institute systems that facilitate ethical conduct share responsibility with those who knowingly benefit from corporate misdeeds. Executives who ignore ethics run the risk of personal and corporate liability. The article suggests an integrity-based approach, combining a concern for the law with an emphasis on managerial responsibility for ethical behavior.</p> | Core Concepts |

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| <p>Snyderman, M. 2010. <i>The Care and Feeding of an Effective Anti-Corruption Compliance Program</i>. http://www.corporatecompliance.org/Portals/1/PDF/Resources/Past Conference Handouts/Compliance Ethics Institute/2009/401supp-1.pdf</p> <p>Abstract: This note sets the rationale for an effective Anti-corruption program in the organizations by analyzing the impact of corrupt practices and its' social impact. It explains how corruption has brought economic and social devastation to millions. Linking the ethical behavior of the organizations intending to enter in markets with the general ethical climate, the article also traces how the Anti-corruption legislations in the home country give impetus to develop anti-corruption program in the corporations. It concludes that continuous effort of monitoring and improvement will work only if your business ultimately understands why it is so important to do the right thing.</p> | Core concepts |
| <p>Trevino, L.K., Weaver, G.R., Gibson, D.G. and Toffler, B.L. 1999. <i>Managing Ethics and Legal Compliance: What Works and What Hurts</i>, Accessed:www.hbsp.harvard.edu → CMR146</p> <p>Abstract: The study, based on survey of employees at six large American companies, found that a values-based cultural approach to ethics/compliance management works best. Critical ingredients of this approach include leaders' commitment to ethics, fair treatment of employees, rewards for ethical conduct, concern for external stakeholders, and consistency between policies and actions. What hurts effectiveness most are an ethics/compliance program that employees believe exists only to protect top management from blame and an ethical culture that focuses on unquestioning obedience to authority and employee self-interest.</p> | Core Concepts |
| <p>Tyler, T., Dienhart, J. and Thomas, T. 2008. <i>The Ethical Commitment to Compliance: Building Value-Based Cultures</i>. www.hbsp.harvard.edu/ → CMR392-PDF-ENG</p> <p>Abstract: The 2004 amendments to the Federal Sentencing Guidelines state that organizations should "create a culture that encourages ethical conduct and a commitment to comply with the law." This article presents data that show that procedural fairness--which concerns the objectivity and consistency of organizational procedures--is an essential component of such a culture. Command-and-control approaches based on reward-and-punishment programs are significantly less effective, suggesting that rigid, rules-based approaches such as Sarbanes-Oxley are counter-productive. This article includes an instrument organizations can use to measure their own level of procedural justice as well as a set of national benchmarks.</p> | Core Concepts |
| <p>UN Global Compact. 2010. <i>Collective Action – Building a Coalition Against Corruption</i> http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/CollectiveAction2010.pdf</p> <p>Abstract: To be successful in the long run, all actors have to build an alliance and act collectively in the fight against corruption. The document describes how organizations can join hands with the other stakeholders for combating market corruption.</p> | Core Concepts |
| <p>Wu, X. 2005. "Corporate Governance and Corruption: A Cross-Country Analysis", <i>Governance: An International Journal of Policy, Administration and Institutions</i>, 18 (2), 151-170.</p> <p>Abstract: The paper focuses on how corporate governance in the organizations affects the degree of corrupt behavior of the organizations as a whole. It deals with the problem of corruption from the supply side i.e. how the governance system in the organization determines the organization's possible engagement in corruption/anticorruption practices. Using a cross-country dataset, the author explicitly links various measures of corporate governance to the level of corruption. The results show that corporate governance standards can have profound impacts on the effectiveness of the global anti-corruption campaign.</p> | Core Concepts |

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| <p>International Organization for Standardization, ISO 26000. 2010. <i>Guidance on Social Responsibility</i>. Abstract: ISO 26000:2010 provides the organizations guidance to principles, practices and management of social responsibility. It provides a clear framework for identifying and engaging with stakeholders and managing the organizational performance to meet their expectations. It is intended to encourage them to go beyond legal compliance, recognizing that compliance with law is a fundamental duty of any organization and an essential part of their social responsibility. It is intended to promote common understanding in the field of social responsibility, and to complement other instruments and initiatives for social responsibility, not to replace them. It is important to note that ISO 26000:2010 is not a management system standard and nor is intended or appropriate for certification purposes or regulatory or contractual use. However, the framework could be used for planning and implantation supply-chain management systems in a socially responsible manner.</p> | Primary source |
| <p>OECD. 2006. <i>The OECD Risk Management Tool for Investors in Weak Governance Zones</i>. OECD, Investment Division, Directorate for Financial and Enterprise Affairs, 21-33. http://www.oecd.org/dataoecd/26/21/36885821.pdf Abstract: The OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones aims to help companies that invest in countries where governments are unwilling or unable to assume their responsibilities. It addresses risks and ethical dilemmas that companies are likely to face in weak governance zones, including obeying the law and observing international instruments, heightened care in managing investments, knowing business partners and clients and dealing with public sector officials, and speaking out about wrongdoing.</p> | Primary source |
| <p>OECD. 2011. <i>OECD Guidelines for Multinational Enterprises: Recommendations for Responsible Business Conduct in a Global Context</i>. http://www.oecd.org/dataoecd/43/29/48004323.pdf Abstract: The OECD Guidelines for Multinational Enterprises are recommendations by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. They aim to promote positive contributions by enterprise to economic, environmental and social progress.</p> | Primary source |
| <p>Transparency International. 2004. <i>Business Principles for Countering Bribery: Guidance Document</i>. www.transparency.org/content/download/573/3493/file/bpcb ti guidance doc november 2004.pdf Abstract: Guidance to the Business Principles for Countering Bribery aims to assist those wishing to implement an anti-bribery program. The Guidance Document helps companies in understanding the background and content of the Business Principles including practical guidance for an implementation process.</p> | Primary source |
| <p>Transparency International. 2009. <i>Business Principles for Countering Bribery</i>. Available at: http://www.transparency.org/content/download/43008/687420 Abstract: The Business Principles developed by Transparency International provides a framework to seed and develop practical approaches to fighting corruption. The content of the Business Principles is pitched in a pragmatic way at a level of good practice so that most enterprises will find value in applying the framework and will not be deterred by the complexity of the task or concern about the demand it might place on resources.</p> | Primary source |
| <p>UNGC. 2006. <i>Business Against Corruption: Cases stories and examples. Implementation of the UN Global Compact. 10th United Nations Global Compact Principle against corruption</i>. http://www.unglobalcompact.org/docs/issues_doc/7.7/BACbookFINAL.pdf Abstract: This document is a collection of cases and best practices adopted for effective implementation of anti-corruption principle. It focuses on the different issues like control and compliance methods, designing of anti-corruption implementation programs, collective action, national and regional anti-corruption campaigns, etc. It highlights the relevant managerial issues in planning and implementation of effective anti-corruption programs.</p> | Primary Source |

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| <p>World Bank Institute. 2008. <i>Fighting Corruption through Collective Action: A guide for business (Version 1.0 - A joint effort with business, NGOs, and multilaterals)</i>. http://info.worldbank.org/etools/docs/antic/Whole_guide_Oct.pdf</p> <p>Abstract: This Guide is intended to help companies meet the legal, competitive, economic and ethical challenges posed by corruption as they do business around the world. Information in this Guide is intended for use by business but should also be of interest to governments and other organizations concerned about reducing corruption. This Guide explains Collective Action, its benefits, and how to use it. It aims at demonstrating that the private sector can be part of the solution to prevent and fight corruption and provides incentives for companies to become more actively involved. It also shows how Collective Action can support Small/Medium Sized Enterprises in their fight against corruption by providing a broader alliance that can support smaller participants.</p> | Primary source |
| <p>Farhoomand, A.F. and Woo, C.H.L. 2006. Business Corruption in China. https://www.iveycases.com/ProductView.aspx?id=45907 → HKU581</p> <p>Abstract: It provides an overview of business corruption in China, placing it in a context that takes into account various political, economic, legal, and cultural elements. More specifically, it examines corporate ownership and structure in China, identifies sources of corruption, and analyses the impact of corruption on the country's social and economic stability. Closes with a set of recommendations for countering business corruption in China.</p> | Case |
| <p>Fitzgerald, O. and Ng'ombe, J. 2007. Malawi Business Action Against Corruption. https://www.iveycases.com → 9B07M037.</p> <p>Abstract: The case highlights the issue of political environment and its' impact on adoption of anti-corruption program. Focusing on African Institute for Corporate Citizenship (AICC), initiative, "Business Action Against Corruption", and the Business Code of Conduct for Combating Corruption in Malawi, it explored the reasons behind its slow pace of adoption.</p> | Case |
| <p>Goo, S. and Goo, G. 2011. Kitchen Best: Ethics When Doing Cross-Boundary Business in Southern China. www.hbsp.harvard.edu → HKU948-PDF-ENG</p> <p>Abstract: Kitchen Best is a Hong Kong-based electrical-appliance company. The company has a manufacturing facility in China and sells its wares to customers around the world. Henry Chan, the newly appointed CEO, has ambitious plans for the business. However, a series of instances of misconduct and unethical behavior makes him realize that the business is suffering from a lack of internal control. The case aims to explore the type of internal control mechanisms, which should he put in place to ensure the future success of the company.</p> | Case |
| <p>Kleinhempel, M., 2009. <i>Business Ethics and Corporate Ethics Programs - Before or after a scandal? Effective Executive</i>, August. www.iae.edu.ar/iaehoy/Documents/CO_20090801_EffectiveExecutive_Kleinhempel_Ethics_article.pdf</p> <p>Abstract: This article offers leading academic stances on business ethics and describes the key traits of suitable ethic systems. Considering the recent corporate scandals around the world, which involved global companies that once used to enjoy spotless reputations, like Enron, Worldcom, Siemens, ABB, Parmalat, and many pharmaceutical firms, the article questions the effectiveness of the compliance system and approach to deal with the ethical issues in the organizations. It recognized the role of 'ethical climate' in the success of ethical systems in the organizations and shows how the organization's values, thinking and behavior patterns are more important than merely copying the code of conduct.</p> | Case |

List of Additional Readings

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| <p>Badaracco Jr., J.L. 1997. "Virtu," Virtue, and Success: Translating Your Moral Code into Management Practice. www.hbsp.harvard.edu → 3058BC-PDF-ENG</p> <p>Abstract: Managers are often faced with tough ethical decisions that affect not only themselves, but define their organization's role in society and its relations with stakeholders. This chapter draws practical advice for managers facing difficult problems from Machiavelli's and Aristotle's theories on moral code, virtue, and success. This chapter is excerpted from "Defining Moments: When Managers Must Choose between Right and Right."</p> | Core concepts |
| <p>Kayes, D.C., Stirling, D. and Nielsen, T.M. 2007. <i>Building Organizational Integrity</i>. www.hbsp.harvard.edu → BH222-PDF-ENG</p> <p>Abstract: Ethical lapses by employees can put organizations at substantial risk. Although improved compliance procedures can help limit this risk, successful efforts must extend beyond compliance to build a culture of organizational integrity. The article explores the importance of organizational integrity as a tool for risk management. By using illustrations, it also suggests as to how businesses may build and maintain a culture of integrity.</p> | Core Concepts |
| <p>Lambsdorff, J.G. 2007. <i>The Institutional Economics of Corruption and Reform: Theory, Evidence and Policy</i>. Cambridge University Press.</p> <p>Abstract: Corruption has been a feature of public institutions for centuries yet only relatively recently has it been made the subject of sustained scientific analysis. Prof. Lambsdorff shows how insights from institutional economics can be used to develop a better understanding of why corruption occurs and the best policies to combat it. He argues that rather than being deterred by penalties, corrupt actors are more influenced by other factors such as the opportunism of their criminal counterparts and the danger of acquiring a reputation of unreliability. The book combines theoretical research with empirical investigations and aims to broaden understanding of researchers and policy-makers concerned with anti-corruption reform.</p> | Core Concepts |
| <p>Rasmussen, M. 2011. Meeting Anti-Corruption Obligations, http://www.corp-integrity.com/integrity-ethics/meeting-anti-corruption-obligations</p> <p>Abstract: Managers The article explores that with increased exposure to anti-corruption laws and investigations, how does an organization respond to anti-corruption compliance obligations. It stresses that organizations must be prepared to show that they have a strong compliance program in place to mitigate or avoid exposure to penalties. It suggests important steps to install an effective compliance management programs in the organizations.</p> | Core Concepts |
| <p>Williams, S.L. 2011. <i>Engaging Values in International Business Practice</i>, www.hbsp.harvard.edu → BH438-PDF-ENG</p> <p>Abstract: Managerial decisions and behaviors in the international business arena have ethical implications across cultures and countries. Global businesses can offer practical guidance and set ethical examples for others to follow by establishing corporate values beyond written business codes. The article offers a process for making the core values unique to an organization, and for adopting and training managers in the use of core values. It also presents evidence of managerial implementation of the core work values, and managers' alignment of work values with organizational strategies.</p> | Core Concepts |
| <p><i>International initiatives for tackling corruption.</i> http://www.bmz.de/en/what_we_do/issues/goodgovernance/korruption/internatinitiativen/index.html</p> <p>Abstract: Since the mid-1990s corruption has been recognized as a global problem and an obstacle to development. Since it has causes and effects which transcend national borders, international cooperation is called for if corruption is to be tackled effectively.</p> | Primary Source |

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| <p>UN Global Compact. <i>Reporting Guidance on the 10th Principle Against Corruption</i> www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/UNGC_AntiCorruptionReporting.pdf</p> <p>Abstract: The guidance is the most succinct, practical guide currently available to what anti-corruption aspects companies should report on. It equips business with a practical means to report on anti-corruption policies and actions comprehensively and effectively, as public reporting sends a strong signal to employees, investors and consumers, that a company is serious about clean business. (UNGC, Transparency International, 2009)</p> | Primary Source |
| <p>UNGC/Transparency International/IBLF. 2011. <i>Business Against Corruption – A Framework for Action</i>. http://www.unglobalcompact.org/docs/news_events/8.1/bac_fin.pdf</p> <p>Abstract: This guide has been produced to assist companies preparing themselves to implement the objectives of the 10th principle and to deal with corruption in every aspect of their operations. It provides a road map to sources and tools which will assist in the practical application of policies designed to eliminate corruption.</p> | Primary Source |

Core teaching resources

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| <p>Resource T.7.1</p> <p>Anti-corruption legislation such as the Foreign Corrupt Practices Act and Dodd-Frank Act have pushed both US and foreign companies with operations in the US to respond with the development of ethics and compliance systems. From the perspective of organizational ethics and values, these ruled-based systems are often perceived as being too narrow in its ethical scope (see The Convergence of Principle-and Rule-Based Ethics Programs: An Emerging Global Trend?). From the perspective of companies, Dodd-Franks additional compensation for reporters can be criticized for providing employees and suppliers incentives to report to authorities instead of to the actual company:</p> <p><i>“Another North-American norm that has been shaking the business scenario is the Dodd-Frank Law. By the program, SEC can compensate those who report violations in 10% to 30% of the amount recovered when the information received leads to the conviction of a company. The program is polemic because companies have made an effort to adopt good conduct and ethics programs in order to comply with anti-corruption legislation. But, with this law, the efforts can be transgressed because the reporters have a strong incentive to report to authorities instead to its own company, in search of compensation. With that, a vicious and pernicious circle is formed. While the company invests in fighting bribes by training its employees and even suppliers, representatives and distributors, these can be more interested in the compensation than in helping the company in fighting corruption. Even more due to the fact the law ensures protection against retaliation from the employer, who can be sued in case of dismissal or discrimination of the accuser.”</i></p> <p>(Article by Isabel Franco, lawyer and specialist in anticorruption law, published in the section Market in the Brazilian newspaper Folha de São Paulo. Accessed on 19/February/2012 at: http://www1.folha.uol.com.br/fsp/mercado/26645-incentivo-da-recompensa-traz-risco-de-gerar-circulo-vicioso.shtml)</p> <p>Based on the region you operate, discuss:</p> <p>In your view, do ethical systems designed for compliance to anticorruption legislation have more limitations or more benefits than ethical systems designed as a voluntary response to an anticorruption declaration or principle (such as the 10th Global Compact)?</p> <p>What do you see as critical for effectiveness in both systems (law response and broader ethical principles response)?</p> <p>Would you answer question (1) differently if asked to think from the perspective of business competitiveness? Why?</p> <p>If you see the issue (question 1) no longer from your regional perspective, but from the perspective of fighting corruption globally, does your view change? Why? From your experience, would you have more effective suggestions for that challenge?</p> | Group Activity |
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| <p>UNICORN Bribery Cases http://www.againstcorruption.org/BriberyCases.asp http://www.againstcorruption.org/whistlecases.asp</p> <p>Description: UNICORN works with trade unions around the world to combat bribery and corruption by increasing awareness and use of anti-corruption instruments, campaigning for measures to protect whistleblowers and supporting trade union anti-corruption activities. The case example series includes a list of described case examples, in which companies around the world have either been alleged of, are under investigation for, or are being prosecuted for involvement in bribery scandals. It also includes a number of whistleblower case examples.</p> | Case Examples |
| <p>International Chamber of Commerce (ICC), Transparency International (TI), United Nations Global Compact (GC), World Economic Forum Partnering Against Corruption Initiative (PACI). 2011. <i>RESIST – Resisting Extortion and Solicitation in International Transactions: A company Tool for Employee Training</i>. www3.weforum.org/docs/WEF_PACI_RESIST_Report_2011.pdf</p> <p>Description: Jointly developed by United Nations Global Compact, International Chamber of Commerce, Transparency International and World Economic Forum, Resisting Extortion and Solicitation in International Transactions (RESIST) is a training tool comprising of 22 real-life scenarios sketching the various issues of procurement, supply and market related corruption situation. RESIST scenarios are organized in two sections representing the presales and bidding stage as well as the post-award project implementation stage. Each of the 22 scenarios addresses two basic questions in a concrete and specific manner: How can the enterprise prevent the demand from being made in the first place? And How should the enterprise react if the demand is made? In addition, the Annex includes a series of good practice recommendations that can apply to most situations.</p> | Scenarios |
| <p><i>The Fight Against Corruption: E-Learning Tool</i> (http://thefightagainstcorruption.unglobalcompact.org/)</p> <p>Description: This e-learning tool uses six interactive learning modules to further the audience's understanding of the UN Global Compact's 10th principle against corruption and the UN Convention against Corruption as it applies to the private sector. Each module only lasts about five minutes, providing a quick and effective way of learning.</p> | Interactive Learning Modules (E-Scenarios) |
| <p><i>Global Advice Networks (GAN's) Sample Anti-Corruption Program</i> http://www.business-anti-corruption.com/tools/integrity-system/</p> <p>Description: Corruption is understood as the misuse of entrusted power for personal gain. Bribery is understood as the offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business. The sample program shows how the organizations can address these issues by preparing a careful 'Anti-corruption Program'.</p> | Anti-corruption Program Sample |

Additional Teaching Resources

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| Wankel, Stachowicz-Stanusch (Eds.). 2011. <i>Effectively Integrating Ethical Dimensions into Business Education (Research in Management Education)</i> . Information Age Publishing. | Core concepts |
| Wankel, Stachowicz-Stanusch (Eds.). 2011. <i>Management Education for Integrity: Ethically Educating Tomorrow's Business Leaders</i> . Emerald. | Core concepts |
| Wankel, Stachowicz-Stanusch (Eds.). 2011. <i>Handbook of Research on Teaching Ethics in Business and Management Education</i> . IGI Global. | Primary source |
| UNGC, UNODC. 2010. <i>Online Anticorruption Learning Tools</i> . http://thefightagainstcorruption.unglobalcompact.org/ | Training Tools |
| Global Infrastructure Anticorruption Center. <i>Anti-corruption Programme for Companies</i> . http://www.giaccentre.org/project_companies.php . | Tools |
| Global Infrastructure Anticorruption Center. <i>Anti-Corruption Tools</i> . http://www.giaccentre.org/ (Orientation on how to design and implement specific anti-corruption measures such as Contract terms, Code, Due diligence, Employment terms, Gifts and Hospitality policy, Procurement, Reporting, Rules, Training, Transparency) | Tools |
| Global Infrastructure Anticorruption Center. <i>Contract Terms</i> . www.giaccentre.org/contract_terms.php | Tools |
| Global Infrastructure Anticorruption Center. <i>Project anti-corruption systems (PACS)</i> . http://www.giaccentre.org/project_anti_corruption_system_home.php . (Orientation on how to design and implement anti-corruption systems) | Tools |
| Global Advice Network. <i>Business Anti-Corruption Portal: Integrity System</i> . http://www.business-anti-corruption.com/integrity-system/ | Portal |

8. Functional Area and Anti-Corruption Issues

Rationale

The present topic mainly aims to develop thought process for developing effective solution to the corruption related challenges in the different functional area issues of the management. To address the issue of the corruption at functional level in the organizations, it becomes important to explore the inter-functional and intra-functional dynamics from the ethical behavior perspective. This becomes also important because of the rising strategic orientation of management processes in the organizations.

The analysis of corruption at functional level can be approached from both the individual behavior as well as the system functioning viewpoint. However, in either case, analysis of the relevant function-corruption interface areas is the first and foremost task to ensure the effective handling of anti-corruption issues in the organizations. The issue of 'context' further adds to the complexity of the whole exercise.

Further, the 'management of corruption' and 'corruption in management' are two closely related aspects of the broader issue of 'Anticorruption and Management' and, therefore, sometimes drawing the line between the two becomes quite a difficult task. Keeping these issues at focus, the focus of the topic is more towards developing an understanding towards functional area corruption in terms of interacting variables than the standard processes and outcomes.

The topic is designed in view of the dynamic teaching and research requirements in this specific knowledge area, under specific context. As the subject issues are more analytical in nature, the treatment of the issues are also likely to be relative than the absolute. However, the desired outcome of the analysis should be governed by some fundamental and universally acceptable standards and principles. The organization of the topic is based on the conventional business/management function classification and the effort has been to explore the roots of corruption in major functional areas like human resource management, marketing, accounting and finance and operations.

While identifying and linking the relevant anticorruption issues and dimensions with specific functional areas, at some instances, one may find the 'functional anti-corruption' issues closely interacting with the 'management of anticorruption' issues. However, this is inevitable and, therefore, while dealing with such issues in the teaching-learning situation, the degree of both the independence and interrelationship between these two issues should be considered.

In view of the global context and scope of application of the different topics, the content selection and design process focused on ensuring balance in dealing with subject matter from the perspective of both the developed and developing / low-income countries. However, it is suggested that the issues are discussed using standard parameters and benchmarks of anticorruption behavior at functional as well as business unit/division/ corporate level. The academic nature of this particular subject, as evident from the analysis of different functional area issues, suggests that the teaching and research should be integrated well to ensure the effective knowledge transfer in 'anti-corruption and functional issues.'

Learning objectives

Having accomplished the topic, students should be able to:

- Understand anticorruption issues in different functional areas of management, under given context;
- Develop perspective for analyzing anticorruption issues in view of the inter-functional and intra-functional linkages;
- Analyze the flow of corruption in the organizations from strategic to functional level and vice-versa;
- To interrelate the design of 'anticorruption management' processes with the 'functional-area anticorruption issues'; and
- Address the anticorruption functional issues in the organizations by applying the universally acceptable standards.

Study Questions

1. The organizational dishonesty has long-term hidden costs for the organizations. How managers can evaluate these costs and prevent the organization from the moral crisis driven failures? (Refer Cialdini, R., Petrova, P., Goldstein, N. The Hidden Costs of Organizational Dishonesty. MIT Sloan Management Review. Vol.45 No.3, 2004.).
2. Designing and implementing an effective and transparent Executive Compensation System requires careful consideration of performance related issues and its measurement. What are the important measurement issues in designing performance-linked executive compensation system. What challenges we may come across in implementation of transparent executive compensation system in the organizations? (Refer, 1. Kleinhempel, M., 2010. Good governance and compliance require new designs for incentives plans. Identifying "What to measure" and "What to reward".
3. (<http://english.iaee.edu.ar/pi/profesores/Pages/ProfesorDisplay.aspx?pid=328>, 2. Bebachuk, L. & Fried, J. (2009). Pay Without Performance: The Unfulfilled Promise of Executive Compensation. Harvard University Press, Boston, 2009).
4. The research studies show that the Human Resource function in the organizations has played critical role in promoting 'Ethics and Compliance programs' in the US organizations. Based on the experiences, can we position HR function to act as a catalyst for ethical behavior in the organizations? What structural changes may be required to for this role? (Refer Berenbeim, Utilizing HR and Ethics and Compliance Collaboration to Promote an Ethical Culture, Employment Relations Today, spring 2011).
5. "The role of accounting and auditing services firms in promoting the transparent accounting practices has been matter of concern. The reports on some corporate scams further highlight the linkages." Discuss the issue with help of selected corporate scam report and propose the suitable measures to avoid such situations.
6. "In order to accelerate the pace of economic development, many countries in the world have liberalized their economic regulatory framework leading to the emergence of the Tax-heavens destinations for the global investors. At the same time, the nexus of different stakeholders in these areas has resulted into a form of hidden institutional corruption, affecting the long-term sustainable development growth objective of the region". Critically examine the statement and discuss the possible regulatory measures at functional management level to prevent such practices (Refer Christensen, J (2009). Africa's bane: Tax Havens, Capital Flight and the Corruption Interface. Working Paper 1, Real Instituto El Cano)
7. "The organization's culture and its ethical behavior are closely interlinked to each other. However, sometimes the narrow interest of selected few, knowingly or unknowingly, affects the definition and scope of ethical organizational practices." Comment and by applying 'Sheins' Five Primary Mechanism', discuss the leadership role in the Enron in creating/reinforcing the organization culture. (Refer Sims, R., & Brinkmann, J. (2003). Enron ethics (or: Culture matters more than codes). Journal of Business Ethics, 45(3), 243—256).
8. The term 'ethical behavior' and 'corruption' are closely related and often it becomes challenging to draw a line of distinction between the two. Considering some practical situations in any of the functional area of the management, discuss the relationship between the 'ethical behavior' and 'corrupt behavior'.
9. "Most of the functional plans and policies are linked to the organizations' strategic plans and, therefore, the problem of corruption should also be addressed from both the strategic and functional perspective." Elaborate and explain with the help of suitable illustrations.
10. "The AP Moller Maersk focuses on long-term thinking and value creation by addressing the issue of sustainability in its' business processes." Discuss and show how the company has integrated the sustainability issues at strategic and business function level.
11. "Siemens employ all kinds of sanctions allowed under labor laws to punish compliance violations internally. The sanctions imposed in every given case depend on the severity of the violation. This type of situation specific treatment of corruption may influence the transparency and objectivity of the anti-corruption efforts as fixing the responsibility in cross-cutting business function lines is sometimes challenging." Discuss.

Core Literature

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| <p>Bazerman, M.H., Loewenstein, G. and Moore, D.A. 2002. "Why Good Accountants Do Bad Audits", <i>Harvard Business Review</i>, November.</p> <p>Abstract: The authors don't think corruption is the main cause of bad audits. Rather, they claim, the problem is unconscious bias. Without knowing it, we all tend to discount facts that contradict the conclusions we want to reach, and we uncritically embrace evidence that supports our positions. The corporate-auditing arena is particularly fertile ground for self-serving biases. Because of the often subjective nature of accounting and the close relationships between accounting firms and their corporate clients, even the most honest and meticulous of auditors can unintentionally massage the numbers in ways that mask a company's true financial status. The article aims to develop understanding about the unconscious biases that can distort corporate accountants' thinking and to learn about remedies for combating those biases.</p> | Core Concepts |
| <p>Bebchuk, L. A. and Fried, J. M. 2009. "Paying for Long-Term Performance", <i>University of Pennsylvania Law Review</i>, 158, pp. 1915-1959. Harvard Law and Economics Discussion Paper No. 658. http://ssrn.com/abstract=1535355 or http://dx.doi.org/10.2139/ssrn.1535355</p> <p>Abstract: Globally, firms, investors, and regulators are now seeking to ensure that compensation of public company executives is tied to long-term results, in part to avoid incentives for excessive risk taking. This Article examines how best to achieve this objective. Focusing on equity-based compensation, the primary component of executive pay, authors identify how such compensation should best be structured to tie pay to long-term performance. The paper also emphasizes the need for widespread adoption of limitations on executives' use of hedging and derivative transactions that weaken the tie between executive payoffs and the long-term stock price that well-designed equity compensation is intended to produce.</p> | Core Concepts |
| <p>Berenbeim, R. 2010. "Utilizing HR and Ethics and Compliance Collaboration to Promote an Ethical Culture", <i>Employment Relations Today</i>, 37 (1), 17–26.</p> <p>Abstract: The article focuses on the interrelationship of the 'Human Resource' and 'Ethics and Compliance' functions in the organizations. Based on the research, the article describes how and why the departments, traditionally responsible to promote ethical policies, should support managers to create the required ethical culture in the organizations.</p> | Core Concepts |
| <p>Bowen, S.A., Rawlins, B. and Martin, T. 2010. An Overview of the Public Relations Function 11: Ethics, leadership and Counseling Roles, and moral Analyses. www.hbsp.harvard.edu → BEP011-PDF-ENG</p> <p>Abstract: This is a Business Expert Press book chapter. It provides an executive overview of the field with a focus on what managers need to know to master the function quickly and effectively. It establishes the ethical and moral guidelines for practicing principled public relations that enhance the social responsibility of organizations and allow public relations managers to take leadership roles in advising executives. The chapter includes a look inside the top level of the Home Depot Corporation.</p> | Core Concepts |
| <p>Cialdini, R., Petrova, P. and Goldstein, N. 2004. "The Hidden Costs of Organizational Dishonesty". <i>MIT Sloan Management Review</i>, 45 (3). http://mba.tuck.dartmouth.edu/pages/faculty/petia.petrova/Petrova Web site material/Hidden Cost article.pdf</p> <p>Abstract: The article describes the consequences for the dishonest organizations. Focusing on the issue of Human Resources and its' interconnection with 'dishonest practices', the authors observe that in either case i.e. whether there is 'good fit' or 'poor-fit' between employee's value and organizations; the organizations will have to pay the price for being dishonest in the longrun.</p> | Core Concepts |

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| <p>Cohen, E. 2010. <i>CSR for HR: A Necessary Partnership for Advancing Responsible Business Practices</i>. Sheffield: Greenleaf Publishing Limited.</p> <p>Abstract: This book focuses on the issue ‘Corporate Social Responsibility (CSR) and Human Resource (HR) interface.’ The increasing need for the socially responsible business has triggered a basic change in the orientation of CSR from fragment project approach to integrated strategic approach. The success of CSR programs in the organizations depends on how well the human resources (HR) are prepared to align their activities in the required spirit of CSR. Keeping this as a theme, the book presents the concepts and approaches to realize the desired CSR-HR in the organizations. The concepts given may be applied to management of ethical responses of the organizations including anti-corruption programs.</p> | Core Concepts |
| <p>Hoffman, W.M., Kamm, J. B., Frederick, R. E. (eds). 1996. <i>The Ethics of Accounting and Finance: Trust, Responsibility and Control</i>. Westport, Connecticut: Quorum Books.</p> <p>Abstract: This is collection of edited and revised best papers from the Bentley College's Center for Business Ethics Tenth National Conference on Business Ethics. Throughout, the contributors emphasize the ethical dimensions of problems and issues that confront the financial services and accounting industries, issues that are also of critical importance to business generally. The book collection is divided in four parts. Part I examines the ethics of the fiduciary relationship between principals and agents, defining the nature of trust and helping readers understand the fiduciary responsibility and conflicts of interest characteristic to the industry. In Part II, the contributors look at specific issues in ethics and financial disclosure, with particular focus on nonprofit health care organizations, financial derivatives, and confidentiality in a professional context as representative cases. More cases are presented in Part III, examining a variety of situations and events. Part IV offers lessons from the past and a look toward the future.</p> | Core Concepts |
| <p>Kleinhempel, M. and Cecchini, G. 2010. <i>Best business practices and variable pay – a contradiction in terms?</i> prme.wikispaces.com/file/view/Variable+Pay_TechnicalNote+(Kleinhempel).doc</p> <p>Abstract: The issue of variable compensation program seems to consistently pose a challenge, as these schemes apparently threaten ethical commitment in their attempt to secure short-term financial gains, jeopardizing corporate goals and core values. Variable pay is usually tied to objectives associated with sales and market share growth, increased profits, dividends and company market value, as well as quantifiable short, medium and long-term targets –all combined in what is typically referred to as performance metrics. Focusing on the challenges of the variable pay programs, the authors explore the important related issues and suggest how overall incentive program should be linked to the integrity strategy of the organizations to promote sustainable vision and action orientation in the organizations.</p> | Core Concepts |
| <p>Kleinhempel, M., 2010. “Good governance and compliance require new designs for incentives plans. Identifying “What to measure” and “What to reward””, <i>Effective Executive</i>, 10-14, November. www.iae.edu.ar/iaehoy/Documents/CO_20101101_EffectiveExcutive_Kleinhempel_Compliance.pdf</p> <p>Abstract: Focusing on the ‘incentive design issue,’ the article suggests that companies need to align variable pay schemes with compliance systems and the values they stand for, so that the former will not impair the latter. It describes how to design an effective payment system by setting long-term objectives and integrating qualitative dimensions of performance.</p> | Core Concepts |
| <p>Monthoux, P.G. de. 1977. "Marketing and Corruption", <i>Management Decision</i>, 15 (6), 531-41.</p> <p>Abstract: The subject of corruption and bribing has been treated in several theoretical essays but few empirical studies. Corruption has attracted the interest of sociologists, anthropologists, economists, political scientists. Drawing upon some of this corruption literature this paper aims at dis-cussing corruption from a “narrow” marketing perspective. It explores the issues of ‘what makes a marketer corrupt?’ It also focuses on ‘what uncertainties are there in corruption practice?’</p> | Core Concepts |

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| <p>Scott, J., Gilliard, D. and Scott, R. 2002. "Eliminating Bribery as a Transnational Marketing Strategy ", <i>International Journal of Commerce and Management</i>, 12 (1), 1–17.</p> <p>Abstract: Because bribery of public officials is widespread in many developing nations to facilitate overseas sales, U.S. firms lost significant overseas contracts while their foreign competitors gained market share. Recognizing the dilemma that American firms are in, successive U.S. administrations have led the charge against bribery and have attempted to get other nations to join in the battle. Now, after twenty years, these attempts are finally paying off. A growing number of international organizations have developed guidelines to help curb corruption in the future. This paper traces the U.S.'s attempts to curtail official bribery, and details new information outlets and laws passed by other nations to be used as weapons as they join in the U.S.-led fight against briber.</p> | Core Concepts |
| <p>Sharman, J.C. 2010. "Shopping for anonymous shell companies: An audit study of anonymity and crime in the international financial system", <i>Journal of economic perspectives</i>, 24 (4). http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.24.4.127</p> <p>Abstract: This article presents an audit study of compliance with the prohibition on anonymous shell companies, based on solicitations the author made to a range of firms in the business of incorporating and selling shell companies. The practical examples describe the major issues, like corporate tax evasion and corruption in the big procurement deals.</p> | Core Concepts |
| <p>Sims, R., and Brinkmann, J. 2003. "Enron ethics (or: Culture matters more than codes)", <i>Journal of Business Ethics</i>, 45(3), 243—256.</p> <p>Abstract: Applying evidence from recently available public information on Enron, the paper defines Enron's culture as one rooted in agency theory by asserting that Enron's members were predominantly agency-reasoning individuals. It also identifies conditions present at Enron's collapse: a strong agency culture with collectively non-compliant norms, a munificent rare-failure environment, and new hires with little business ethics training. Turning to four possible antidotes (selection, objectivist integrity, integrity capacity, and stewardship reasoning) to an agency culture under these conditions, the author argues that the currently available ethics literature would have made little difference toward averting Enron's collapse if any of the recommendations from the relevant ethics literature had been implemented.</p> | Core Concepts |
| <p>Venard B. 2009. "Corruption in Emerging Countries: A Matter of Isomorphism", <i>M@n@gement</i>, 12 (1), 1-27.</p> <p>Abstract: This paper, based on neo-institutional literature, focuses on the influence of organizational isomorphism on corruption in emerging countries. Authors conclude that corruption is influenced by coercive, mimetic and competitive isomorphism. This study indicates that the higher the quality of a given institutional framework, the lower the level of corrupt behavior. Furthermore, authors suggest that corruption is explained by mimetism within the same economic sector. We thus conclude that a firm is more likely to resort to corruption if its competitors already adopt corrupt behavior.</p> | Core Concepts |
| <p>Venard B. and Hanafi M. 2008. "Organizational Isomorphism and Corruption in Financial Institutions: Empirical Research in Emerging Countries", <i>Journal of Business Ethics</i>, 81, 481-98.</p> <p>Abstract: The globalization of capital markets in the last 20 years has led to a historic degree of financial integration in the world. It is clear, however, that globalization is not conducive to a complete homogeneity of financial markets and institutions. Among others, one element of diversity is the importance of the impact of corruption in emerging countries. Corruption decreases the credibility of financial institutions and markets. Scandals and unethical behavior in financial institutions erode confidence in such firms. Relying on neo-institutional literature, this article focuses on the link between corruption and organizational isomorphism in financial institutions in emerging countries.</p> | Core Concepts |

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| <p><i>Collective Action – Building a Coalition Against Corruption</i> www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/CollectiveAction2010.pdf</p> <p>Abstract: To be successful in the long run, all actors have to build an alliance and act collectively in the fight against corruption. The document describes how organizations can join hands with the other stakeholders for combating market corruption.</p> | Primary source |
| <p>OECD. 2003. <i>Business Approaches to Combating Corrupt Practices</i>. Directorate for Financial, Fiscal and Enterprise Affairs, Working Papers on International Investment No. 2003/2. http://www.oecd.org/dataoecd/63/57/2638716.pdf</p> <p>Abstract: The international business community's anti-corruption efforts are essential parts of broader systems for fighting corrupt business practices. These also include formal law enforcement, where an appropriate regulatory framework is already in place, and regulatory and other public sector reform, where it is not. In summarizing the anti-corruption approach of major companies, the paper provides data relevant for answering the issues like public disclosure of anti-corruption efforts by the companies, Company's anti-corruption commitment and type of systems and practices adopted.</p> | Primary Source |
| <p>OECD. 2011. <i>OECD Guidelines for Multinational Enterprises: Recommendations for Responsible Business Conduct in a Global Context</i>. www.oecd.org/dataoecd/43/29/48004323.pdf</p> <p>Abstract: The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. The Guidelines aim to promote positive contribution by enterprise to economic, environmental and social progress worldwide.</p> | Primary source |
| <p>Cannold, J. 2011. <i>NYU Pays Major Settlement in Racial Discrimination Suit</i>. http://articles.cnn.com/2011-08-17/us/new.york.nyu.suit_1_nyu-spokesman-john-beckman-eeoc-nyu-s-bobst-library?_s=PM:US</p> <p>Abstract: It describes a harassment lawsuit settlement arising due to New York University employee was subjected to racial slurs and insults, as reported by the U.S. Equal Employment Opportunity Commission (EEOC). According to the report, the problem started when the supervisor of the mailroom at NYU's Bobst Library repeatedly referred to an African employee as a "monkey" and "gorilla," lodged insults such as "do you want a banana?" and "go back to your cage," and referred to the employees accented English as "gibberish."</p> | Case |
| <p>Christensen, J. 2009. <i>Africa's bane: Tax Havens, Capital Flight and the Corruption Interface</i>. Working Paper 1, Real Instituto El Cano http://www.isn.ethz.ch/isn/Digital-Library/Publications/Detail/?id=95401&lng=en</p> <p>Abstract: This publication discusses corruption and secrecy jurisdictions and its negative effects on sustainable development in Africa. The author explains that bankers, lawyers and accountants who operate from secrecy jurisdictions actively encourage corrupt practices by facilitating illicit financial flows through an offshore interface between the illicit and licit economies. The publication explains that financial market liberalization has contributed to this problem by not addressing the secrecy space comprised by banking secrecy, non-disclosure of ownership of corporations and other legal entities, lack of accounting transparency for multinational companies, and the lack of provisions for effective exchange of information between national authorities.</p> | Case |
| <p>Dunfee, T. and Robertson, D. 1996. 'Foreign Assignment,' in Donaldson and Werhane (eds.) <i>Ethical Issues in Business: A Philosophical Approach</i>, 5th Ed., Prentice-Hall, 377–78.</p> <p>Abstract: The case describes the possible sexual discrimination against a young women employee of a U.S. bank, operating in Mexico. It is useful for discussion on relativism and human rights. The case also highlights how the norms and behavior changes across context and, therefore, pointing towards the need of considering the context-factors in human resource policies and practices.</p> | Case |
| <p>Michael Orey. "Fear of Firing". www.businessweek.com/magazine/content/07_17/b4031001.htm</p> <p>Abstract: It describes the situation at General Electric (GE). While exploring issues of 'discrimination' and 'retaliation towards complaint,' the case aims to set ground for debating the challenges in healthy 'employee relationship' in a context involving multicultural employees.</p> | Case |

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| <p>Siemens: Integrating Transparency and Anti-corruption throughout the business, Article available at: http://www.article13.com/UNGC/Siemens%20anti-corruption%20case%20study.pdf</p> <p>Abstract: The article focuses on the different sustainability and anti-corruption initiatives initiated by the Siemens AG, a German based organization, regarded as Europe's largest engineering conglomerate owing to their diverse range of services and products. With Siemens widescale scope and diverse business activities, it has in recent years, found it difficult to monitor and regulate its corruption levels. It was at the centre of a very serious corruption scandal, involving cases of non compliance of rules and regulations. This has resulted in top management being investigated and high costs totaling €1.4 billion. Since then, Siemens has reported that it had not done enough to embed its values, rules and guidelines into company practice. It has now made considerable changes to its business to integrate transparency and anti-corruption, with a new programme, changes in leadership culture, structure, communication, and new systems of embedding rules and values.</p> | Case |
| <p>The A.P. Moller - Maersk Group. 2011. <i>Sustainability Report 2011</i>. Available at: http://www.maersk.com/Sustainability/Documents/Maersk_Sustainability_Report_2011.pdf</p> <p>Abstract: The A P Moller Maersk sustainability report portrays the company's strategies and action plans to ensure sustainability concerns in all the decision making and implementation across the organization. The report shows how the organization has successfully integrated and adopted the sustainability issues by integrating it with business functions and strategies.</p> | Case |
| <p>Zimmerman, A. 2005. <i>Can Employers Alter Hiring Practices to Cut Health Costs?</i> http://www.fsb.muohio.edu/evenwe/courses/eco361/f05/readings/ws1 -- hiring policies to reduce health costs.pdf</p> <p>Abstract: The case focuses on a situation caused by an internal Wal-Mart memo proposing that the retailer cut its health-care costs by discouraging unhealthy people from applying for jobs. It raises questions about how far employers can legally go in preferential hiring.</p> | Case |

List of Additional Readings

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| <p>Chaikin, D. and Sharman, J. C. 2009. <i>Corruption and Money Laundering: A symbiotic relationship</i>. Palgrave Macmillan, New York, UK.</p> <p>Abstract: This Corruption is the biggest single obstacle to development, while money laundering is at the heart of all profit-driven crime. The failure to appreciate the intimate linkages between these two crimes has undermined international efforts to combat these global scourges. Through a policy and legal analysis, this book shows how corruption facilitates money laundering and vice versa. It demonstrates how strategies utilized to counter one type of financial crime can be adapted to fight the other. Authors provide a pioneering evaluation of the current systems from multi-disciplinary perspective based on professional experience and extensive interviews.</p> | Core Concepts |
| <p>Deloitte Report. 2010. <i>Mitigating corruption risk Perspectives for Aerospace & Defense industry executives</i>. http://www.deloitte.com/assets/Dcom-Greece/LocalAssets/Documents/Attachments/Energy/MitigatingCorruptionRisk.pdf</p> <p>Abstract: Developed by Deloitte, the report focuses on the issue of corruption exposure risk. As aerospace and defense companies embark on missions in new frontiers, they should carefully consider whether their existing anti-bribery compliance programs and controls adequately address the risks of doing business, particularly with previously untested third parties, in countries perceived to be a higher risk for corruption.</p> | Core Concepts |
| <p>Gottschalk, P. 2011. "Executive positions involved in white-collar crime", <i>Journal of Money Laundering Control</i>, 14 (4), 300–312.</p> <p>Abstract: The purpose of this paper is to present an empirical study of white-collar crime in business organizations. The paper provides statistical evidence that top-level executives are involved in financial crime. The study identified financial misconduct by chief executive officers in the company as the crime associated with the most serious consequence for the company. However, a person in a purchasing and procurement function is assumed to be the most likely involved in and vulnerable to white-collar crime.</p> | Core Concepts |

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| <p>Harmon, Z. and Bentivoglio, J. 2008. <i>Risk Areas for Overseas Sales and Marketing: Device firms must conduct business cautiously when dealing with government-controlled healthcare systems in other countries</i>. http://www.mddionline.com/article/risk-areas-overseas-sales-and-marketing</p> <p>Abstract: Published by Medical Device and Diagnostic Industry, the article focuses on the issue of compliance in medical device marketing in global environment. The legal and regulatory risks for medical device companies vary widely based on laws and enforcement environments in different countries. Differences in national laws, particularly with respect to financial relationships between manufacturers and healthcare providers, pose a challenge for many companies seeking to establish global compliance policies and procedures. The article explores how despite the challenges of navigating the global manufacturer-physician landscape, the codes of conduct developed by national and regional medical device associations provide useful guidelines for many sales and marketing practices. It confirms that compliance with such codes may help to reduce a company's exposure to violations of the FCPA or foreign anti-bribery laws.</p> | Core Concepts |
| <p>Luo, Y. 2002. "Corruption and Organization in Asian Management Systems", <i>Asia Pacific Journal of Management</i>, 19 (2-3), 405-422.</p> <p>Abstract: From an organizational viewpoint, research on corruption is both a frontier and a challenging issue in Asian management systems. Corruption is rampant in many Asian countries but organization theorists are surprisingly silent in addressing what impact corruption has on an organization and its operations. Contrary to the belief that corruption is necessary for business survival and growth in Asia, authors argue that it is an evolutionary hazard, a strategic impediment, a competitive disadvantage, and an organizational deficiency. The article explains why an organizational perspective of corruption is an important research agenda in Asian management, outline how corruption differs from interpersonal business networking, and illustrate why corruption impedes organizational development.</p> | Core Concepts |
| <p><i>Equal Employment Opportunity Commission</i>. www.eeoc.gov</p> <p>Abstract: U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws making illegal discrimination against job applicants or employees because of a person's race, color, religion, sex (including pregnancy), national origin, age, disability or genetics. The EEOC has the authority to investigate charges of discrimination against employers who are covered by the law. The website provides the detail of EEOC activities and aims to make the stakeholders aware of 'no discrimination policy and standards'.</p> | Primary source |
| <p>Revenue Watch Institute, Transparency International. 2011. <i>Promoting Revenue Transparency: 2011 Report on Oil and Gas Companies</i>. www.transparency.org/news_room/in_focus/2011/prt_2011#7</p> <p>Abstract: Countries rich in resources are often mired in poverty. If companies were more transparent about payments made to governments to exploit oil and gas resources, there would be less room for corruption and more money available for development. The article focuses on transparency in revenue reporting, with findings intended to serve as a benchmark for corporate reporting by the sector. They identify current practices and areas for improvement and provide recommendations for enhancing transparency and accountability in reporting. Companies create value for their shareholders, but they should also share this value transparently in the countries in which they work to promote economic development.</p> | Primary source |
| <p>Hamilton, S. and Francis, I. 2003. <i>The ENRON Collapse</i> (Reference no. IMD-1-0195).</p> <p>Abstract: This case charts the collapse of Enron, examines the role of various parties including senior management, the board and the auditors. It also looks at the complex structures and accounting policies used to artificially inflate both revenues and profits, and to conceal these from shareholders and others. It brings out key learning points on risk management, corporate governance, ethics and controls of a complex enterprise.</p> | Case |
| <p>Smith, A.D. 2008. "Corporate social responsibility practices in the pharmaceutical industry", <i>Business Strategy Series</i>, 9 (6), 306-315.</p> <p>Abstract: The purpose of this paper is to provide practitioners of management a sense of the importance of strategically leveraging social responsibility in the pharmaceutical industry, such that it provides a sustainable competitive advantage is that it requires a culture that can successfully execute a combination of activities. Based on the case studies of GlaxoSmithKline and Bayer Corporation, it highlights the need and practice for sound CSR.</p> | Case |

Core teaching resources

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| <p>A. SATYAM COMPUTERS CORPORATE GOVERNANCE FIASCO (A): SIBLINGS ARE DEARER THAN SHAREHOLDERS? (Reference no. 309-087-1).</p> <p>B. SATYAM COMPUTERS CORPORATE GOVERNANCE FIASCO (B): THE ROLE OF INDEPENDENT DIRECTORS (Reference no. 709-008-1).</p> <p>C. SATYAM COMPUTERS CORPORATE GOVERNANCE FIASCO (C): CEO CONFESSES, COMPANY COLLAPSES (Reference no. 709-012-1)</p> <p>D. SATYAM COMPUTERS CORPORATE GOVERNANCE FIASCO (D): GOVERNMENT INTERVENES, PERPLEXITY PREVAILS (Reference no. 309-255-1)</p> <p>E. SATYAM COMPUTERS CORPORATE GOVERNANCE FIASCO (E): NEW CEO'S KNOWN PROBLEMS, UNKNOWN SOLUTIONS (Reference no. 309-214-1)</p> <p>Authors: Gonela, S.; Sagar, T., 2009. IBS Case Development Center. www.ecch.com</p> <p>Abstract: This is the first of a six-case series (309-087-1, 709-008-1, 709-012-1, 309-255-1, 309-214-1, and 309-215-1). Depending on contextual relevance, only the first five cases have been included here. Case (A) introduces Satyam Computers' corporate governance fiasco and captures the initial events from 16-18 December 2008. Case (B) inquires if the fiduciary duties of independent directors on the Satyam board were duly discharged and enables a debate on whether the independent directors have deviated from the spirit of the corporate governance norms, particularly in a company that is renowned for receiving the Golden Peacock Award for Excellence in Corporate Governance more than once. Case (C) captures the events occurring from 7-10 January 2009. On 7 January, the CEO, B Ramalinga Raju released a press statement confessing that the accounts books had been tampered with and income figures over the last few years were inflated. More interesting was his admission that no one else was involved. Case (D) addresses the question: should the government of India have intervened by disbanding Satyam's board and constituting an interim board? Presenting a comprehensive look at the previous three cases covering the events leading up to the resignation and arrest of B Ramalinga Raju, this case focuses mainly on the events occurring from 11 January-5 February 2009. Case (E) focuses on events from 6 February-12 March 2009. It is mainly intended to analyze the reasons that compelled the Indian government to abolish the ad hoc board of Satyam, which was formed at the behest of the former CEO, and to form a new board with industry experts to carry on the daily activities of the company.</p> | Case |
| <p><u>Resource T.8.1</u></p> <p>The Advertising Manager of Eyesoft Televisions, Mr. Samuel was looking at the newly designed advertisement campaign strategy and programs, which comprised of detailed comparison of advertising strategy of three-leading brands in the industry, including Eyesoft. The advertisement strategy was to be implemented from the next financial year, starting after 10 days. The same evening, he received a phone call from his wife Debora asking him to help her in preparing proposal for 'contract of advertising design' to be submitted to a competitors' brand. Considering the situation, discuss the following;</p> <ol style="list-style-type: none"> Would it be ethically acceptable behavior if Samuel accepts his wife's request to help in preparing the contract? Why or why not? What type of interest conflicts you see in this situation? Assuming that he accepts his wife's request, can it be considered a form of corruption? | Scenario |
| <p><u>Resource T.8.2</u></p> <p>Mr. Faruk, Vice-President of Human Resource department of an automobile company was discussing with Production Manager about the required essential and desirable competencies for the newly created position of 'Quality Management Systems - Head'. One of Mr. Faruk's close friends has recommended Mr. Peter for the post. Peter's CV was strong and in addition to the required qualification and skills, Peter had served for about 3 years in a country, where the company was planning to extend its' operation in the future. Faruk was thinking that if he includes 'previous work experience in that particular country' as one of the desirable criteria for the position, the chances of Peters' selection would be higher.</p> <ol style="list-style-type: none"> Assuming you are in place of Faruk, would you change the criteria for the post to suit it to Peter's profile? Give reasons to support your answer. Discuss the main ethical dilemmas in this situation. | Scenario |

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| <p><u>Resource T.8.3</u></p> <p>Mr. Faruk, Vice-President of Human Resource department of an automobile company was discussing with Production Manager about the required essential and desirable competencies for the newly created position of 'Quality Management Systems - Head'. One of Mr. Faruk's close friends has recommended Mr. Peter for the post. Peter's CV was strong and in addition to the required qualification and skills, Peter had served for about 3 years in a country, where the company was planning to extend its' operation in the future. Faruk was thinking that if he includes 'previous work experience in that particular country' as one of the desirable criteria for the position, the chances of Peters' selection would be higher.</p> <ol style="list-style-type: none"> Assuming you are in place of Faruk, would you change the criteria for the post to suit it to Peter's profile? Give reasons to support your answer. Discuss the main ethical dilemmas in this situation. | Scenario |
| <p><u>Resource T.8.4</u></p> <p>Only six days left in the closing of the current financial year and Sales Manager of Crystal Automation System Mr. David was very busy with preparation of reports and projections for the next years' sales targets for the company. This year his company performed well and he successfully managed to achieve about 110% of the last year sales target. He was thinking that if next year the same performance is maintained, he would be promoted to senior management position. His secretary informed that purchase manager of a large Government institution wanted to talk to him over phone. When he called, the Purchase Manager told him about the Crystal's bid to supply automation solution in his institution was approved today and confirmed that he would fax the order copy today. David was happy but looking at the large volume of supply he thought that if the process could be delayed by 15 days, it would help in achieving his departments' performance target for the next cycle. However, he was not quite sure as it was rumored that some of the key suppliers' of Crystal were planning to raise the prices from the next financial year due to next tax policy of the Government. If this would happen, the Crystal could have to compromise significantly with its' anticipated profit from this order.</p> <ol style="list-style-type: none"> Would it be right to delay the order by 15 days? Discuss What are the ethical challenges for David in making the decision? | Scenario |
| <p>Larry Zicklin, Daisha Rodriguez at Mega Bank, in The Sustainability Imperative by David A. Lubin and Daniel C. Esty, Harvard Business Review May 2010. www.nyblackmba.org/pdfs/2011_Scholarship_Essay_Articles.pdf</p> <p>Abstract: Daisha Rodriguez had been at Mega Bank for less than 13 months when she was called in by the Human Resources Department for what she thought would be her annual review. Instead, she was both flattered and surprised when asked if she would permit some candid photographs to be taken of her on the trading floor for possible inclusion in the firm's forthcoming annual report. Later she discovered that the photograph was taken to convey the different message about the company....and it lead to a number of questions.</p> | Scenario |

Additional Teaching Resources

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| Global Infrastructure Anticorruption Center. Anti-corruption Programme for Companies. http://www.giaccentre.org/project_companies.php | Tools |
| UNGC, UNODC (2010). Online Anticorruption Learning Tools. http://thefightagainstcorruption.unglobalcompact.org/ | Tools |
| Global Advice Network. Business Anti-Corruption Portal: Integrity System. http://www.business-anti-corruption.com/integrity-system/ | Portal |
| The Siemens Compliance System: Management Approach http://www.siemens.com/sustainability/en/core-topics/compliance/management-approach/index.php | Portal |

9. Truth and Disclosure

Rationale

When employees are confronted with examples of corruption in their own organization, they are often uncertain how to respond because they experience conflict between their own convictions and loyalty towards the organization or colleagues. The ability to become aware of such examples in the first place is also determined by the level of transparency and the quality of measurement and disclosure in the organization.

The required response is often generalized into a decision about whether to blow the whistle or not, but in practice it is much more complex. In very broad terms, the following statements describe the situation in most companies:

- In many cases examples of ethical transgressions are easy to spot – i.e. employees are not faced with dilemmas; they know what they see or experience is wrong and what the right thing is to do;
- Speaking up about corruption or other misconduct does not only involve anonymous whistle-blowing; it also involves employees who act responsibly and do something about it (speaking up / giving voice);
- Companies need to manage the whole spectrum, i.e. provide confidential mechanisms to blow the whistle, but also empower their employees to speak up about issues that concern them and/or find ways to prevent or address the situation; and
- From a disclosure point of view – how companies measure and report on behavior and perceptions is very important and demonstrates a commitment to transparency. The developing field of integrated reporting provides guidance in this regard.

This topic is dealt with in the following way:

- The Giving Voice to Values Curriculum (developed by Mary Gentile, www.GivingVoiceToValues.org) is used to address issues around truth and loyalty, and to give an overview of how employees can find their own voice;
- Integrated reporting is introduced as a separate and important topic but not addressed in detail.

Learning objectives

Having accomplished the topic, students should be able to:

- Explain and understand how and when issues around truth and disclosure arise (e.g. internal auditing, external reporting, budgeting, bid preparation, etc.)
- Answer questions such as: “What if I were going to act on my values? What would I say and do? How could I be most effective?”
- Define integrated reporting and explain in broad terms how companies measure and report on non-financial issues

Study questions

Questions are included in the “Reporting” document, linked to the case studies. In addition, the questions below could be considered from the list of additional readings.

1. Would a “Bluffer” (Priest) voice any objections to the (i) corporate actions of Boots described in “Bitter Pill” and (ii) Towers Perrin in the “Familiar Refrain” case? Do you agree with Priest? Can you identify any market failures in “Bitter Pill” and “Familiar Refrain”?
2. According to game theory (“Reputation and Corporate Strategy”) assess the long-term effects of bluffing as applied to (i) the job of an equity analyst (“Today’s Analyst”) and (ii) law schools (“Law Students Lose the Grant Game”)?
3. Is there anything ethically wrong about the medical writers in “Medical Papers by Ghostwriters” and the law school in “Law Students Lose the Grant Game”? Are their actions justifiable as business bluffing (Priest) or considered to be fraudulent (“When Do Exaggerations & Misstatements Cross the Line”)?

Core literature

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| <p>Gentile, Mary. 2010. "Reporting" (forms part of the Giving Voice to Values Curriculum) Information – accurate, credible, appropriately accessible information – is a fundamental underpinning to the efficient functioning of individual businesses and to the wider market system. And honesty is one of the most widely shared core human values. So it is no surprise that descriptions of workplace value conflicts regularly include questions regarding the honest reporting of business information.</p> <p>Included in this document: a series of brief case descriptions of situations where an individual is faced with a value conflict regarding honest reporting. The case actors are being asked, often explicitly, to alter what they believe to be accurate reporting of information, or to overlook such alterations on the part of others within the firm. The purpose of this set of materials is to consider how we might respond to such situations, assuming that we want to be honest. Discussion questions follow the cases, suggesting teaching plans that are consistent with the Giving Voice to Values (GVV) curriculum.</p> <p>Supporting background readings are also included, to help students determine when behavior is "over the line." However, the assumption here is that most accounting classes already provide some assistance with this kind of judgment. The primary purpose of these background articles in the context of this module is to provide definitions and arguments that may be crafted into potential usable responses to commonly heard rationalizations. That is, their use here is intended for those occasions when we believe we know the right thing to do, and we are searching for ways to persuasively voice and implement our values. These articles were chosen for their clear, persuasive language and compelling arguments.</p> <p>This module can be used as a complete set or, alternately, pieces of it may be inserted into existing class sessions. In addition, the general approach and discussion topics may be applied to cases that are already being taught in accounting, management or business ethics courses. The assumption behind this approach to pre-scripting responses to ethical challenges is presented in the companion piece, Giving Voice to Values: Starting Assumptions for Faculty.</p> | <p>Primary source</p> |
| <p>Gentile, Mary. 2010. <i>Giving Voice to Values: How to Speak Your Mind When You Know What's Right</i>. New Haven: Yale University Press.</p> <p>Giving Voice to Values (GVV) is an innovative curriculum for values-driven management and leadership, designed to be integrated across the core business curriculum as well as to stand alone. The Aspen Institute was founding partner, along with Yale School of Management, and incubator for GVV which is now funded by Babson College.</p> <p>Drawing on both the actual experiences of business practitioners as well as cutting edge social science and management research, Giving Voice to Values fills a long-standing and critical gap in business education by expanding the definition of what it means to teach business ethics. Rather than a focus on ethical analysis, this new curriculum focuses on ethical implementation and asks the question: "What if I were going to act on my values? What would I say and do? How could I be most effective?"</p> <p>Giving Voice to Values identifies the many ways that individuals can and do voice their values in the workplace, and provides training to build the muscle necessary to do so, by giving students opportunities to script and practice this voice in front of their peers.</p> | <p>Primary source</p> |
| <p>International Integrated Reporting Council. 2011. <i>Towards Integrated Reporting – Communicating Value in the 21st Century</i>. Available for download at www.theiirc.org/the-integrated-reporting-discussion-paper/discussion-paper-submissions/</p> <p>Extract from the web site (www.theiirc.org): The mission of the IIRC is to create a globally accepted Integrated Reporting framework that brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format. The goal is to develop more comprehensive and comprehensible information about organizations, prospective as well as retrospective, to meet the needs of a more sustainable, global economy.</p> | <p>Primary source</p> |

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| <p>The principal role of the IIRC is to:</p> <ul style="list-style-type: none"> • Reach consensus among governments, listing authorities, business, investors, accounting bodies and standard setters for the best way to tackle Integrated Reporting challenges; • Identify priority areas where additional work is needed and provide a plan for development; • Develop an overarching Integrated Reporting framework, which sets out the scope and key components of Integrated Reporting ('the <IR> Framework'); • Consider whether integrated reporting should be voluntary or mandatory; • Promote the adoption of Integrated Reporting by relevant regulators and report preparers. | |
| <p>UNEP, Deloitte, Centre for Corporate Governance in Africa. 2012. <i>Making Investment Grade – the Future of Corporate Reporting</i>.</p> <p>This document explores key decision points that will determine the future evolution of reporting. It includes 21 contributions from recognized experts in the reporting, corporate governance and responsible investment fields. There are specific sections on the drivers for reporting, materiality, intended audiences, governance as well as the format of the integrated report. Authors include John Elkington, Simon Zadek, Ernst Ligteringen, Paul Druckman, Bob Eccles, Barbara Krumsiek, Mervyn King, Roger Adams, Aron Cramer and David Pitt-Watson.</p> | Primary source |

List of additional readings

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| Budeiri, P.R. <i>The Return of Qui Tam</i> . | Core concept |
| Gentile, M. 2010. "Keeping Your Colleagues Honest: How to challenge unethical behavior at work—and prevail", <i>Harvard Business Review</i> , March. | Core concept |
| Priest, J.T. <i>Bluffing</i> . http://findarticles.com/p/articles/mi_qn4182/is_19980508/ai_n10118813/ | Core concept |
| Reardon, K.K. 2007. "Courage as a Skill". <i>Harvard Business Review</i> . https://www.iveycases.com/?aspxerrorpath=/cases/pages/home.aspx | Core concept |
| Weigel K. and Camerer, C. <i>Reputation and Corporate Strategy: A Review of Recent Theory and Applications</i> . | Core concept |
| Blackmon, D.A. <i>Familiar Refrain: Consultant's Advice on Diversity was Anything but Diverse</i> . | Case |
| Finder, J. 2007. <i>CEO's Private Investigation</i> . www.hbsp.harvard.edu → R0710A | Case |
| Friedman, S. <i>When Do Exaggerations & Misstatements Cross the Line?</i> Knowledge@Wharton.com , www.knowledgeatwharton.com.cn/index.cfm?fa=viewArticle&articleID=2251&languageid=1 | Case |
| Hasson, R, Hardis, S.R, Shear, H, Rowe, M.P, Robinson, J.W and Robinson, J.W. 2007. <i>Why Didn't We know?</i> www.hbsp.harvard.edu → R0704A | Case |
| King, Jr, R.T. <i>Bitter Pill</i> . | Case |
| Lane, H.W. and Wesley, D.T.A. 2011. <i>Asis Electronics</i> . www.hbsp.harvard.edu → 9B11M057 | Case |
| Lowenstein, R. <i>Today's Analyst Often Wears Two Hats</i> . | Case |
| Segal, D. <i>Law Students Lose The Grant Game as Schools Win</i> . http://www.nytimes.com/2011/05/01/business/law-school-grants.html?pagewanted=all | Case |
| Seijts, G and Kyei-Poku, I. 2008. <i>Fuzzy Math</i> . www.hbsp.harvard.edu → 908C07-PDF-ENG | Case |
| Singer, N. <i>Medical Papers By Ghostwriters Pushed Therapy</i> . http://dialogic.blogspot.com/2009/08/natasha-singer-medical-papers-by.html | Case |
| Vandivier, K. <i>Aircraft Brake Scandal</i> . | Case |
| Wong, M.Y, Lau A and Wong, R. 2006. <i>King Jewels: Ethical Leadership in Practice</i> . www.hbsp.harvard.edu → HKU620-PDF-ENG | Case |

10. Whistle Blowing

Rationale

This module aims to introduce students to the very specific action of whistle blowing. It supports the broader theme of “truth and disclosure” which was dealt with in topic 9. As the name suggests, the act of whistle blowing is a conscious attempt to raise awareness through making external parties aware of misconduct or illegal behavior. This could be done – but does not have to be – in an anonymous way. Some of the most important issues to address are:

- How to determine whether there is a moral obligation to blow the whistle in some cases;
- The design and implementation of whistle blowing mechanisms
- How and when to protect whistle blowers

Learning objectives

Having accomplished the topic, students should be able to:

- Define whistle blowing
- Determine under which conditions whistle blowing would be the most appropriate strategy
- Describe practical steps companies can take to design and implement effective mechanisms
- Explain legal standards that are aimed at the protection of whistle blowers

Study questions

1. Consider the position of Searle Lawson in the “Aircraft Brake Scandal” case. At what point, if any, should he have blown the whistle to someone outside B.F. Goodrich? Why do you think that the outcome in the “Airline Safety” case was so different for Mark Lund?
2. Evaluate the 4 options facing Steiner, a potential whistleblower, in ‘The Moment of Truth’ case. Pick the option that you would choose and justify your choice using course concepts. Also consider how the new financial reform act strengthens whistleblower protection (“New Financial Reform Legislation”).

Core literature

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| Berenbeim, R. 2007. <i>Cultural Resistance to Whistleblowing Systems – Myth or Reality?</i> The Conference Board. | Core concept |
| Commerce and Industry Group. 2007. <i>Blowing the Whistle</i> . Law and Financial Market Review. May. | Core concept |
| De Maria, W. 2006. “Common Law – common mistakes? Protecting whistleblowers in Australia, New Zealand, South Africa and the United Kingdom”, <i>International Journal of Public Sector Management</i> , 19 (7), 643-658. | Core concept |
| Dworkin, T.M. 2002. “Whistleblowing, MNCs and Peace”, <i>Vanderbilt Journal of Transformational Law</i> , 35, 457-486. | Core concept |
| Kleinhempel, M. 2011. <i>Whistle-blowing (technical note)</i> . http://english.iae.edu.ar/pi/profesores/Pages/ProfesorDisplay.aspx?pid=328 | Core concept |
| Lewis, D. and Trygstad, S. 2009. “Protecting whistleblowers in Norway and the UK: a case of mix and match?”, <i>International Journal of Law and Management</i> , 51(6), 374-388. | Core concept |
| Lewis, D. and Uys, T. 2007. “Protecting whistleblowers at work. A comparison of the impact of British and South African legislation”, <i>Managerial Law</i> , 49, 76-92. | Core concept |

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| Hogan, M.B. and Hamid, J. <i>New Financial Reform Legislation Provides Whistleblowers with Expansive Protection</i> . Debevoise & Plimpton, LLP. | Primary source |
| International Chamber of Commerce. 2008. <i>ICC Guidelines on Whistleblowing</i> . http://www.iccwbo.org/uploadedFiles/ICC Guidelines Whistleblowing as adopted 4_08(2).pdf | Primary source |
| Holmes, S. <i>Airline Safety: A Whistleblower's Tale</i> . www.businessweek.com/magazine/content/08_06/b4070000689813.htm | Case |
| Schepers, D. and Rosen, H. <i>Moment of Truth: A Whistleblower's Dilemma in the Financial Services Industry</i> . | Case |
| Vandivier, K. <i>Aircraft Brake Scandal</i> . | Case |

11. The Developing Global Anti-Corruption Regime

Rationale

This module aims at providing students with an overview and understanding of the evolving global anti-corruption compliance regime and to discuss the general significance that the various modes and mechanisms of regulation involved in the regime has for organizations – public, private and civil society – operating in different societal contexts.

Analytically and pedagogically, the emergence and significance of the global anti-corruption compliance regime is approached from three, complementary perspectives, each of them providing a short historical background followed by an in depth investigation of the implications for organizations operating in multiple contexts, based on cases and other material.

1. Changes in legislative and regulatory frameworks in national and international contexts since the 1970s. This perspective digs into the evolution and role of significant drivers in the emergent anti-corruption regime, such as the FCPA, OECD Convention against Bribery, the UNCAC and the UK Bribery Act, as well as the many other more regional regulatory initiatives, or regulatory initiatives that do not directly address anti-corruption work as such, but may have significance for it (e.g., Dodd-Frank)
2. The push towards corporate social responsibility, corporate citizenship and sustainability. This perspective highlights the emerging anti-corruption compliance regime by taking into consideration the explosion of interest in areas such as corporate accountability, risk management and the focus on 'stakeholders' in matters of corruption and anti-corruption. It analyzes the trajectory and content of voluntary codes developed by TI, ICC, PACI and other organizations and discusses their significance for private and civil society organizations in terms of increasing (self-regulatory) responsibilities.
3. The new politics of organizational visibility, reputation and ethics. This perspective links the emergence of the global anti-corruption compliance regime to the globalization of media, including the rise of new information and communications technologies such as social media and the engagement of citizen in anti-corruption work. It analyzes and discusses their significance for organizations in terms of handling the risks associated with corruption as well as the risks and opportunities derived from engaging in anti-corruption work.

In all, the three perspectives suggest the usefulness of approaching anti-corruption work in the light of the move from 'government to governance' (or from 'state centrism' to 'polycentrism'). The premise is that organizations increasingly face pressures towards undertaking anti-corruption work from not only one, regulatory site such as the national government ('state-centrism', if any more than formal), but from several regulatory sites, including governments in other countries (e.g., extraterritorial principles), international organizations (e.g., good governance conditionality), hybrid organizational forms such as public-private partnerships (e.g., UN Global Compact, EITI; PACI, etc), watchdogs like NGOs (Transparency International, Publish What you Pay, Global Witness, Amnesty International, etc.), traditional media as well as new media (anti-corporate blogs, globalization skeptics, and digital platforms such as Openleaks.org, Wikileaks, etc.), not to forget the self-regulatory measures including standards emanating from companies and industry associations themselves, such as in the extraction, pharma and defense industries

Learning objectives

Having accomplished the module, students should be able to:

- Account for the emergence of the global anti-corruption regime and the different modes of regulation that it has come to entail
- Analyze the changing patterns of regulatory distribution in terms of formulation, implementation and enforcement of anti-corruption rules and norms, highlighting the push towards increasing organizational (self) responsibility and the intersection of hard and soft law dynamics
- Analyze the risks and opportunities arising for organizations resulting from the increasingly mediatized exposure of organizational misconduct
- Discuss the significance of the global anti-corruption regime for organizations, managers and employees operating in different societal contexts

Study questions

An important distinction should be made between analytical-diagnostic questions on the one hand and normative-prescriptive questions on the other hand (each of which may of course vary in levels of generality and specificity)

1. Examples of general analytical-diagnostic questions might include:

- How did the global anti-corruption compliance regime come about, and what are its main regulatory modes today?
- What are the main challenges that the regime poses to organizations in terms of handling their engagement in corruption?
- Do these challenges differ when talking about public sector organizations, businesses or NGOs?
- Would we expect these challenges to vary relative to the societal context in which organizations operate, and if yes, why so?
- Would we expect challenges to vary relative to the country of origin of organizations? If yes, why?
- Etc., etc., etc.

2. Examples of normative-prescriptive questions might include:

- What are the best ways to assist citizens in fighting against corruption, as most current actions are likely to be compromised by the sense of helplessness among those who find themselves exposed?
- What are the additional ways to protect legal rights of whistleblowers in addition to those proposed by e.g. Batory foundation (strengthening whistleblowers' status within criminal procedure; Improving the level of protection for whistleblowers in the Labor Code; Offering legal advice)²⁰
- How can legal protection be strengthened for people who, acting in good faith and out of concern for public good, disclose wrongdoing or unethical behavior in their workplace, thus putting themselves at the risk of mobbing, loss of employment, or professional marginalization?
- In what ways can the EU ensure sufficient quality of legislative procedure for corruption control?
- What are the most effective ways to ensure building and approval of this anti-corruption legislation?
- What are the general principles that should guide people in the development and implementation of national anti-corruption strategies?

²⁰ http://www.batory.org.pl/en/operational_programs/anti_corruption/modul_artykuly_3/suport_and_protection_for_whistleblowers, accessed 27 Nov 2011.

- What are the main threats to the effective implementation of an anti-corruption strategy in countries of the former Eastern bloc?
- What main areas of public life are threatened by corruption in countries of the former Eastern bloc?
- Discuss some ethical considerations from complying with or ignoring the principle that “No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State.” Quoted from Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations G.A. Res. 2625 (XXXV 1970).
- What connection if any do you see between legal forms of political contributions in various jurisdictions and corruption.
- Etc., etc., etc.

Core Literature

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| <p>2011. “UK Bribery Act Requires New Precautions for Global Companies”, <i>Journal of Accountancy</i>, 212 (2), 28-30. August.</p> <p>The U.K. Bribery Act 2010, taking effect July 1, represents one of the biggest changes in global anti-corruption law, but awareness of its provisions remains very low. However, companies with offices or sales activities in the U.K. need to get up to speed since the law applies both to companies that are incorporated in the U.K. as well as companies that conduct business there, whether they have a physical presence in the country or not.</p> | Core concepts |
| <p>Abdulai, A-G. 2009. “Political will in combating corruption in developing and transition economies”, <i>Journal of Financial Crime</i>, 16 (4), 387-417.</p> <p>The article examines the role of political will in combating corruption in Asia. The author suggests that corruption control requires a consistent demonstration of genuine commitment of the government. It argues that the anticorruption reforms imposed by various governments in the region are most likely to fail due to their zero tolerance on the issue;</p> | Core concepts |
| <p>Wolfgang Amann Agata Stachowicz-Stanusch (Editors), <i>Integrity in organizations - Building the foundations for humanistic management</i> (Palgrave Macmillan- forthcoming),</p> <p>The quest for integrity in business is not only a reaction to highly publicized corporate scandals and instances of management misconducts that have eroded public faith, but also a result of changes and new demands in the global business environment. It is inevitable to rethink the main underlying business paradigms as well as to secure the role of key aspects for their implementation. More precisely, the book has the following aims:</p> <ol style="list-style-type: none"> 1) Fostering discussions and clarifications on the role of integrity as a central element of understanding humanism and building humanistic organizations in the business world. 2) More precisely, as integrity deals with consistency of actions, values, methods, measures, principles, expectations, and outcomes, the book proposes patterns and mechanism for more consistency and less contradictions when building more humanistic organizations. 3) Shedding light on more or less open conflicts of interests and values in different organizational hierarchies, functions and managerial roles, as well as proposing concrete solutions. 4) Outline of implementation guidelines and constant improvement initiatives towards more integrity and thus humanism in business. | Core concepts |
| <p>Anand, V., Ashforth, B. and Joshi, M. 2005. “Business as usual: The acceptance and perpetuation of corruption in organizations”, <i>Academy of Management Executive</i>, 19 (4), 9-23.</p> <p>Many of the recent corruption scandals at formerly venerated organizations such as Enron, WorldCom, and Parmalat have some noteworthy features in common. In most instances, the fraudulent acts involved knowing cooperation among numerous employees who were</p> | Core concepts |

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| <p>upstanding community members, givers to charity, and caring parents--far removed from the prototypical image of a criminal. Involvement of such individuals in corrupt acts, and persistence of the acts over time, is both disturbing and puzzling. We argue that the above phenomenon can be explained in part by the rationalization tactics used by individuals committing unethical or fraudulent acts. Rationalizations are mental strategies that allow employees (and others around them) to view their corrupt acts as justified. Employees may collectively use rationalization to neutralize regrets or negative feelings that emanate from participation in unethical acts. Further, rationalizations are often accompanied by socialization tactics through which newcomers entering corrupt units are induced to accept and practice the ongoing unethical acts and their associated rationalizations. We describe the different forms of rationalization and socialization tactics and the ways in which firms can prevent or reverse their occurrence among employees. The onset of these two tactics can establish enduring corruption in organizations and become institutionalized in seemingly innocuous processes.</p> | |
| <p>Ashforth, B., Gioia, D.A., Robinson, S. L. and Treviño, Linda K. 2008. "Re-Viewing Organizational Corruption", <i>Academy of Management Review</i>, 33 (3), 670-684.</p> <p>This special topic forum was designed to stimulate theory development on corruption in organizational life as a systemic and synergistic phenomenon. Given the multiple perspectives and bodies of literature that can be brought to bear on the phenomenon, we introduce the forum with a micro view, macro view, wide view, long view, and deep view of organizational corruption. These views suggest that there is much need for conceptual work that is integrative, interactionist, and processual in nature.</p> | Core concepts |
| <p>Barman, T. 2011. "UK Bribery Act: how will you act?", <i>Financial Management</i>, 16. June.</p> <p>This guidance outlines procedures which commercial organizations can put into place to prevent persons associated with them from bribing. As the guidance states victims of bribery not only include firms who lose out due to an unfair playing field, but also more generally governments and society globally pay a cost "undermined by a weakened rule of law and damaged social and economic development."</p> | Core concepts |
| <p>Berenbeim, R. 2006. "Soft Law and Ethics Programs", <i>Vital Speeches of the Day</i>, November.</p> <p>Company lawyers in the 21st century face new challenges in the proliferation of global business codes of conduct and of company ethics and compliance programs. This Executive Action explores such "soft law" issues and how they have created a new role — and new dilemmas — for lawyers.</p> | Core concepts |
| <p>Berenbeim, R. 2006. <i>Resisting Corruption – An Ethics and Compliance Benchmarking Survey</i>. The Conference Board.</p> <p>A survey of 1361 companies and their anti-corruption programs and practices \$1 BILLION TO LESS THAN \$5 BILLION IN U.S. DO</p> | Core concepts |
| <p>Berenbeim, R. and Arvis, J.F. 2003. <i>Fighting Corruption in East Asia – Solutions from the Private Sector</i>. The World Bank.</p> <p>Recent corporate scandals highlight the importance of both public sector initiatives and sound internal company policies in the fight against fraud and corruption. Policymakers, international organizations, and advocacy groups all agree these supply-side anti-corruption efforts are a critical component of the anti-corruption tool kit. This book, based on research conducted by the World Bank and the Conference Board, describes the efforts of Western and Asian companies to develop good standards of business conduct in their East Asian operations. Case studies from a wide range of corporate settings offer concrete examples of best practices in program creation, implementation, and effectiveness. The book also provides examples of dissemination of those practices that underscore the importance of business partnerships with the public sector and civil society organizations. An essential guidebook for companies, policymakers, academics, and nongovernmental organizations, this book will be of interest to anyone seeking improved business conduct standards in developing countries.</p> | Core concepts |

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| <p>Blundo, G. Olivier de Sardan, J.P. (eds.) 2006. <i>Everyday Corruption and the State Citizens and Public Officials in Africa</i>. Zed Publications, London.</p> <p>This detailed study of everyday corruption in three different African countries highlights its alarming prevalence. The authors analyze the various forms of corruption; the corrupt strategies public officials resort to; and how these forms and strategies have become embedded in the daily administrative practices of the state. The authors investigate the roots of the system, notably the growing inability of weakened states in Africa to reward their employees adequately or deliver the services on the scale expected of the state in the age of structural adjustment and collapsing commodity prices.</p> | Core concepts |
| <p>Bracking, S (ed.). 2008. <i>Corruption and Development The Anti-Corruption Campaigns</i>. Palgrave Macmillan, Basingstoke, UK.</p> <p>This book provides a multidisciplinary interrogation of the global anti-corruption campaigns of the last ten years, arguing that while some positive change is observable, the period is also replete with perverse consequences and unintended outcomes. Contributors unravel the normative assumptions, power relationships and problems of intervention within anti-corruption campaigns in development theory and practice; evaluate and deconstruct donor policy in the area of anti-corruption; and look at new institutional initiatives to build transparency and accountability in government.</p> | Core concepts |
| <p>Cain, A., 2011. "Countdown to the Bribery Act", <i>Internal Auditor</i>, 68 (3), 14.</p> <p>Time is running out for U.S. organizations to familiarize themselves with a law that has far-reaching implications for any business that is registered in the UK, has any part of its operations there, or employs UK citizens.</p> | Core concepts |
| <p>Campos, J.E. and Pradhan, S. (eds.) 2007. <i>The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level</i>. The World Bank, Washington D.C.</p> <p>Corruption... How can policymakers and practitioners better comprehend the many forms and shapes that this social pandemic takes? From the delivery of essential drugs, the reduction in teacher absenteeism, the containment of illegal logging, the construction of roads, the provision of water and electricity, the international trade in oil and gas, the conduct of public budgeting and procurement, and the management of public revenues, corruption shows its many faces. The Many Faces of Corruption attempts to bring greater clarity to the often murky manifestations of this virulent and debilitating social disease. It explores the use of prototype road maps to identify corruption vulnerabilities, suggests corresponding "warning signals," and proposes operationally useful remedial measures in each of several selected sectors and for a selected sample of cross cutting public sector functions that are particularly prone to corruption and that are critical to sector performance. Numerous technical experts have come together in this effort to develop an operationally useful approach to diagnosing and tackling corruption. The Many Faces of Corruption is an invaluable reference for policymakers, practitioners, and researchers engaged in the business of development.</p> | Core concepts |
| <p>Cockcroft, L. 2008. <i>Corporate Corruption – Challenges in a Changing World</i>. ICC Commercial Crime Services.</p> <p>This article provides a useful overview of the regulatory changes in the AC international landscape until 2008, and it discusses the effectiveness and challenges relating to corporate anti-corruption measures. It includes historical overview and discussions of cases of corruption scandals, surveys and recommendations.</p> | Core concepts |
| <p>Cockcroft, L. 2010. "Global Corruption: An Untamed Hydra", <i>World Policy Journal</i>, 27(1), 21-28.</p> <p>In this article the author discusses global political corruption at both the national and international levels. According to the author corruption can take many forms, but a common one, practiced by political leaders such as Suharto of Indonesia and by Nursulatan Nazarbayev of Kazakhstan, is the pilfering of state funds. Among other issues the article examines how legal donations to political parties influenced subsequent government action. This was found to be a problem in 91 countries of 101 surveyed.</p> | Core concepts |

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| <p>Country Report. 2011. "Corruption Concerns Difficult To Erase", <i>Emerging Europe Monitor: Central Europe & Baltic States</i>, 18 (1), 9.</p> <p>The article focuses on the need for the government of Slovakia to focus on corruption. The 2010 Corruption Perceptions Index of Transparency International shows that, in 2007, Slovakia slipped in world rankings to 59th from 49th, stating that the drop is an indictment of the Smer-led administration, citing that the previous government has already progressed in legislative transparency issues. Yet, significant efforts are needed to improve judicial transparency.</p> | Core concepts |
| <p>Crane, A., McWilliams, A., Matten, D., Moon, J. and Siegel, D. (eds.) 2009. <i>The Oxford Handbook of Corporate Social Responsibility</i>. Oxford University Press, Oxford.</p> <p>Business schools, the media, the corporate sector, governments, and non-governmental organizations have all begun to pay more attention to issues of Corporate Social Responsibility (CSR) in recent years. These issues encompass broad questions about the changing relationship between business, society and government, environmental issues, corporate governance, the social and ethical dimensions of management, globalization, stakeholder debates, shareholder and consumer activism, changing political systems and values, and the ways in which corporations can respond to new social imperatives. This Oxford Handbook is an authoritative review of the academic research that has both prompted, and responded to, these issues. Bringing together leading experts in the area, it provides clear thinking and new perspectives on CSR and the debates around it.</p> <p>The Handbook is divided into seven key sections: Introduction, Perspectives on CSR, Critiques of CSR, Actors and Drivers, Managing CSR, CSR in Global Context, Future Perspectives and Conclusions. (H: The section on CSR in Global Context contains chapters that provide a wider background to CSR and the place of international anti-corruption).</p> | Core concepts |
| <p>Crutchfield George, B., Lacey, K. and Birmele, J. 2000. "The 1998 OECD Convention: An Impetus For Worldwide Changes In Attitudes Toward Corruption In Business Transactions", <i>American Business Law Journal</i>, 37 (3), 485–525.</p> <p>The Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, as formulated by the Organization for Economic Cooperation and Development (OECD), provides impetus for worldwide change in legislation governing international business transactions. The Convention obligates signatory countries to adopt domestic legislation that makes bribery of foreign public officials a criminal act. Additionally, it emulates the corporate accountability approach of the U.S. Foreign Corrupt Practices Act to detect corrupt payments. However, the Convention alone is not enough to address other corrosive aspects of corruption. This article examines the strengths of the Convention, analyzes its shortcomings, and recommends that the OECD pursue a multi-faceted strategy to tackle corruption. The strategy should include alliances with other multilateral organizations, international financial institutions, and civil society to develop additional initiatives for educating relevant parties and changing their attitudes about corruption, so that it will be significantly diminished.</p> | Core concepts |
| <p>Cuervo-Cazurra, A. 2006. "Who cares about corruption? ", <i>Journal of International Business Studies</i>, 37 (6), 807-822.</p> <p>This paper examines the impact of corruption on foreign direct investment (FDI). It argues that corruption results not only in a reduction in FDI, but also in a change in the composition of country of origin of FDI. It presents two key findings. First, corruption results in relatively lower FDI from countries that have signed the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. This suggests that laws against bribery abroad may act as a deterrent against engaging in corruption in foreign countries. Second, corruption results in relatively higher FDI from countries with high levels of corruption, suggesting that investors who have been exposed to bribery at home may not be deterred by corruption abroad, but instead seek countries where corruption is prevalent.</p> | Core concepts |

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| <p>Darrough, M.N. 2010. "The FCPA and the OECD convention: Some lessons from the US experience", <i>Journal of business ethics</i>, 93 (2), 255-276.</p> <p>Although corruption is ubiquitous, attitudes toward it differ among countries. Until the 1997 OECD Convention, the U.S. had been one of the only two countries with an explicit extraterritorial anti-bribery law, the Foreign Corrupt Practices Act (FCPA) of 1977. The FCPA employs a two-pronged approach to control the supply side of corruption: (1) anti-bribery provisions; and (2) accounting (books and record and internal controls) provisions. I offer evidence, albeit indirect, to show that the FCPA had limited success. The OECD Convention adopts the same two-pronged approach, but, since it is a multilateral treaty, is likely to be more successful provided that enforcement is vigorous enough. The signatory nations effectively form a cartel to reduce the cost of doing business. As with any cartel, however, each multinational corporation has an incentive to deviate. Thus, the mutual enforcement of the agreement is crucial for its success. However, the two-pronged approach is not sufficient, since internal control does not adequately monitor decisions made at the top level. I argue that the two lessons drawn from the U.S. experience are: (1) law enforcement must be credible; and (2) internal controls alone are not sufficient. Stronger and more effective corporate governance within an appropriate regulatory framework is needed to ensure that multinational corporations conduct their business in an ethical manner.</p> | Core concepts |
| <p>Erbstoesser, E., Sturc, J.H. and Chesley, J. 2007. "The FCPA and analogous foreign anti-bribery laws—overview, recent developments, and acquisition due diligence", <i>Capital Markets Law Journal</i>, 2 (4), 381-403.</p> <p>Securities regulators and law enforcement authorities are increasingly active in the application of anti-bribery laws in the global environment. This renewed emphasis on rooting out transnational corruption has substantial implications for participants in the capital markets engaged in cross-border mergers and acquisitions. More than ever, there is a risk that transactions improperly structured or subjected to inadequate due diligence may result in unexpected criminal or civil liabilities of unprecedented scope and severity. This article is a brief primer on the essentials of the Foreign Corrupt Practices Act, a summary of the most current global developments in global anti-bribery enforcement, and basic guidance on the due diligence efforts that prudent participants in a cross-border transaction should consider.</p> | Core concepts |
| <p>Galang, R.M. 2012. "Victim or Victimizer: Firm Responses to Government Corruption", <i>Journal of Management Studies</i>, 49 (2), 429-462.</p> <p>What is the relationship between government corruption and firm performance? To address this question, I conduct a review of articles published in the leading management journals on government-business interactions pertaining to rent-seeking activities and integrate findings from the fields of international business, social issues in management, public organization, institutional change, and corporate political activity. While much empirical work corroborates earlier findings, suggesting a corrosive impact of government corruption on firm performance in general, management research also points to the heterogeneous impact of government corruption on individual firm performance, driven by strategic activities conducted by firms in response to corruption. I propose an integrative model of firm strategy vis-à-vis corruption that predicts the activity choice of the firm as predicated by its organizational structure, political resources, industry regulation, and surrounding political and social institutions.</p> | Core concepts |
| <p>Gibson Dunn Lawyers. www.gibsondunn.com/publications/pages/2011YearEndFCPAUpdate.aspx</p> <p>The Gibson Dunn Lawyers website contains a wealth of material on FCPA and FCPA enforcement trends, as well as material and publications related to white collar crime</p> | Core concepts |

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| <p>Gillies, A. 2010. "Reputational Concerns and the Emergence of Oil Sector Transparency as an International Norm", <i>International Studies Quarterly</i>, 54 (1), 103-126. [Abstract from author]</p> <p>This study argues that the reputational concerns of several high-profile actors drove the emergence of oil sector transparency as an international norm. Thanks to successful advocacy campaigns, developing country oil sector operations began to pose increasing levels of reputational risk to Western governments, international institutions, and corporations. These actors responded to this scrutiny by facilitating the evolution of transparency into a widely cited oil sector "best practice." However, the self-interests of these actors also altered the course of the norm's definition and institutionalization in ways which may constrain its eventual impact on industry behaviors. This study narrates the surprising and rapid spread of the transparency norm in developing country oil affairs, a process which suggests that reputational utility should be considered as a possible explanation for norm emergence.</p> | Core concepts |
| <p>Giray, F. 2010. "E-Government to Combat Corruption and the Case in Turkey", <i>Sosyoekonomi</i>, 6 (2), 153-178.</p> <p>Although corruption is seen in many countries, it is higher and rampant in developing countries than developed countries. There are many factors which affect corruption. However "the lack of transparency and accountability" and "discretion power" is basic factors to increase corruption in government. For this reason, e-government is thought as a partial but important tool to combat corruption which is the multifaceted problem in government sector. The aim of this study is to examine the efficiency of e-government as a way of reducing corruption. This study contributes to combat corruption by e-government from the point of both theory and practice. The results of the study support the hypothesis that e-government can make important contributions to reduce corruption. [ABSTRACT FROM AUTHOR];</p> | Core concepts & case |
| <p><i>Global Witness, UN anti-corruption convention rendered toothless</i> http://www.globalwitness.org/library/un-anti-corruption-convention-rendered-toothless</p> <p>In the face of opposition from a number of governments, countries have settled on a weak compromise that does not ensure transparency or accountability. "A huge opportunity to turn rhetoric into action has been lost due to the irresponsible behavior of an unlikely coalition of blocking countries."</p> | Core concepts |
| <p>Haller, D. and Shore, C. (eds.). 2005. <i>Corruption. Anthropological Perspectives</i>. Pluto Press, London.</p> <p>The contributors reveal how corruption operates through informal rules, personal connections and the wider social contexts governing everyday practices. They argue that patterns of corruption are part of the fabric of everyday life, wherever we live, and are subsequently often endemic to key institutions. The book examines corruption across a range of contexts, from transitional societies such as post-Soviet Russia and Romania to efforts to reform or regulate institutions that are perceived to be potentially corrupt, such as the European Commission. The book also covers the Enron and WorldCom scandals, the mafia in Sicily and the USA, and the world of anti-corruption as represented by NGOs like Transparency International.</p> | Core concepts |
| <p>Hansen, H. K. 2011. "Managing corruption risks", <i>Review of International Political Economy</i>, 18 (2), 251-275. [ABSTRACT FROM AUTHOR]</p> <p>This article investigates the emerging engagement of private actors and specifically Western corporations in international anti-corruption. It explores this engagement as governing practices that have emanated quite independently from the inter-state system commonly understood to be at the core of the anti-corruption regime. It demonstrates how corporate anti-corruption ties in with a relatively new way of perceiving corruption. In this framing, anti-corruption comes out as risk management, which is latched on to notions of corporate social responsibility and business ethics. Moreover, the constitution of corruption risk relates to the rise of new actors and networks engaged in a wider business of anti-corruption, including commercial and hybrid actors that supply corporations with managerial instruments, benchmarks for best practice, rankings, and information and surveillance systems. This facilitates the enrollment of corporations into the anti-corruption cause while cultivating their competitiveness aspirations. The article offers a novel perspective on international anti-corruption and the position of business herein, and in a wider sense, it also contributes discussions about the role of private actors and their micro practices in global governance.</p> | Core concepts |

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| <p>Heineman, B. W, and Heimann, F. 2006. "The Long War Against Corruption", <i>Foreign Affairs</i>, 85 (3), 75-86.</p> <p>This article discusses corruption among government officials and corporations on an international scale. Methods for stemming the flow of corruption include the enactment of legislation and administrative regulations, such as freedom-of-information laws, and the reinforcement of positive cultural values. The creation of international organizations that can promote these methods, especially in developing countries where governmental corruption is widespread, is key to continued growth. The effects of corruption can be seen clearly in Africa where, despite billions of dollars in foreign aid, conditions have continued to worsen as a result of massive embezzlement and extortion by officials in recipient countries.</p> | Core concepts |
| <p>O'Callaghan, T. 2007. "Disciplining Multinational Enterprises: The Regulatory Power of Reputation Risk", <i>Global Society: Journal of Interdisciplinary International Relations</i>, 21 (1), 95-117.</p> <p>A good corporate reputation has become an increasingly valuable commodity to large global corporations or multinational enterprises (MNEs). This is reflected in the explosion of literature on the subject in the last few years and the extraordinary growth in risk management practices geared towards the protection of corporate reputations and management of shareholder value. But does this represent genuine ideational change among the managerial class of MNE elites, or is it a cynical public relations ploy to please the public without affecting profits and MNE activities? This article argues that it represents both. In part it is an initiative forced upon MNEs by political and social activists demanding socially responsible conduct by MNEs, but it is also one that has increasingly come to frame and instantiate norms of corporate conduct. Consequently, we should not focus on traditional forms of state-regulatory capacity as the only medium able to discipline MNEs. Corporate reputation is beginning to function as a market mechanism constraining MNE activities and producing socially desirable outcomes. The article concludes with a brief analysis of what this means for traditional activists and for future strategies to ensure greater corporate responsibility.</p> | Core concepts |
| <p>Rodriguez, P., Siegel, D., Hillman, A., and Eden, L. 2006. "Three lenses on the multinational enterprise: politics, corruption, and corporate social responsibility", <i>Journal of International Business Studies</i>, 37 (6), 733-746.</p> <p>Scholars who analyze multinational enterprises (MNEB) recognize the complex relationship between international business (IB) and society. However, compared with other IB topics, research on politics, corruption and corporate social responsibility -- 'three lenses' on the MNE -- remains somewhat embryonic, with unresolved issues regarding frameworks, measurement, methods, and theory. This presents unique opportunities for integration and extension of disciplinary perspectives, which we explore in this article. We provide an introduction to potential linkages across these three lenses, an agenda for additional theoretical and empirical research, and a review of the papers in the JIBS Focused Issue. [ABSTRACT FROM AUTHOR]</p> | Core concepts |
| <p>Sampson, S. 2011. "The anti-corruption industry: from movement to institution", <i>Global Crime</i>, 11 (2), 261-278.</p> <p>This article describes the concept of 'industry', often used pejoratively in critiques of international development, and applies it to the field of anti-corruption. The characteristics of the anti-corruption industry, including anti-corruptionist discourse, resemble that which has taken place in development aid, human rights, civil society and gender equality. The anti-corruption industry thus includes key global actors, secondary actors who look for 'signals' and an apparatus of understandings, knowledge, statistics and measures, all of which tend to prioritize anti-corruption institutions over anti-corruption activism. It is argued that the questionable impact of anti-corruption programs enables the anti-corruption industry to coexist along with the corruption it ostensibly is combating. Instead of viewing anti-corruption as hegemonic, we need to critically examine the consequences of the global institutionalization of anti-corruptionist discourse and anti-corruption practice.</p> | Core concepts |

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| <p>Scherer, A.G. and Palazzo, G. 2011. "The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy", <i>Journal of Management Studies</i> 48 (4), 899-931.</p> <p>Scholars in management and economics widely share the assumption that business firms focus on profits only, while it is the task of the state system to provide public goods. In this view business firms are conceived of as economic actors, and governments and their state agencies are considered the only political actors. We suggest that, under the conditions of globalization, the strict division of labor between private business and nation-state governance does not hold any more. Many business firms have started to assume social and political responsibilities that go beyond legal requirements and fill the regulatory vacuum in global governance. Our review of the literature shows a growing number of publications from various disciplines that propose a politicized concept of corporate social responsibility. We consider the implications of this new perspective for theorizing about the business firm, governance, and democracy.</p> | Core concepts |
| <p>Sousa, L., Hindess, B. and Larmour, P. (edits.) 2008. <i>Governments, NGOs and Anti-Corruption The New Integrity Warriors</i>. Routledge, London.</p> <p>The purpose of this book is to understand the rise, future and implications of two important new kinds of "integrity warriors" - official anti-corruption agencies (ACAs) and anti-corruption NGOs – and to locate them in a wider context and history of anti-corruption activity. Key issues of corruption and anti-corruption are discussed in an integrated and innovative way; through a number of country studies including Taiwan and South Korea, South East Europe, Fiji, Russia and the Baltic States. Some of the questions, used to examine the development of new anti-corruption actors, include: In what context were these born? How do they operate in pursuing their mission and mandate? How successful have they been in relation to expected results? To what extent are governmental and non- governmental actors aware of each other and how far do they cooperate towards the common goal of fighting corruption? What explains the shift in emphasis after the end of the cold war, from national to international action? Governments, NGOs and Anti-Corruption will be of interest to students and scholars of corruption, public policy, political science, developmental studies and law.</p> | Core concepts |
| <p>Stachowicz-Stanusch, A. In press. "The relationship between National Intellectual Capital and Corruption; across-national study", <i>Journal of Business Economics and Management</i>.</p> <p>The main objective of this paper is to examine the relationship between the National Intellectual Capital and the Corruption Perception Index. The analysis of the relationship between the NIC and the CPI was conducted for 16 countries: Austria, Belgium, the Czech Republic, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Spain, Sweden and the UK and was based on NIC data extracted from two sources (Carol Yeh-Yun Lin and Leif Edvinsson (2010) and the generational approach to the national intellectual capital measurement presented in the Report on the Intellectual Capital of Poland).</p> <p>Determination of the strength of the correlation between NIC and CPI represents the first step in evaluating intellectual capital as the factor which may reduce the scale of corruption. Evidence of a strong relationship between NIC and CPI confirms the author's hypothesis that a strong relationship exists, at the same time proving that further studies must be carried out to determine the direction of this relationship. Based on the results of such research (providing that NIC is confirmed to have an effect on CPI), it will then be possible to recommend new methods of preventing corruption through the development of NIC.</p> | Core concepts |
| <p>The Guardian. 2009 "UN's anti-corruption treaty faces collapse". November. http://www.guardian.co.uk/business/2009/nov/12/corruption-treaty-faces-failure</p> <p>Negotiations in Doha reach deadlock after six years of effort to reach agreement on first legally binding global treaty to stop bribery and tax evasion.</p> | Core concepts |

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| <p>Transparency International. 2011. <i>Promoting Revenue Transparency: 2011 Report on Oil and Gas Companies</i>. http://www.transparency.org/publications/publications</p> <p>The Promoting Revenue Transparency: 2011 Report on Oil and Gas Companies, published by Transparency International in partnership with Revenue Watch, rates 44 companies on their levels of transparency. Representing 60 per cent of global oil and gas production, the companies are evaluated in three areas: reporting on anti-corruption programs, organizational disclosure and country-level disclosure of financial and technical data.</p> | Core concepts |
| <p>Warin, F. J., Diamant, M. S., and Pfenning, J. M. 2010. "FCPA compliance in China and the gifts and hospitality challenge", <i>Virginia Law and Business Review</i>, 5 (1), 34-80.</p> <p>This article discusses anti-corruption enforcement trends confronting business practices in China, addresses legal risks posed by the Chinese gift and hospitality culture, and presents suggestions for structuring corporate anti-corruption compliance programs to mitigate these risks. To contextualize law enforcement's current focus on bribery and other economic crime in China, Part I provides an introduction to the country's pervasive corruption climate, with a brief summary of recent enforcement actions by Chinese and U.S. authorities. Turning to the problem of business courtesies, Part II provides background on the unique Chinese gift-giving culture and briefly discusses the FCPA, exploring within the statute's anti-bribery framework the issue of business courtesy expenditures. Part III gives advice on how to tailor the gifts and hospitality component of an organization's compliance program to address this risk in China.</p> | Core concepts |
| <p>Warner, C.M. 2007. <i>The Best System Money Can Buy: Corruption in the European Union</i>. Cornell University Press, Ithaca.</p> <p>As the European Union moved in the 1990s to a unified market and stronger common institutions, most observers assumed that the changes would reduce corruption. Aspects of the stronger EU promised to preclude—or at least reduce—malfeasance: regulatory harmonization, freer trade, and privatization of publicly owned enterprises. Market efficiencies would render corrupt practices more visible and less common. In <i>The Best System Money Can Buy</i>, Carolyn M. Warner systematically and often entertainingly gives the lie to these assumptions and provides a framework for understanding the persistence of corruption in the Western states of the EU. In compelling case studies, she shows that under certain conditions, politicians and firms across Europe chose to counter the increased competition they faced due to liberal markets and political reforms by resorting to corruption. More elections have made ever-larger funding demands on political parties; privatization has proved to be a theme park for economic crime and party profit; firms and politicians collude in many areas where EU harmonization has resulted in a net reduction in law-enforcement powers; and state-led "export promotion" efforts, especially in the armaments, infrastructure, and energy sectors, have virtually institutionalized bribery. The assumptions that corruption and modernity are incompatible—or that Western Europe is somehow immune to corruption—simply do not hold, as Warner conveys through colorful analyses of scandals in which large corporations, politicians, and bureaucrats engage in criminal activity in order to facilitate mergers and block competition, and in which officials accept private payments for public services rendered. At the same time, the book shows the extent to which corruption is driven by the very economic and political reforms thought to decrease it.</p> | Core concepts |
| <p>Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee - On a comprehensive EU policy against corruption. http://europa.eu/legislation_summaries/fight_against_fraud/fight_against_corruption/l33301_en.htm</p> <p>The Communication adopts the definition of corruption used by the UN Global Programme against Corruption, i.e. "abuse of power for private gain" and sets out the principle elements of a future EU anti-corruption policy. The Communication also stresses the need to develop an anti-corruption culture in the EU institutions. It reviews the steps taken by the Commission in this field, particularly the creation of the European Anti-Fraud Office (OLAF) and refers to the guide to sound financial management and other internal measures taken by the Commission.</p> | Primary source |

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| <p>Maton, J. and Suarez-Martinez, A. 2011. "The U.K. Bribery Act Today", <i>Financial Fraud Law Report</i>, 3 (9), 846-62. www.edwardswildman.com/files/News/093a0ea9-c5fb-476a-87bb-e2469102402e/Presentation/NewsAttachment/c0b58378-56cf-48f2-b2b5-e5972859aa95/Maton.pdf</p> <p>A summary and discussion of the UK Bribery Act 2010 which was passed on April 8, 2010.</p> | Primary source |
| <p>OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. www.oecd.org/document/21/0,3746,en_2649_37447_2017813_1_1_1_37447,00.html</p> <p>The OECD Anti-Bribery Convention establishes legally binding standards to criminalize bribery of foreign public officials in international business transactions and provides a host of related measures that make this effective. It is the first and only international anti-corruption instrument focus-ed on the 'supply side' of the bribery transaction. The 34 OECD member countries and four non-member countries - Argentina, Brazil, Bulgaria, and South Africa - have adopted this Convention.</p> | Primary source |
| <p>The US Department of Justice. <i>Foreign Corrupt Practices Act</i>. http://www.justice.gov/criminal/fraud/fcpa/statutes/regulations.html</p> <p>The Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, et seq. ("FCPA"), was enacted for the purpose of making it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business. Specifically, the anti-bribery provisions of the FCPA prohibit the willful use of the mails or any means of instrumentality of interstate commerce corruptly in furtherance of any offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a foreign official to influence the foreign official in his or her official capacity, induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage in order to assist in obtaining or retaining business for or with, or directing business to, any person.</p> | Primary source |
| <p>Transparency International, Progress Report 2011: Enforcement of the OECD Anti-Bribery Convention. http://www.transparency.org/publications/publications</p> <p>This is the seventh annual Progress Report on Enforcement of the OECD Convention. The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, adopted in 1997, requires each State Party to make foreign bribery a crime. The Convention has 38 parties and is overseen by the OECD Working Group on Bribery.</p> | Primary source |
| <p>Transparency International's website contains a wealth of data – primary sources and conceptual items, on corruption and anti-corruption, including CPI, BPI, Global Corruption Reports, etc. See transparency.org</p> | Primary source |
| <p>UN Global Compact - TI Reporting Guidance on the 10th Principle against Corruption. http://www.transparency.org/publications/publications/other/ungc_guide_10th_principle_against_corruption_10122009</p> <p>Public reporting sends a strong signal to employees, investors and consumers, that a company is serious about clean business. The Reporting Guidance, developed in the framework of the Global Compact, the world's largest voluntary corporate citizenship initiative, equips business with a practical means to report on anti-corruption policies and actions comprehensively and effectively. It sets the standard for thousands of UN Global Compact signatories, while its use will be beneficial well beyond this network.</p> | Primary source |

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| <p>UNODC, United Nations Convention against Corruption. http://www.unodc.org/unodc/en/treaties/CAC/index.html</p> <p>The General Assembly recognized that an effective international legal instrument against corruption, independent of the UN Convention against Transnational Organized Crime was desirable and decided to establish an ad hoc committee for the negotiation of such an instrument. The text of the UN Convention against Corruption was negotiated during seven sessions of the Ad Hoc Committee. The United Nations Convention against Corruption (UNCAC) entered into force on 14 December 2005. A Conference of the States Parties is established to review implementation and facilitate activities required by the Convention.</p> | Primary source |
| <p>Becker, J. 2008. "Tackling Corruption at its Source: The National Corruption Prevention Bureau", <i>Journal of Chinese Political Science</i>, 13 (3), 287-303. [ABSTRACT FROM AUTHOR]</p> <p>In Spring 2007 as part of its ongoing anticorruption efforts, the PRC announced the establishment of a new organization called the "National Corruption Prevention Bureau" (NCPB). The article first examines the origins of the NCPB and its position in the current Chinese anticorruption regime. The NCPB will concentrate primarily on information collection and coordination work. Given these goals, This article examines the organization's potential for improving work in three areas related to information collection and coordination; increased oversight of the private sector, improving information quality and dissemination, and strengthening routine anticorruption activities. The final section examines potential problems that will likely limit the ability of this new organization to improve anticorruption work, such as the possibility of increasing complexity within the anticorruption system, and the NCPB's limited independence from the agencies it seeks to coordinate.</p> | Case |
| <p>Bribery in Mexico Contrasting corruption. www.economist.com/blogs/dailychart/2011/05/bribery_mexico</p> | Case |
| <p>Corruption in Russia All bets are off. http://www.economist.com/blogs/easternapproaches/2011/07/corruption-russia</p> | Case |
| <p>Giray, F. 2010. "E-Government to Combat Corruption and the Case in Turkey", <i>Sosyoekonomi</i>, 6 (2), 153-178.</p> <p>Although corruption is seen in many countries, it is higher and rampant in developing countries than developed countries. There are many factors which affect corruption. However "the lack of transparency and accountability" and "discretion power" is basic factors to increase corruption in government. For this reason, e-government is thought as a partial but important tool to combat corruption which is the multifaceted problem in government sector. The aim of this study is to examine the efficiency of e-government as a way of reducing corruption. This study contributes to combat corruption by e-government from the point of both theory and practice. The results of the study support the hypothesis that e-government can make important contributions to reduce corruption. [ABSTRACT FROM AUTHOR];</p> | Case |
| <p>Habtemichael, F., and Cloete, F. 2010. "Politikon, Complexity Thinking in the Fight Against Corruption: Some Perspectives From South Africa", <i>South African Journal of Political Studies</i>, 37 (1), 85-105. [ABSTRACT FROM AUTHOR]</p> <p>This article argues that corruption and efforts to curb it can be explained in terms of elements of complexity thinking. The authors find that corruption is comparable to a social virus that continuously mutates and adapts to new environments to counter anti-corruption strategies. On the basis of its omnipresence, myriad manifestations, causes and impacts, corruption is found to be a complex, dynamic and ever-changing social phenomenon. It is impossible to totally eradicate, and one can only strive to consistently reduce its intensity and scope over time. A holistic anti-corruption policy approach that continuously empowers all sectors of society (starting at the family level) and all levels of administration must be encouraged.</p> | Case |

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| <p>Hamilton-Hart, N. 2001. "Anti-Corruption Strategies In Indonesia", <i>Bulletin of Indonesian Economic Studies</i>, 37 (1), 65-82. [ABSTRACT FROM AUTHOR]</p> <p>Indonesia pursued many anti-corruption reforms but appeared to achieve little success in reducing the level of corruption, which remained a high profile problem in all branches of government. This article summarizes the reform initiatives carried out since 1998 and offers an explanation for their very limited success. Obstacles to reducing corruption in Indonesia include the economic and political constraints facing the current government and the entrenched nature of corruption. The content of the reform program itself may also contribute to the persistence of the problem. The program consists primarily of moves to introduce monitoring and sanctioning mechanisms that are external to particular government organizations. Internal reforms that aim to improve organizational self-discipline have received much less attention. The reform program may thus be inherently incomplete.</p> | Case |
| <p>International Chamber of Commerce (ICC), Transparency International (TI), United Nations Global Compact (GC), World Economic Forum Partnering Against Corruption Initiative (PACI). 2011. <i>RESIST - Resisting Extortion and Solicitation in International Transactions: A company Tool for Employee Training</i>. www3.weforum.org/docs/WEF_PACI_RESIST_Report_2011.pdf</p> | Case |
| <p>Larcher, D.F and Tayan, B. 2010. <i>Baker Hughes</i>. www.iveycases.com/ProductView.aspx?id=44408</p> | Case |
| <p>Lawson, L. 2009. "The politics of anti-corruption reform in Africa", <i>Journal of Modern African Studies</i>, 47 (1), 73-100. [ABSTRACT FROM AUTHOR]</p> <p>Previous research on anti-corruption reform in Africa falls into two camps. The first explores 'best practices' and policy approaches to controlling corruption, while the second focuses on the politics of anti-corruption 'reform', arguing that official anti-corruption campaigns aim to mollify donors while using corruption charges instrumentally to undermine rivals and shore up personal loyalty to the president, and thus have no chance of controlling corruption. This paper suggests that, while the neopatrimonial context is a very significant limiting factor in anti-corruption reform, limited progress is possible. Examining the motivations and effects, intended and unintended, of anti-corruption reforms in Kenya and Nigeria, it finds that while the Kenya Anti-Corruption Commission has indeed been politically marginalized and largely ineffectual, the more autonomous and activist, but politically instrumental zed, Economic and Financial Crimes Commission in Nigeria has had a measure of success. The analysis suggests that this is explained by the EFCC's independent prosecu-torial powers and the institutionalization strategies of its chairman.</p> | Case |
| <p>Morris, S.D. and Klesner, J.L. 2010. "Corruption and Trust: Theoretical Considerations and Evidence From Mexico", <i>Comparative Political Studies</i>, 43 (10), 1258-1285.</p> <p>The growing empirical literature on political corruption shows trust (interpersonal and political) to be both cause and consequence of corruption: a conclusion that largely builds on studies using cross-national measures of corruption based on perceptions of corruption rather than actual experience, raising questions of endogeneity. The lack of trust fed by corruption is considered critical in that it undermines government efforts to mobilize society to help fight corruption and leads the public to routinely dismiss government promises to fight corruption. After disaggregating the major concepts, this article empirically explores the relationship linking corruption and trust in Mexico based on data from the 2004 Americas Barometer survey. The authors discover a powerful mutual causality between perceptions of corruption and trust in political institutions that suggests that rooting out perceptions of corruption or shoring up trust in public institutions will be an extremely difficult project for anyone who takes on the task. [ABSTRACT FROM AUTHOR]</p> | Case |

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| <p>Musacchio, A. 2011. <i>Veracity Worldwide: Evaluating FCPA-Related Risks in West Africa</i>. https://www.iveycases.com/ProductView.aspx?id=52681</p> <p>This case addresses corruption, reputation, and expropriation risks associated with a potential mining play in West Africa. Mine Master, a US-based multinational mining company, was considering investing in a zinc concession in a post-conflict West African country. Its potential partner, UK-based Megametals, had acquired the rights to the operation in question in 2005, at the end of the country's civil war and in circumstances that raised potential concerns. The case protagonist, Steven Fox, CEO of risk assessment and advisory firm Veracity Worldwide, had to evaluate the various risks at play and guide Mine Master's CEO on whether to proceed with the partnership. Should he advise that Mine Master go ahead with the deal with Megametals? What could be the potential downside to such a move?</p> | Case |
| <p>Sato, Y. 2009. "How to deal with corruption in transitional and developing economies: A Vietnamese case study", <i>Journal of Financial Crime</i>, 16 (3), 220-228.</p> <p>The article presents a case study of the Japanese prosecution of the Pacific Consultants International Group (PCI) which was charged of allegedly bribing a Ho Chi Minh City (HCMC) official in Vietnam. It proposes alternate dispute resolution (ADR) to prevent corruption in the country. It indicates that PCI executives were sentenced guilty, while the Japanese government has frozen Yen-loan until the Vietnamese official is prosecuted</p> | Case |
| <p>Agata Stachowicz-Stanusch and Wolfgang Amann (Editors), <i>Business Integrity in Practice – Worldwide Case Study</i>, Business Expert Press, USA (in press)</p> <p>The quest for integrity in business is not only a reaction against malfeasance in business and associated calls for reform, but also a result of changes and new demands in the global business environment as well as the latest economic crisis. Among the sources of these new demands are the expectations of stakeholders that corporations and their leaders will take more active roles as citizens within society and in the fight against some of the most pressing problems in the world, such as poverty, environmental degradation, defending human rights, corruption, and pandemic diseases.</p> <p>This topical and much needed book constitutes an important part of the debate on the best practices for ensuring integrity in an organizational context.</p> <p>This book offers essential insights not only to business leaders but also to management educators and administrators who understand the urgency of developing responsible further global leaders. This volume discusses and offers using case studies and examples from organizations from all over the world practical advices and guidance, explaining in detail how leaders may build integrity based organizations. It provides valuable teaching tools and should be used by course leaders at undergraduate, master's and MBA level in all business schools.</p> | Case |

A. Business Dilemmas

1. Business Dilemma — Admitted?²¹

Brandon is a U.S. educated lawyer married to Mary who is a school teacher. Brandon was offered the opportunity to work in Ukraine office of an international law firm. The opportunity was something the family had spoken about for several years. Mary agreed to support the move and Brandon, Mary and their two children relocated to Kyiv, Ukraine.

For a year and a half things went fine and their first child Jim graduated from the local high school at age 16 struggling with the language. The parents and the child sought information about admission to university. The child registered and sat in a room waiting for the open exam with other applicants. During the wait time he learns from other students about the “not-so-legal process” for admission to the program of study which was the only way left for them to get in because all other seats were already predetermined and taken.

The admission is not dependent on the scores achieved in the exam as he had first thought and instead the family will need to pay a significant amount of money to the person “in charge”. The same day Jim tells his father what he has learned, and reminded the father that he is living in this new country due to the career move and Jim further said the rules and stresses are severely affecting his future.

On a plane ride from Kyiv to Odessa for a business meeting, Brandon discusses Jim’s situation with his wife. She desperately wants Jim to be admitted into university and knows that he has already missed deadlines to apply to American universities, though she cannot possibly see her husband compromising his position.

Brandon of course understands all of the ramifications of breaching the law and rules of professional conduct/ethics. Yet, at the same time, he realizes that many people of influence or wealth are doing something similar and indeed has become an acceptable way to insure that your children have opportunities. He ponders about the dilemma and especially in connection with FCPA and UK Bribery Act implications.

2. Business Dilemma — Politician’s Son²²

While tending to his regular business, Mr. Averet president of a successful company in Canada was contacted by a high ranking political official named Mr. Pinkas. The phone conversation included a direct request by Mr. Pinkas that his son, a recent graduate of a business school, be hired.

Mr. Averet agreed to meet with the politician’s son and to discuss an opportunity. In fact, Mr. Averet did hire the politician’s son. This was based on an agreement between the Mr. Averet and Mr. Pinkas that Mr. Pinkas promised “to send more business to you than you can handle”.

Several days later, Pinkas called Averet to a lunch meeting and demanded that the initial starting salary promised to his son be tripled. Mr. Averet was outraged but knew that he had already crossed a line he was uncomfortable with in hiring the young man in exchange for promised business.

Now that the politician’s son has been hired and is already on the payroll, Mr. Averet is concerned about ethical outcomes. He is trapped, and doesn’t see a possibility of firing the young man so soon after he has been hired as he could not have done anything to warrant a dismissal. At the same time Mr. Averet will not receive the promised business if the last ultimatum is not met.

²¹ Written by: Dominic DePersis and Alfred Lewis

²² Ibid

3. Business Dilemma — The fire brigade's ball in Xinzhou²³

September 28, 2012, in Xinzhou district of Wuhan city: Ralph Langholz was an eager 26-year old graduate. He has finished his graduate studies in business at the University of Mannheim in Germany only a few months ago. He had taken especial care during his studies to prepare himself for a sound career in international management. He was determined not to 'sell his soul' or 'walk over dead bodies' to move ahead. He was the perfect prototype of the generation Y - post-materialistic, interested in constant growth and learning, and wary of boredom stemming from job stagnation. After all, the generation Y is likely to have had 14 jobs by the age of 38. Directly addressing this eagerness to learn, to grow and to avoid boredom, he took on the role of international project manager of one of Germany's numerous, but largely unknown mid-sized companies. His employer – a manufacturer of highly specialized niche products – recently agreed to a new joint-venture in China. Local production was due to commence shortly and a new plant was being built at breakneck speed. Ralph was in charge of overseeing the project. His boss, the country director, was hardly ever physically present in China, seeming to prefer staying close to where the real action is in the headquarters back home. Although the plant was brand new, and as far as Ralph could see, more advanced than any of its neighboring facilities, the local authorities still refused to give the plant clearance as it purportedly did not fulfill the fire regulations. Ralph was infuriated.

This is truly ridiculous! This is bureaucracy! This is unnecessary harassment! We are more modern than anyone around us!

That day, he also received a representative from the local fire brigade who was collecting donations for the annual fire brigade ball. All donations would be highly appreciated, the visitor said, wishing Ralph a long and prosperous time in Wuhan. A long moment of awkward silence ensued, with the visitor fixing Ralph with an ear-to-ear grin. It took Ralph a moment to read between the lines, but then he realized:

Give 'em the little finger and you've given them both hands. And all those new legal reforms to fight corruption here do not really matter as they are hardly enacted at all! The Government just makes big announcements, nothing more.

Ralph really did not want to give in to the prejudices of doing business internationally that he studied about in Mannheim. He had great respect for the astonishing economic accomplishments in China. But it was blindingly obvious that such a donation would help 'oil the machine'. He thought about the investments that his company had already made here in China, and shuddered inwardly at how debilitating the exit cost could and would be. The solicited donation was not that high, and he could authorize the payment immediately. But should he? Ralph did not hesitate for long. He paid. He was the type of person with a get-it-done mentality. He tried to justify his actions to himself.

It is better to ask for forgiveness than permission. What counts in business is the achieved result. It is commonly known that everyone pays more than anticipated in China. The moment you decide to enter China, that is the consequence. When in Rome, do as the Romans.

However, feeling a sense of guilt, he redoubled efforts to validate himself.

Nobody really got harmed here, right? We still supply the right quality of products to the customer. The competitors would pursue their own strategy. And why on earth should the firefighters not have a great time at their event. They should participate in emerging opportunities as well, not just the big businessmen.

The next day, the plant suddenly received the green light as it now fulfilled the fire regulation, without any required changes. Ralph reported back that the critical timeline has been met. He was proud to announce that he was able to get the job done, that he was up to the challenge.

That night, he went to a bar. He did not join his friends, but decided to take a moment to reflect instead. He had been ignoring a nagging feeling inside him all day.

Have I sold my soul today? In my very first job after graduation? Did I react with prejudicial thinking to the offer of the visitor? Have I created any risks for the company? If someone inquires officially, I could still justify this as an expense for building relationships with the local fire brigade. After all, if there is a fire, I need them to come fast, don't I?

Ralph finished his beer and went home to call his girlfriend Anna. He was not sure if he should talk about it. She knew him as a person of integrity. Ralph himself was not sure what his overall take was on it. Was he mastering a business challenge well or did he contribute to keep a system alive which should not have a future? Was he already adapting too much to local practices? Or was that just a prejudice again?

²³ Written by: Wolfgang Amann and Shiban Khan (as a disguised case based on a real event)

4. Business Dilemma — Launching organic water or not?²⁴

Sylvia Nimmermann is a 29 year-old marketing manager at the market leader of mineral water in NW Switzerland. Through strong regional brands and loyal customers, her company has been able to defend its strong market position for a long time, although big brands like Coca-Cola were closing in. Sylvia prided herself on her 'bring-it-on' attitude, never shying away from challenges.

When the going gets tough, the tough gets going! While we cannot compete on marketing budgets, we have strong will power and creativity to offer!

She thought while screening her shortlist of ideas on marketing innovations. Towards the top of the list was an idea that she had 'borrowed' from a player in another country. She wanted to suggest to top management the launch of an organic water product. After all, the market segment of organic products was growing at a healthy 15% a year, accounting for hundreds of millions even in the small country of Switzerland. Customers were willing to spend a multiple for organic products. Organic avocados, for example, could be up to five times as expensive as the regular ones. In an estimated 90% of cases, the additional mark-up far exceeded the extra cost associated with organic production processes. In order to maximize profits and earn better margins, many organizations have launched organic lines. There is no regulation she would violate. Regulation in general was truly weak. Trade negotiations in Europe and across the Atlantic have led to further deregulation. A number of 'organic' labels existed – indicated that the product was not grown and treated with undue genetic modifications, pesticides, or radiation. The organizations behind these labels by no means agreed on joint standards.

Sylvia had no worries about regulation as a consequence. She was thinking thoroughly about why she felt uneasy. She wondered how easy business decisions must have been some 50 years ago. Back then, religion played a stronger role –God's punishment for wrongdoings prompted societal actions by and large. However, in modern times religions have increasingly taken a backseat, and churchgoing isn't exactly high on the agenda of today's youth on weekends. 50 years ago, culture and social cohesion played a different role as well. Now, profit maximization seemed to be the all-encompassing goal, Sylvia felt.

During her studies of business administration in Switzerland, Sylvia had course modules on business ethics. Those, she felt, though, were so abstract. They contained utilitarianism, Habermas thinking, Nobel laureate Sen's concepts for business success, etc. Those modules were not bad, she thought, but the entire set of semantics used, the level of abstraction, and the underlying assumptions were not useful for the practicing manager. Rationality, for example, was a recurring theme - All legitimate moral acts must be supportable by generally accepted reasons. Sylvia tried to recall the insights on 'consistency' - moral reasons, including moral actions, if they are valid, are binding on all people at all times in all places given the same relevant circumstances. Another one was Hinman's principle of fallibility. All of these constructs and discussions needed to be more applicable. The wordings must be easier to understand. The assumptions should be more realistic. The schools of thought should become less dogmatic and more pragmatic. After all, the only way to prevent her employer from getting bankrupt or 'rightsize' is to have success in sales, she reasoned.

Organic water, for which Sylvia would create a new brand, was a smart idea in her mind. The price would be at least 150% higher than other water products offered by her employer and comparable products. Marketing cost would be higher due to higher initial advertising costs in the launch phase, but mid-term production and marketing costs would not really be much different. The company in another country which first used the idea has successfully launched their product. As regulation was not too detailed, a court decided that water cannot be organic or not organic. That other company decided to merely escalate the conflict to the European court level, which firstly is known for its penchant to overrule national courts to send symbolic signals on regional power-play, and secondly, has a tradition of more liberalization.

Sylvia had to admit the water she intended to use was the same water entering other water bottles. But the latter were a commodity. Margins were low. Why not spice it up a little? Why not innovate and be a first mover in her country? She would not harm anyone by selling poisonous water. Customers would get additional certainty that they use their preferred organic line of products. Why not give it to them? After all, the customer demand determines everything, she thought. Making money and pleasing customers – what else was there for her as a point of orientation? Religion? While officially a Protestant likes the majority of her countrymen, the only times Sylvia has seen the insides of a church in the last ten years or so has been on weddings and funerals. Management education with abstract concepts? Local culture and social cohesion? She hardly knew anybody anymore in surrounding offices in other buildings or in her neighborhood. The strongest normative pressure for her was top management and especially her superior's wish to report better numbers every quarter and every year to largely anonymous shareholders.

While preparing her final set of slides for the upcoming marketing board meeting, she still had second thoughts on the degree of passion with which she should present the idea of organic water. Should she really push it all the way and announce it to be the ultimate idea to really focus on?

²⁴ Written by: Wolfgang Amann and Shiban Khan

5. Business dilemma-Business College²⁵

Newly created business college in the latest new member of EU must recruit students in order to run the first year of BS and MS in management program. In order to do that the college starts advertising campaign for many programs in management sciences in order to attract students. Some of them include Leadership Management, Global Enterprise Management, Social Services and Not-for Profit Organizations Administration and Financial Crisis Management. The new college is aware that it must hire a sufficient number of professors from home and world universities to run these programs. Some MS programs may need still to be accredited to be offered in the coming academic year. With widespread demographic problems, the increased competition between existing well established colleges and universities the intake of new students is very difficult despite a very intensive marketing campaign. The college decides to invite a known professor to give marketing boost to run open days informing about their new innovative programs the college would offer for the Fall. This professor is well aware that she is not going to teach many of courses she advertises, due to her previous commitments in her home university, however under her temporary work agreement with the new college, she is supposed to market those management courses as supervised and co-taught by herself and her home university respected well known faculty.

These series of marketing open days do not make much change in recruitment numbers, or any significant progress in the admission of a new cohort, after checking new short list of enrolled students, although the interest in the new programs has picked up. The college receives now more telephones and on line inquiries re. Specific details of the program and faculty names to be assigned to teach specific management courses. The college decides to approach this well known professor again to include name of her well established renowned university as a cooperating institutions, although, there is not an accreditation agreement signed and imply, that if program is formed there will be more famous teachers coming on the regular basis to run this program without any specific dates or employment details agreed between this college and new foreign faculty.

Questions:

1. How should this professor respond to marketing integrity and ethical dilemma when the new college is asking her to advertise newly created courses as co-taught by her or under her supervision in cooperation with her university department?/ knowing her present university full time commitment will likely make this very difficult or in some cases prevent such an involvement, however not agreeing to this promotional "innovation" idea would likely jeopardize her new college job, she badly needs this job for her mortgage payment in her home country to prevent foreclosure on her home as she is a single mother with 3 young children without any other support except her employment as a university teacher/

2. Should she agree to allow the use of the name of her renowned university implying cooperation is soon to be concluded between these 2 institutions without prior memorandum of understanding, nor any accreditation agreement?

The college offers her extra financial remuneration, if promises of opening joint research opportunities are created for the college local faculty without specific details, dates neither requirements nor responsibilities for research partners. Should she promise research cooperation and opportunities to new college junior faculty members without prior consulting this with her home university research institute head?

²⁵ Written by: Peter Odrakiewicz

6. Business dilemma: Lost generation-Education management and Corporate Social Responsibility (CSR)²⁶

Many colleges and applied science universities offer many new programs in response to so called new challenges and needs of the constantly changing market, however usually not educating the whole person in respect to ethical and integrity management issues, neither counseling and assisting them into finding suitable program related employment after graduation. Many programs offered by colleges and applied sciences institutions in their published yearly university calendars promise “best career future” slogans only to be found by graduates as empty promises, that at best lead student into gaining new skills, that do not translate into employment readiness, neither in many cases for self-employment.

Is it ethical for the business colleges and university of applied sciences to offer constantly new programs that do not lead directly into jobs for their graduates while in the process of education they incur a lot of debt? Are business colleges and applied science universities to be viewed mainly as enterprises trying to maximize their own profits while cutting the expenses and outsourcing services, while only trying to provide best education in exchange for collected fees and government support funds. Should they rather be more regulated to adopt corporate social responsibility rules and special ethical and integrity management rules much stricter than general CSR agenda and to what extent as educational institutions? How can this process be accomplished worldwide, where many countries have their own systems of regulations and accreditation of colleges and applied sciences universities.

From Adam Smith *‘Every individual necessarily labors to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it... he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worst for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectively, than when he really intends to promote it. I have never known too much good done by those who affected to trade for the public good....*

‘It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages’(Adam Smith, Wealth of Nations)

To what extent do you believe this statement invalidates the CSR approach and philosophy especially in relation to colleges and applied science universities education management?

²⁶ Written by: Dr.Peter Odrakiewicz and David Odrakiewicz MA

12. Learning Methods

List

| N° | Title |
|-----|--|
| 1. | Blog |
| 2. | Case Study <ul style="list-style-type: none"> . long cases, . short cases, . live cases, . resolve real small cases of corruption raised by NGO or others, . writing cases by students |
| 3. | Coaching between students with supervision by teacher/mentor |
| 4. | Conferences |
| 5. | Consulting assignment |
| 6. | Corruption “confessions” (explanation by students of one case where he paid bribes) |
| 7. | Debates |
| 8. | Dilemma scenarios |
| 9. | Draft laws to address the problem of corruption |
| 10. | Group discussion |
| 11. | Guest speaker |
| 12. | Lecture |
| 13. | Outreach <ul style="list-style-type: none"> . anti-corruption internship, . faculty exchanges, . site visit, . student exchanges |
| 14. | Projects |
| 15. | Reflective paper (self reflection of students, regarding how they feel about a subject) |
| 16. | Reports/ essays (example: research project, field report) |
| 17. | Role playing |
| 18. | Simulation (board games, computer based) |
| 19. | Students lecturing (students presenting theoretical subjects to class) |
| 20. | Survey with interviews by students regarding corruption |
| 21. | Technology <ul style="list-style-type: none"> . continuing platform for students post-graduation, . e-learning, . online platform (social network / social media /blogs about anti-corruption by students), . web seminars with different countries/business schools |
| 22. | Videos (eventually produced by students) |

Description of the Learning Methods

| Title | Blog |
|--------------------|---|
| Description | <p>This method keeps students interested and involved in discussions about current corruption issues, policies and solutions. Guests from the industry or from other sectors could be invited to join the blog discussion. The blog could also be thrown open to the public and moderated by the students, rather than restricted to the class and specific invitees. In any case, the teacher needs to also transmit to the students the ethical issues involved in blogging.</p> <p>Blogs help to extend discussions that could not be concluded in the classroom because of time constraints and allows students to air their opinions and views in a non-threatening and non-intrusive virtual forum. It allows for extra-class issues to be brought up and for practical applications of the concepts to be discussed widely and in a highly interactive manner. They are able to share other resources they may have discovered, sometimes long after the topic was treated in class. It also helps to keep the attention of those students who love blogging and helps acclimatize those who are not used to blogging to this type of new media.</p> |
| Examples | <ul style="list-style-type: none"> • Brazil: Nascimento's Six Months • Brazil: Palocci, Lula and Trust Indices • The Turkish Football Scandal: Match Fixing, Bribery and Intimidation • China's Railway Corporation • Phillipines: The Armed Forces' Debacle • India and the "Jan Lokpal" Bill • I paid a bribe – Undercover the market price of corruption http://ipaidabribe.com/ |
| Key links | <p>Blogging As A Learning Tool http://teaching.concordia.ca/resources/teaching-with-new-technologies/blogging-as-a-learning-tool/index.php</p> <p>Blogging as a Learning Tool http://lizadare.wordpress.com/2011/01/27/blogging-as-a-learning-tool/</p> <p>11 advantages of using a blog for teaching http://www.slideshare.net/frankcalberg/11-advantages-of-using-a-blog-for-teaching</p> <p>Teaching with Blogs http://www.educause.edu/blog/joesanchez/TeachingwithBlogs/166276</p> <p>Blogs! Tools for teaching http://www.annettevee.com/blogstoteach/</p> <p>Teaching through Blogs http://blog.vektorstudio.com/2009/09/29/teaching-through-blogs/</p> |

| Title | Case Study - Long cases |
|-------------|---|
| Description | <p>This interactive learning method involves several methods, like group discussion, role play, report writing, etc. The case method based on the principle of guided discovery, when the students learn by doing under the watchful eyes of a teacher/facilitator.</p> <p>Long cases are typically 20-25 pages. Usual set for a long case may include:</p> <ul style="list-style-type: none"> • a description of the situation (with text questions); • applications with a selection of support information (copies of documents, photos etc.); • a possible solution, subsequent events; • note to the teacher outlining the author's approach to the situation. <p>Long cases are designed for teamwork within a few days and involve a group presentation. Work with cases would consist of:</p> <ol style="list-style-type: none"> 1) summarizing the key facts 2) appraising and sorting of the facts, and their possible outcomes 3) stating a problem 4) looking for solutions 5) reaching conclusions based on the foregoing, 6) presenting of such conclusions orally and in writing. <p>Sources for written cases can be directly research projects, secondary sources of information (literature and special mass-media products), a fictional situation. In the case of fictional case studies particular attention should be devoted by the instructor to maintain adherence to real conditions and challenges.</p> <p>The case study method helps students obtain a better understanding of management issues by giving 'real life' examples. The major objection to the use of cases based on the fact that in a case it is impossible to convey all the details of the situation, some of the 'real problems' illustrated in cases are not real at all or seldom occur in the business world. A major problem is that case study are very contextual, hence it may be difficult to gain attention on their final message, their validity must be tested against the need of a solid theoretical background on corruption.</p> <p>During the group discussion of case study should be avoided of teachers pushing their own biases, dominating by few vocal students and premature decision on the case.</p> |
| Examples | <p>Some cases on business ethics www.icmrindia.org/free_resources/casestudies/Free Business Ethics.htm - Dell's Supply Chain Management Strategy</p> <p>www.casestudyinc.com/Dell-Supply-Chain-Case-Study</p> |
| Key links | <ul style="list-style-type: none"> ▪ Wikipedia article about case study (http://en.wikipedia.org/wiki/Case_study) ▪ Introduction to the Case-Study Method (www.uiweb.uidaho.edu/ag/agecon/391/casestudmeth.html) ▪ http://plato.acadiau.ca/courses/Busi/IntroBus/CASEMETHOD.html ▪ Case Study: Introduction and Definition - from Writing@CSU (http://writing.colostate.edu/guides/research/casestudy/pop2a.cfm) ▪ Giving Voice To Values (GVV) cases (http://www.babson.edu/faculty/teaching-learning/gvv/Pages/curriculum.aspx) ▪ Several popular case publishers: <ul style="list-style-type: none"> • CasePlace (http://www.caseplace.org/) • CCMP (www.ccmp.fr) • Darden Graduate School of Business (https://store.darden.virginia.edu/) • ECCH (www.ecch.com/educators) • Harvard Business School Publishing (http://hbsp.harvard.edu/product/cases) • INSEAD The Business School for the World (www.insead.edu/facultyresearch/research/order_cases.cfm) • Richard Ivey School of Business Case and Publications Service (www.iveycases.com/ProductBrowse.aspx?q=corruption&em=0) |

| Title | Case Study - Short cases |
|--------------------|---|
| Description | <p>Objectives and learning outcomes when using short cases are almost similar to the objectives and learning outcomes when using the long cases. The difference is that typically the short case does not exceed 3-5 pages of text. It usually contains a description of the situation, which is less complicated than in a long case. Short cases are designed to be explored and discussed by students directly with the audience and therefore do not require lengthy preparation.</p> <p>During the classroom time the educator may arrange to work with several short case studies, but in this case more attention could be dedicated to comparing the context, content and applicability of the cases. Short cases are also often used to illustrate any theoretical assumptions.</p> <p>Requirements regarding the content and facilitation of the discussion of short case are the same as for the long cases. However, concerning particular fields such as corporate corruption, the educator might need to do more preparatory work in order to set the right context when dealing with the case.</p> |
| Examples | |
| Key links | <p>Introduction to the case-study method http://www.uiweb.uidaho.edu/ag/agecon/391/casestudmeth.html</p> <p>An Approach to Case Analysis http://plato.acadiau.ca/courses/Busi/IntroBus/CASEMETHOD.html</p> <p>Case study: Introduction and definition - from Writing@CSU http://writing.colostate.edu/guides/research/casestudy/pop2a.cfm</p> <p>How to write a case study http://www.scribd.com/doc/57908884/Session-5-How-to-Write-a-Case-Study-March-8-2007</p> <p>Giving Voice To Values (GVV) cases. Cases in anti-corruption curricula are all available for free to educators at www.GivingVoiceToValues.org under the “Curriculum” tab. There is a faculty-only URL where the “B” cases and the teaching notes are also available, upon request (Mgentile3@babson.edu). There are also instructions on how to develop one’s own short GVV-style case study available under the “GVV Faculty Networks” tab. http://www.babson.edu/faculty/teaching-learning/gvv/Pages/curriculum.aspx</p> <p>Several popular case publishers:</p> <p>CasePlace http://www.caseplace.org/</p> <p>CCMP http://www.ccmp.fr/index.php?search[advanced][catalog]=1&tg=addon%2Fccmp%2Fmain&idx=catalogitem%3AdisplayList</p> <p>Darden Graduate School of Business https://store.darden.virginia.edu/</p> <p>ECCH http://www.ecch.com/educators</p> <p>Harvard Business School Publishing http://hbsp.harvard.edu/product/cases</p> <p>INSEAD The Business School for the World http://www.insead.edu/facultyresearch/research/order_cases.cfm</p> <p>Richard Ivey School of Business Case and Publications Service https://www.iveycases.com/ProductBrowse.aspx?q=corruption&em=0</p> |

| Title | Case Study - Live Cases (students reporting live cases of corruption/anti-corruption) |
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| Description | <p>This method requires students to report live cases of corruption as journalists/analyst. The students are positioned in companies as interns/observers. Small/big unethical issues which could lead to corruption within companies are identified. Through investigation (perhaps with interviews), first hand information about the situation can be collected (if A/V recorded). These real situations/cases are then reported to the class objectively. Following the presentation of each case, a class discussion/debate is held to develop various solutions that correct or regulate corruption or resist potential corruption. Besides, students could choose issues from their surroundings, personal interactions and experiences with local government bodies, media, etc. and address these various issues in order to stimulate such class discussion on how corruption in different governance/ political/ legal system effect common person's daily life and which laws or legal system provide protection and how to approach such authorities for stopping corruption. Students may act as whistleblowers, if situation demands (this gives them confidence and prepares them to counter corruption and deal with real life situations. Similarly, students could also collect and report good practices of anti-corruption within the companies. This method could be used on its own or jointly with internships or other methods.</p> |
| Examples | <p>Indonesia Students Lead Anti-Corruption Campaign http://wn.com/Indonesia_Students_Lead_Anti-Corruption_Campaign</p> |
| Key links | <p>Business against corruption: Case stories and examples. (Implementation of the 10th United Nations Global Compact Principle against corruption) http://www.unglobalcompact.org/docs/issues_doc/7.7/BACbookFINAL.pdf</p> |

| Title | Case Study - Resolve real small cases of corruption raised by NGO or others |
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| Description | <p>The main idea is to have students involved in resolving real small cases of corruption. Two approaches could be taken. On the one hand, students will resolve cases theoretically. Having the information on corruption cases, students should propose various ways to resolve them without any real action on the field. However, they could do some interviews about the subject if possible. On the other hand, the students could be in contact with various NGO dealing with corruption and should then be asked to propose solutions to real corruption cases involving the social actors concerned by the cases. There are various difficulties with the last possibility: the availability of any case at the time of the course, the number of cases available (especially with large group of students), the duration of the course (corruption cases could be quite complex and require a long investigation period above the duration of the course), the lack of information about corruption cases (hidden by nature). Another difficulty is to have a partnership with an NGO accepting to involve students in corruption cases. Therefore, the first method (theoretically) is more suitable for the purpose of education. Students could be then in a position of consultants doing a diagnosis and writing recommendations.</p> |
| Examples | <ul style="list-style-type: none"> • Working with an NGO in trying to resolve various small cases of corruption • Doing a desk research about various corruption cases and writing a report with diagnosis and recommendations • Working only on the design of a survey to be done to understand corruption cases and carry out a small investigation • Creating a hot-line about corruption scandals and involving the students in resolving real small cases • Doing a field trip in a highly corrupted country and trying to understand the corruption issues faced by the social actors, various group of students giving recommendations for the country based on the same information |
| Key Links | <p>NGO corruption fighters' resource book – How NGOs can use monitoring and advocacy to fight corruption (www.sasanet.org/curriculum_final/downloads/CA/Books & Articles/B3 - NGO Corruption Fighters_resource book.pdf)</p> <p>Business against corruption – Case stories and examples (http://www.unglobalcompact.org/docs/issues_doc/7.7/BACbookFINAL.pdf)</p> <p>Corruption and human rights: Making the connection (http://www.ichrp.org/files/reports/40/131_web.pdf)</p> <p>Case study on the south African national anti-corruption forum (http://www.nacf.org.za/lessons-learnt/index.html)</p> |

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| Title | Case Study - Writing cases by students |
| Description | This method requires students to write (in a group) a case highlighting a corruption challenge in a business, NGO or governmental organization. Cases should focus on a dilemma or an instance of corruption, and should stimulate discussion of strategies for regulating, correcting or resisting corrupt “solutions”. Students should practice risk analysis, cultural sensitivity, and constructive planning to resist corruption in a variety of scenarios. The cases are then presented and analyzed by other groups. |
| Examples | <ul style="list-style-type: none"> • A governmental worker solicits a bribe from a company in a procurement process. It is known that competitors are offering bribes. • A company that is struggling financially finds itself in a less competitive position as a result of being unwilling to pay bribes or “commissions” • A company maintains a competitive bid by circumventing safety regulations. • A company exploits a family connection to secure a contract. |
| Key links | <p>Business against corruption – Case stories and examples http://www.unglobalcompact.org/docs/issues_doc/7.7/BACbookFINAL.pdf</p> <p>Case Studies of the World Bank http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXTWBIGOVANTCOR/0,,contentMDK:20708626~menuPK:1857775~pagePK:64168445~piPK:64168309~theSitePK:1740530,00.html</p> <p>Undermining Oversight: A Case Study (A Case Study of Corruption in a Federal Oversight Agency) http://www.writing.com/main/view_item/item_id/1392088-Undermining-Oversight-A-Case-Study</p> <p>Recommended readings from Transparency International http://www.transparency.org/global_priorities/other_thematic_issues/education/anti_corruption_education/recommended_readings</p> <p>Resource Centre of Publish What You Pay http://www.publishwhatyoupay.org/resources/results</p> <p>Giving Voice To Values (GVV): a brief introduction to GVV case development - available under the “Faculty GVV Networks” tab at www.GivingVoiceToValues.org. The written assignment guidelines are available at the Faculty-Only GVV URL upon request (Mgentile3@babson.edu).</p> |

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| Title | Coaching between students with supervision by teacher/mentor |
| Description | <p>Coaching is the practice of supporting an individual through the process of achieving a specific personal or professional result. The coach mainly asks questions and challenges the coachee (client) to find answers from within based on their values, preferences and unique perspective. Coaching between students under supervision a teacher/mentor is a short 15-20 minute session on training in the classroom, during which one student plays the role of "client", telling another student - "coach" - on a difficult unresolved situation from an ethical point of view with which he faced in his career. More useful if this situation is up to date for the "client". After the session students change roles or "pairs".</p> <p>The task of a "coach": listen to "client", to create a safe supportive environment of communication in which a "client" could be enough to open up and try to experiment with various forms of behavior. In the session "coach" may express an opinion on the client situation, without using judgments, to share their own experiences, also he/she can offer an experiment to play the role of a colleague or manager of the 'client'. More useful if "coach" will not give direct guidance and advice and try to use the creative potential of the "client".</p> <p>The task of the supervisor, whose role may at first perform a teacher/ mentor, and then someone from the students - after the session to review and give feedback to "coach" and "client" in the course of their interaction during the session, the depth of contact, atmosphere that prevailed during the interaction. If you 'coach' want, a more experienced supervisor can share their views on possible strategies in the session.</p> <p>Coaching helps to develop managerial skills such as listening, giving feedback, making appropriate recommendations based on the situation of another person. Coaching provides students with an excellent opportunity to understand another point of view on ethical issues, learn about other strategies for behavior in complex situations in the workplace, to rethink their own ethical approaches. In coaching sessions, students have the opportunity to practice in a safe environment to voice their ethical positions.</p> |
| Examples | Topics of sessions can be defined by topic of classes or can be "free" when students choose a situation from their own experiences. |
| Key links | <p>Peer coaching between gifted students to raise achievement (http://www.gtce.org.uk/tla/rft/gifted0607/gifted0607cs/casestudy3/)</p> <p>The coaching process (http://www.collegeplus.org/howitworks/coachingprocess)</p> <p>Giving Voice To Values (GVV): Guidelines for Peer Coaching http://www.babson.edu/faculty/teaching-learning/gvv/Documents/Guidelines-for-Peer-Coaching.pdf)</p> |

| Title | Conference |
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| Description | <p>A conference consists of a series of lectures and discussions which could last for a day or several days. It could be a regular event such as annual or biannual. Organizing it stimulates the students to creatively think of new ideas. It is a method that engages all the students because all their ideas count towards making the conference a success and each one can be involved in different ways. It draws on their knowledge and experience and fosters teamwork as students learn to overcome personal biases, be open to others' ideas, and reason objectively. They need to hold a series of meetings beforehand, holding brainstorming sessions and possibly organizing preliminary focus groups. In the process of designing and preparing the conference, they practice teamwork and project management skills. They also develop some administrative ability.</p> <p>Through the conference, the students bring together many people from different backgrounds that have a common interest. Real issues are raised and the exposure to more experts in the field complements their classroom learning. They see examples from industry and practice and establish contacts that may help them in future.</p> |
| Examples | <ul style="list-style-type: none"> ▪ Fighting Corruption through Collective Action ▪ Clean Business is Good Business ▪ Businesses Against Corruption ▪ Corruption in Financial Markets ▪ Summit on Anti-Corruption Efforts ▪ How Can The Media Help to Reduce Corruption? |
| Key links | <ul style="list-style-type: none"> ▪ How to organize a conference step by step manual – International Association for Political Science Students (http://www.iapss.org/downloads/publications/iapss_conference_manual.pdf) ▪ Hints for organizing conferences and workshops (http://www.cs.columbia.edu/~hgs/etc/conference-hints.html) ▪ Planning and organizing an annual conference (Potvin, 1983) (http://kmh-lanl.hansonhub.com/pc-26-123-potvin2.pdf) ▪ Organizing a Student Conference (www.cspg.org/students/docs/student-conferences.doc) ▪ LIDS Student Conference (http://lids.mit.edu/news-and-events/lids-student-conference.html) ▪ Student-organized conference seeks to air new perspectives on clean energy (http://news.stanford.edu/news/2007/february28/cross-022807.html) ▪ Implementing Student-Led Conferences in Your School (http://mlei.pbworks.com/f/SLCPP.pdf) ▪ Student-Led Conference - American Student Achievement Institute (http://asai.indstate.edu/guidingallkids/studentledconferencing.htm) |

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| Title | Consulting assignment |
| Description | <p>This method allows the students to practice what they have learnt. They need to give advice and in the process they consolidate their learning. It strengthens interest and aids retention. The assignments could primarily take the form of giving advice to SMEs interested in anti-corruption, for example auditing HR processes for 'anti-corruption' policy fit or weaknesses, etc. They could also help companies design codes or anti-corruption segments of staff policies and handbooks. They could also give brief training sessions on legal implications and regulations that have to do with anti-corruption.</p> <p>As they carry out the consulting assignment, they gain valuable experience that will be useful for them all through life. They would require supervision for this and should be given academic credits for their work in order to encourage them to take on this extra workload.</p> |
| Examples | <ul style="list-style-type: none"> • Partner with a private consulting company to work on anti-corruption projects such as a restructuring of a whistle-blowing system, etc. • Develop a process for fair, timely and efficient delivery of justice • Write out a policy on anti-corruption for a company • Help an SME draw up a plan to raise awareness among employees and third parties of the risks and implications of corruption • Act as research assistant for a consultant or policy-maker on anti-corruption issues • Gather and analyze requirements for an anti-corruption system reform for a bank • Support an NGO on a specific anti-corruption projects |
| Key links | <ul style="list-style-type: none"> ▪ Consulting services for small businesses (http://www.fuqua.duke.edu/programs/studentconsulting/smallbusiness/) ▪ www.antwerpmanagementschool.be/knowledge_research/consulting_assignments ▪ 31Projects - Platform for student consulting projects (http://www.31projects.com/) ▪ A new consulting experience for doctoral students in France (http://sciencecareers.sciencemag.org/career_magazine/previous_issues/articles/2009_01_23/caredit.a0900012) |

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| Title | Corruption “confessions” |
| Description | <p>This method involves encouraging students to explain cases where they have themselves been involved in corruption, such as taking a bribe. It requires an atmosphere of openness and trust in the classroom. A “penalty-free” environment must be established. Follow-up discussion should focus on unexpected consequences, and retrospective strategies for avoidance, as well as explaining the idea of whistleblowing.</p> <p>It would be advisable to use the Giving Voice to Values (GVV) approach of engaging students in discussing how they might re-visit and re-write the narrative, generating feasible “scripts” and action options in order to manage the situation without corruption. See the “A Tale of Two Stories” exercise and teaching plan in the GVV collection, as well as the “Giving Voice To Values: Written Assignment” available at the Faculty-Only GVV URL upon request (Mgentile3@babson.edu).</p> |
| Examples | <ul style="list-style-type: none"> • Being pressured to accept a bribe, and relenting through fear of personal consequences or organizational influence. • Being solicited for a bribe or a facilitation payment and relenting. • Circumventing regulatory requirements for competitive advantage. • Exploiting personal connections for illicit business advantage. • Whistleblowing and assessing the consequences of reported corruption |
| Key links | <p>Pune citizens recount corruption experiences of shame – article published on Daily News & Analysis (http://www.dnaindia.com/speakup/report_pune-citizens-recount-corruption-experiences-of-shame_1530008)</p> <p>AZK Anti-corruption Conference (http://www.medicinecult.com/azk-anti-corruption-conference.html)</p> <p>Confessions of an Anti-Corruption Bureau Officer (http://www.openthemagazine.com/article/confessions/confessions-of-an-anti-corruption-bureau-officer)</p> <p>I paid a bribe – Undercover the market price of corruption (http://ipaidabribe.com/)</p> |

| Title | Debates |
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| Description | This method allows the students to exchange opinions by talking about corruption, and may provoke more robust discussion than a lecture. The framework also stimulates critical thinking and reasoning skills. The participants in the debate learn to consider issues carefully and in detail, and to present their arguments in a simple, organized and logical manner. They also learn to weigh and appreciate opposing arguments. The changes of speaker help to hold the audience's attention. The lecturer needs to frame the debate topic properly so that anti-corruption themes give rise to debates of positive rather than negative rehearsal. For example, it could be stimulating to have a debate on value-oriented culture vs. compliance oriented culture than to have one on ethical culture vs. non-ethical culture. |
| Examples | <ul style="list-style-type: none"> Value-oriented Culture vs. Compliance-Oriented Culture Anonymous vs. Non-Anonymous Whistle-Blowing Pros and Cons of the CEO being the Board Chairperson Who Has the Major Role in Rooting Out Corruption in World Soccer – the Nations or FIFA? Which is the Current Greatest Corruption Challenge in the World? Green Marketing is Social Responsibility Having a Democracy Means There Will be Corruption |
| Key links | <p>Teaching debate in the elementary classroom (http://www.kyrene.org/schools/brisas/sunda/debate/teaching_debate.htm)</p> <p>How to use debate as a teaching tool... (http://www.teachersn.com/general/how-to-use-debate-as-a-teaching-tool.html)</p> <p>Teaching Critical Thinking and writing through debates: An experimental evaluation (Green and Klug, 1990) (http://www.jstor.org/stable/1317631)</p> <p>A systematic approach to teaching critical thinking through debate (http://blog.nus.edu.sg/eltwo/2010/02/19/a-systematic-approach-to-teaching-critical-thinking-through-debate/)</p> |

| Title | Dilemma Scenarios |
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| Description | This method is used to expose students to scenarios that challenge business experiences with corruption. It gives them an opportunity to develop strategies of resistance to a variety of problems in bribery and corruption generally. The main objective is not to find a single “right answer” but to develop a process of analyzing challenges, examining alternatives, and constructing strategies of response. This should also sensitize students to understand and recognize situations that (may) lead to corruption. Techniques include discussion and role-playing. |
| Examples | <ul style="list-style-type: none"> Resolving the dilemma: what to do when bribery seems necessary for competitiveness. Resisting corruption in a corruption-tolerant organizational culture. Fighting local corruption in an NGO. Handling “unwelcome gifts”. Identifying grey areas in business practices |
| Key links | <p>Human Rights and Business Dilemmas Forum (http://human-rights.unglobalcompact.org/dilemmas/corruption/)</p> <p>Examples of anti-corruption training sessions (www.u4.no/helpdesk/helpdesk/query.cfm?id=189)</p> <p>The fight against corruption (http://thefightagainstcorruption.unglobalcompact.org/)</p> <p>The anti-corruption curriculum - Transparency International (http://www.transparency.org/news_room/in_focus/2010/educating_for_integrity)</p> |

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| Title | Draft laws to address the problem of corruption |
| Description | Ask students to design new regulation concerning various corruption issues. While law students have high technical skills to perform such as task, business students could also be involved in such an exercise. Students should first analyze national context; understand the legal framework at international and national levels. The professor should propose a focus and an improvement of the existing regulations. Their recommendation should be based on the analysis of other national legal frameworks. This method is used to improve their knowledge of the students regarding the corruption legal framework. It is possible to ask students to cover various issues regarding corruption and ask them to present their recommendations to their peers but also to a small jury including judges or regulators. |
| Examples | Designing a law regarding corruption in private firms. Designing a law to protect whistleblowers Designing a law to reduce corruption in various specific economic contexts Designing a law to transform a national law according to various main international laws |
| Key links | <p>Foreign Corrupt Practices Act – U.S. Department of Justice (www.justice.gov/criminal/fraud/fcpa/)</p> <p>One hundred eleventh congress of the United States of America (www.sec.gov/about/laws/wallstreetreform-cpa.pdf)</p> <p>Legislation.gov.uk – carries most types of UK Legislation (www.legislation.gov.uk/ukpga/2010/23/contents)</p> <p>OECD convention on combating bribery of foreign public officials in international business transactions and related instruments (www.oecd.org/dataoecd/52/24/2406452.pdf)</p> <p>Convention against corruption involving officials - EUROPA Summaries of EU legislation (http://europa.eu/legislation_summaries/fight_against_fraud/fight_against_corruption/l33027_en.htm)</p> <p>Criminal Law Convention on Corruption CETS No.: 173 – Council of Europe (http://conventions.coe.int/treaty/Commun/QueVoulezVous.asp?NT=173&CL=ENG)</p> <p>Civil Law Convention on Corruption CETS No.174 – Council of Europe (http://conventions.coe.int/treaty/Commun/QueVoulezVous.asp?NT=174&CM=8&DF=05/09/2011&CL=ENG)</p> <p>Additional Protocol to the Criminal Law Convention on Corruption CETS No.191 – Council of Europe (http://conventions.coe.int/treaty/Commun/QueVoulezVous.asp?NT=191&CM=8&DF=05/09/2011&CL=ENG)</p> <p>UN Convention Against Corruption - NY, 31 October 2003 (http://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=XVIII-14&chapter=18&lang=en)</p> |

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| Title | (Small) Group Discussion |
| Description | In this is a commonly used method, group discussion uses learners' own past experiences in a very deliberate manner. The method divides learners into groups of 5-15. The discussion is carried on by the learners on the basis of their own past experiences, attitudes and values, from which they arrive at new knowledge and new insights. Discussion cannot be hypothetical or speculative. It is important to realize that the discussion is not an end in itself, but rather each small group should then present its discussions to the large group and, on the basis of their presentations, working principles should be developed. Presentation and summarization subsequently follows discussion. |
| Examples | <ul style="list-style-type: none"> Compliance in SME Firms – what is a must, what is nice to have? Compliance vs. Integrity |
| Key links | <ul style="list-style-type: none"> Group discussion (http://learningcentre.curtin.edu.au/skills/group_discussion.cfm) Managing small group discussion (http://teaching.polyu.edu.hk/datafiles/R19.pdf) Using the learning through discussion (ltd) approach to teaching for thinking (www.insightassessment.com/content/download/1162/7493/file/LTD.pdf) Small group techniques (http://www.fhwa.dot.gov/reports/pittd/smlgroup.htm) |

| Title | Guest Speaker |
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| Description | <p>A way of bringing new ideas and people into the classroom. A guest speaker is an expert in a field and is available for guest appearances. He/She personalizes a topic and helps to reduce audience's stereotypes. The students get the opportunity to raise questions to an expert and information given by an expert may be seen as more credible than that given by the educator. The educator and the guest speaker discuss, previously, the topic to be covered, details of the class time, the fits of the topic into the course, etc. There could be limitations of bringing them physically. Guest speakers are often difficult to fit into the class schedule and often require travel expenses to be paid. To resolve the issue, the guest speaker may appear virtually or through videoconferencing. Obviously getting a guest speaker about corruption is difficult. However it could be useful to ask professional associations for guest speakers (e.g., the Government Accountability Project in the U.S.).</p> <p>Variation: Team Teaching</p> <p>A way of bringing new ideas and people into the classroom. Similar to guest speakers, but the speaker is involved in the class for more than one session. Team Teaching is used, when two or more facilitators can effectively combine their interests and areas of expertise, and share the class time and work. The facilitators decide who covers each topic and when sessions will be conducted. Each is responsible for a section and the sections are taught independently except for discussion on how sections flow together.</p> |
| Examples | <ul style="list-style-type: none"> • Compliance Officer speaks about Anti Fraud Management • KPMG Researcher speaks about the Profile of a Fraudster • Head of Corporate Responsibility speaks about Supplier Code of Conducts |
| Key links | <ul style="list-style-type: none"> ▪ What's the Role of a Guest Speaker? Sample Guidelines... (https://courses.worldcampus.psu.edu/public/faculty/guestspeaker.html) ▪ Worldwide speakers website (http://www.worldwide-speakers.de/redner.html) ▪ Compliance week 2011 (http://www.complianceweek.com/conference-2011-speakers/section/2019/) |

| Title | Lecture |
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| Description | <p>This method is used to formally and directly instruct the students in a logical manner. It often finds support in the weight of the instructor/teacher's experience and this inspires the students. It stimulates thinking and is useful for large groups (20 or more) since it keeps the whole group focused on the same points while making it easy to control time.</p> <p>For maximum effectiveness, a lecture should have a clear introduction and summary and the content should be suited to the time allotted to the teaching session. Its greatest limitation is that the audience is passive. This can be improved by having an interval or two for discussion and by asking questions that could help to gauge learning midway and at the end. Examples and anecdotes also help to liven up a lecture and to increase retention rate.</p> |
| Examples | <p>Causes of Corruption Public and Private Corruption, Corruption and International Crime, Corruption as an Obstacle to Sustainable Development, Governance and Transparency, International Cooperation to Resist Corruption, Establishing an Ethical Workplace Culture, Fundamentals of an Effective Anti-Corruption Effort, Anti-Corruption Reforms, Engaging Stakeholders in Anti-Corruption Initiatives, Corruption and Journalism, Whistle-blowing and the Ombudsman's Office</p> |
| Key links | <ul style="list-style-type: none"> ▪ Delivering a Lecture (http://teaching.berkeley.edu/bgd/delivering.html) ▪ Preparing to teach the large lecture course (http://teaching.berkeley.edu/bgd/largelecture.html) ▪ Lecture Pros and Cons (http://712educators.about.com/od/lessonplans/p/lecture.htm) ▪ Get to the point(s): One student's experience as a lecturer (http://gradschool.about.com/cs/teaching/a/howtolecture.htm) |

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| Title | Outreach – Anti-corruption internship |
| Description | <p>This method is used to put students in real working situations to become accustomed to corruption issues, policies, research reports and solutions. Students should have an active role in researching possible internships since offers are limited and the demand is high. The University should actively try to pursue partnership with businesses, NGOs, and/or international organization to try to create opportunities for their students. It is worth noting a majority of internships in NGOs and international organizations are not paid. It is recommended that the University should offer credit towards completion of students program as an incentive. On the other hand, the positive impact of such internship experiences on the curriculum vitae of the student, particularly when these are held in large companies or major international organizations, should be emphasized.</p> |
| Examples | <p>Working at a private company dealing with corruption issues, examples: in Compliance office, CSR department, ombudsman, etc.</p> <p>Working at an international organization such OECD, World Bank, IMF, UN on issues of anti-corruption</p> <p>Working at an academic institution as a research assistant on the topic of anti-corruption (with law faculty, business, ethics, etc)</p> <p>Working in NGO dealing with anti-corruption (such as Transparency International)</p> <p>Working with media to develop cases or reports on anti-corruption issues</p> |
| Key Links | <p>Regional Anti-Corruption Initiative (RAI) Internship program (http://www.rai-see.org/what-we-do/internship-program.html)</p> <p>Internship Programme at the International Anti-Corruption Academy (IACA) (http://iaca-info.org/index.php?option=com_content&view=article&id=116&Itemid=119)</p> <p>Internship in the Transparency International Legal Affairs Unit (http://www.transparency.org/contact_us/work/internships)</p> <p>Internship at the Anti-Corruption Division of the Organization for Economic Co-operation and Development (OECD) (http://observer.american.edu/sis/summer/upload/OECD-Internship-2011.pdf)</p> <p>Investigative Journalism Fellowship at Africa Centre for Open Governance (AfriCOG) (http://www.careerpoint.co.ke/africa-centre-for-open-governance-africog-investigative-journalism-fellowship-call-for-applications/)</p> |

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| Title | Outreach - Faculty exchanges |
| Description | <p>The faculty exchange programme as visiting professorships allows for exciting interchange between the participating colleges and universities including sharing international perspectives on ideas and events. The faculty exchange would provide participants with the opportunity to teach or conduct research for one semester or an academic year at an overseas university.</p> <p>The faculty exchange program presents faculty with unique opportunities for professional development and personal enrichment. To encourage 'brain circulation' between colleges, to promote scientific interactions and common activities at an advanced scientific level.</p> <p>Teaching ethics and fighting corruption is a great opportunity to show the audience, on the one hand, international experience and other approaches to these problems. On the other - a common basis of human values does not depend on cultural, ethnic or economic differences. The sharing of different experiences, comparison of case studies in different countries and of research methodologies in the disciplines of pertinence of each scholar are important assets for widening the global knowledge of corruption.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • To improve academic cooperation • To organize international conferences and research seminars • To enhance faculty members' personal and intellectual enrichment • To share research data and methodologies • To improve public debates on corruption in general |
| Examples | |
| Key links | <p>Faculty exchange program from BCA Study Abroad</p> <p>(http://www.bcanet.org/pages.aspx?pid=146&name=Faculty-Exchange-Program)</p> |

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| Title | Outreach - Site Visit |
| Description | <p>This method is used to expose students to examples of real-life experiences in dealing with corruption, practical organizational methods of prevention, structures and processes for compliance, and ways of cultivating an open integrity culture.</p> |
| Examples | <ul style="list-style-type: none"> • Interacting with members of an organization that experienced challenges in corruption; • Hearing experiences of whistleblowers and how they are supported (or not) by an organization; • Hearing from a compliance officer about challenges and ways of implementing an anti-corruption culture; • Hearing a practical description of compliance officers' duties, tasks and skills; • Learning from legal counsel about the actual cost of being implicated in corrupt activities. |
| Key links | <p>Ten steps for developing an anti-corruption culture within your organization (Wright and Newlan, 2011) (http://www.mcgrathnicol.com/Forensic/Thought_leadership/Australian Risk Management Today_Ten steps for developing an anti-corruption culture_Jan Feb 2011pdf.pdf)</p> <p>Business fighting corruption: Experiences from Africa (http://www.unglobalcompact.org/docs/news_events/8.1/bfc_web.pdf)</p> <p>Corporate compliance officer: Marrying business with the law (http://www.mainjustice.com/justanticorruption/2011/07/14/corporate-compliance-officer-marrying-business-with-the-law/)</p> <p>Business principles for countering bribery (http://www.transparency.org/global_priorities/private_sector/business_principles)</p> |

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| Title | Outreach - Students exchanges |
| Description | <p>To provide certain international cultural exchange programs designed to provide practical training and sharing of information related to the history, culture, and traditions of participants' home country. The term exchange means that partnered institutions exchange their students but not necessarily the students have to find a counterpart from other institutions to exchange with.</p> <p>Students exchange has the aim of helping to increase the participants understanding and tolerance of other cultures, as well as improving their languages skills and broadening their social horizons.</p> <p>In In the context of anti-corruption and integrity education such exchanges may be directed to allow students to get first-hand insights into regional and national contexts in which corruption may be a widespread social phenomenon.</p> <p>Objectives:</p> <ul style="list-style-type: none"> To enhance the educational experience of students; To strengthen the networking between students and universities; Broaden personal and educational perspectives; Explore, appreciate and understand different cultures; To eliminate fear and prejudice among nations; To enhance interest in global issues. To increase situations of direct daily experience of corruption-related social problems To sensitize students by putting them into contact with ways how national/regional media treat integrity in different countries To sensitize students in ways how local inhabitants perceive corruption and its socio-economic outcomes <p>Student exchange programs can be short term or long term.</p> <p>Long term is designed to last six to ten months or up to one full year. Short term could last from one week to three months.</p> |
| Examples | |
| Key links | <p>Wikipedia article about student exchange program http://en.wikipedia.org/wiki/Student_exchange_program)</p> <p>International student exchange programs (ISEP) http://www.isep.org/About_ISEP/who_we_are.asp)</p> |

| Title | Projects |
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| Description | <p>This method consists in the realization of a project by students regarding real-world corruption problems. Most of the time group work will be required. The aim is to have the students take charge of their learning process through the realization of the project. The typical format is group work to write a report. However, lecturers should try to innovate keeping in mind that the main idea is to ask for an intense participation of the students in the learning process. The added-value is to have long term memorization of the students. The assessment method should measure the ability of students to develop collaborative skills and research skills through this exercise. Another skill will be the presentation (dissemination) of issues of integrity. From the assessment of performance in these skills it will be clear how the students learned the topic, and the personal cognitive influence that the study material had on them.</p> |
| Examples | <p>Among innovative projects, we could give the examples of:</p> <ul style="list-style-type: none"> Designing anticorruption policies for various countries Resolving corruption cases by groups of students Doing a field research project involving collection of data by students about corruption Writing a journal done by the students about various corruption cases world-wide Writing a report on various issues related to anti-corruption issues Compiling a list of best practices Comparing case studies in different business fields |
| Key links | <p>Masters student research projects of center for international development at Harvard University (http://www.cid.harvard.edu/cidresearch/studentresearch.html#09gutubalam)</p> <p>Post grad students projects for the year at University Of Nairobi (http://www.uonbi.ac.ke/faculties/postgrad-student-projects-details.php?project_id=6036&fac_code=43)</p> <p>Doctoral student research projects of center for international development at Harvard University (http://www.cid.harvard.edu/cidresearch/docstudentresearch.html)</p> <p>pbosnia.kentlaw.edu/Press%20Release-rev2.doc</p> <p>Giving Voice To Values (GVV): Written Assignment - available at the Faculty-Only GVV URL upon request (Mgentile3@babson.edu) (http://www.babson.edu/faculty/teaching-learning/gvv/Pages/home.aspx)</p> |

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| Title | Reflective paper (self-reflection of students, regarding how they feel about a subject) |
| Description | <p>In this method, students are asked to express feelings – not to find solutions or identify challenges. In discussion they can analyze these feelings and see whether they might provide obstacles or opportunities for cultivating anti-corruption strategies. The lecture could be given to the students (see examples below for a number of situations) and ask them to write a reflective paper (a few sentences to describe the feelings evoked). Subsequently, the anonymously submitted papers form the basis for a directed discussion.</p> |
| Examples | <ul style="list-style-type: none"> • Feelings when exposed to a case of corruption in a colleague or department in one's own organization. • Feelings when being solicited directly for a bribe. • Feelings when competitive advantage (or achievement of personal goals and job metrics) might be improved by offering a bribe. • Feelings when being extorted, for example in obtaining public permissions, qualifications or approval for a business opportunity. • Feelings when contemplating whistle blowing. • Feelings when a colleague confides that he/she is contemplating whistle blowing. |
| Key links | <p>Interesting note on social class - really caste - prejudices http://www.hindu.com/2011/05/29/stories/2011052958290400.htm</p> <p>Giving Voice To Values (GVV): Written Assignment - available at the Faculty-Only GVV URL upon request (Mgentile3@babson.edu) (http://www.babson.edu/faculty/teaching-learning/gvv/Pages/curriculum.aspx)</p> <p>"A Tale of Two Stories" exercise and teaching plan in the Giving Voice To Values (GVV) collection (http://www.babson.edu/faculty/teaching-learning/gvv/Documents/Student/A-Tale-of-Two-Stories_S.pdf)</p> |

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| Title | Reports / essays / research paper |
| Description | <p>This method gives students a chance to reflect on their experience and to do research on their own – individually or in groups. It also saves class time since the students have to do a lot of work on their own and learn in the process. Through report-writing, they learn to inform about, analyze or interpret work in written form and so this verbal skill is enhanced. They learn to present a thesis and support it with logical argument, evidence and illustration. When they do it in groups, putting the report together exercises their interpersonal and teaming skills. They also learn time-management since they have to set their own completion timelines and hand in the report by a fixed deadline.</p> <p>They could also be asked to make a PowerPoint presentation to the class. Both the report and the presentation could form part of the assessment for the course.</p> |
| Examples | <ul style="list-style-type: none"> • Corruption Perceptions on Campus • Gaps (or Vulnerable Spots) in Global Integrity • Towards Transparency in Bidding Processes • Supply Chain Corruption in a Multinational • Judicial Corruption and National Integrity • Corruption in Tax and Customs Administration • Police Fighting Corruption |
| Key links | <ul style="list-style-type: none"> ▪ How to write reports (http://www.teachingonline.org/reports.html) ▪ Student guide to report writing www.environment.murdoch.edu.au/info/student/StudentWriteGuide.pdf ▪ Report writing (http://www.deakin.edu.au/current-students/study-support/study-skills/handouts/report.php) ▪ Writing Reports & Research Papers (http://www.teachervision.fen.com/writing-composition/resource/6394.html) |

| Title | Role Playing |
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| Description | <p>This method introduces the subject in a way that actively involves the students by asking them to take on the roles of characters in a given scenario and act them out. It helps students to better understand the protagonist's point of view and leads to deep exploration of possible solutions. It pushes them to react quickly and to use their imagination, since they have to respond to the issues unfolding, about which they previously knew nothing. It also gives an opportunity to practice skills such as asserting values, communicating and persuasion. Those who are shy and self-conscious get a chance to overcome their reserve in a friendly environment. It also helps those watching to visualize the problem in a more effective way and to generate solutions more easily.</p> <p>Role-playing works best for small groups (20 or less) and with clearly defined situation and roles. This clarity will also help to manage time.</p> |
| Examples | <ul style="list-style-type: none"> • Scenarios from the interactive modules on http://thefightagainstcorruption.unglobalcompact.org/ • Scenarios from http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/Fighting_Corruption_Supply_Chain.pdf • Solicitation scenarios from the RESIST toolkit: http://www.ssd.com/expanded_resist_toolkit_released/ • Captain of a ship is being told by his duty manager that the goods cannot be offloaded without giving a bribe and needs to explain to him why he should resist. • Explain to your employees the need to develop appropriate anti-corruption mechanisms throughout your company's value chain. • Hold a top management meeting to plan how to educate employees on the forms of corruption and the appropriate response to these forms. |
| Key links | <ul style="list-style-type: none"> ▪ Role-playing as a teaching strategy (Javis, Odell & Troiano, 2002) http://imet.csus.edu/imet3/odell/portfolio/grartifacts/Lit%20review.pdf ▪ Teaching with role play (http://www.bu.edu/act/mdalcoholtraining/Teaching%20with%20Role%20Play.pdf) ▪ Is role-playing an effective teaching method? (Graves, 2008) (http://www.cehs.ohio.edu/resources/documents/graves.pdf) ▪ How to teach using role-playing (http://serc.carleton.edu/introgeo/roleplaying/howto.html) ▪ Role-playing exercises (http://serc.carleton.edu/introgeo/roleplaying/) ▪ Role playing in education (Blatner, 2009) (http://www.blatner.com/adam/pdntbk/rplayedu.htm) |

| Title | Simulation |
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| Description | <p>Simulations are a useful teaching strategy to illustrate complex and changing situations. However, simulations are (necessarily) less complex than the situations they represent. In a simulation, the student acts, the simulation reacts, and the student learns from this feedback. In the case of a simulation, the “game” involves rules, and the students must make decisions. Each of these decisions affects the outcome of the game. For the students to learn what you intend for them to learn from the simulation, you must hold a discussion during and/or after the game. This is integral to the students' learning. Simulation and Gaming can be done with board games, computer assisted board games, or fully computerized environments.</p> <p>Dumlekar (2004) in the context of "Management simulations" noticed: “A simulation is a replica of reality. As a training program, it enables adult participants to learn through interactive experiences. Simulations contain elements of experiential learning and adult learning [...] Simulations would therefore be useful to learn about complex situations (where data is incomplete, unreliable or unavailable), where the problems are unfamiliar, and where the cost of errors in making decisions is likely to be high. Therefore, simulations offer many benefits. They accelerate and compress time to offer a foresight of a hazy future. They are experimental, experiential, and rigorous. They promote creativity amongst the participants, who develop a shared view of their learning and behaviors. Above all, making decisions have no real-life cost implications.”</p> <p>Dumlekar, Vinod. (2004). Management simulations: Tests of effectiveness. Online posting on Simulation & Gaming: An Interdisciplinary Journal of Theory, Practice and Research web site.</p> |
| Examples | <ul style="list-style-type: none"> • Car and flight simulators • SIM City • Monopoly • Model UN • Prisoners dilemma |
| Key links | <ul style="list-style-type: none"> ▪ International simulation and gaming association (http://www.isaga.info/) ▪ Games for change (http://www.gamesforchange.org/play/) ▪ Simulation & gaming: An interdisciplinary journal of theory, practice and research (http://www.unice.fr/sg/) ▪ Interactive online game “Prisoner’s Dilemma” (http://www.iterated-prisoners-dilemma.net/) |

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| Title | Students lecturing (students presenting theoretical subjects to class) |
| Description | <p>This learning method develops students' skills and understanding of theoretical concepts in a practical manner. To prepare for the lectures, students should independently select and analyze theoretical material on a particular topic, to reinforce its practical examples, and then present in a clear logical sequence. A student lecturing develops such managerial skills as interaction with a group of people and time management, because the lecture is very limited in time.</p> <p>Student - lecturer must maintain the necessary attention of the audience to his speech, accompanying him with questions, examples from personal or other people experiences.</p> |
| Key links | <p>Teacher lecture or students do some of the talking? Which do you prefer? (www.essayforum.com/writing-feedback-3/teacher-lecture-students-some-talking-prefer-7860/)</p> <p>Delivering effective lectures (http://www.reproline.jhu.edu/english/6read/6training/lecture/delivering_lecture.htm)</p> |

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| Title | Survey with interviews by students regarding corruption |
| Description | <p>The main idea is to ask students to do a field research using interviews as a method of collecting information. A survey question should be given to students by the professor. Then, students should work on the design of a questionnaire, select their sampling method, meet people to interview them and then analyze the collected data. Due to time constraints, most of the time students will carry out a few interviews (rather than a large sample with a representative sample). However, their qualitative approach will give them a first-hand experience of various anti-corruption issues. Some interviewed experts could also be asked to give their testimony to the class as guest lecturers. Students will work in groups with different questions for each group or the same question to all groups. In this last case, the same question is given to all the different groups of students. The professor will let them work on various questionnaires but end up with the selection of one questionnaire for the different groups of students and divide the sample by the different groups. A single analysis of all the administrated interviews could then be done at the end of the interviews. Not only does this learning method allow students to meet people connected with corruption but also it is important for the professor who can take the opportunity to discuss with the students the topic of measuring corruption and the various methods to approach the phenomenon (see for example : www1.worldbank.org/publicsector/pe/PETS2.pdf)</p> |
| Examples | <ul style="list-style-type: none"> • Survey about corruption in a specific economic sector • Survey to households about their various experiences of corruption • Survey among civil servants regarding corruption • Interviews of employees about anti-corruption policy in their company • Interviews of young people about their perception of corruption • Survey to Human Resource Directors regarding anti-corruption trainings |
| Key links | <p>Giving Voice To Values: Written Assignment - available at the Faculty-Only GVV URL, upon request from Mgentile3@babson.edu. (www.babson.edu/faculty/teaching-learning/gvv/Documents/Annotated-TOC-GVV.pdf)</p> <p>Below are examples of various surveys (none being done by students):</p> <p>Corruption perception survey (cps) 2007 report extract (www.anti-corruption.org.bt/pdf/cps.pdf)</p> <p>Corruption in Vietnam: What do young people think? (www.transparency.org/news_room/in_focus/2011/corruption_in_vietnam_youth_views)</p> <p>Student perception on corruption in the Armenian higher education system (http://www.osce.org/yerevan/75096)</p> |

| Title | Technology - Continuing platform for students post-graduation |
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| Description | <p>This online method extends beyond the classroom and the blog and helps to keep alumni in contact when they begin work as professionals and now face the problems hitherto theorized about in class. They come together virtually to examine issues of concern to them, to dialogue, exchange views, expand their horizons, etc. Through their deliberation on the matters brought up, they may be able to reach individual or joint conclusions that impact their work.</p> <p>The platform creates solidarity and a pool of ideas (think-tank like) that they can draw on for support in taking anti-corruption stands in real life issues. It also enables peer learning, since apart from the faculty involved, they can learn from one another's experience. Moreover, the method is particularly useful to maintain updated social networks, to inform members about events and researches and to stimulate further cooperation and cross-dissemination of ideas.</p> |
| Examples | <ul style="list-style-type: none"> • How to deal with solicitation from government officials • Getting round artificial obstacles without paying bribes • Doing business in countries with high corruption indices • Setting standards across branches on different continents • Anti-corruption resources • Cleaning up your act if you have been involved in corrupt activity • Societal pressures that perpetuate corruption • Cultural perceptions of the damages of corruption • Assessing transnationally the importance of human factors in company decisions |
| Key links | <ul style="list-style-type: none"> ▪ Engage students with online classroom discussion platform (http://howtoteachkids.info/2011/02/engage-students-with-online-classroom-discussion-platform/) ▪ Sustainable water management online discussion platform (http://swm-group.blogspot.com/2011/05/sustainable-water-management-leading.html) ▪ Wikipedia article about collaborative software (http://en.wikipedia.org/wiki/Collaborative_software) |

| Title | Technology - E-Learning |
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| Description | <p>Electronic learning or e-learning has various definitions. E-learning is basically learning that is facilitated and supported via information and communications technology (ICT). The American Society for Training and Development (ASTD) defines e-learning as a broad set of applications and processes which include web-based learning, computer-based learning, virtual classrooms, and digital. Much of this is delivered via the Internet, intranets, audio- and videotape, satellite broadcast, interactive TV, and CD-ROM. The definition of e-learning varies depending on the organization and how it is used but basically it involves electronic means of communication, education, and training. For example web-based training, computer-based training or web-based learning, and online learning are a few synonymous terms that have over the last few years been labeled as e-learning. Each of this implies a "just-in-time" instructional and learning approach.</p> <p>E-learning covers a wide array of activities from supported learning, to blend or hybrid learning (the combination of traditional and e-learning practices), to learning that occurs 100% online.</p> <p>Sound e-learning is founded on instructional design principles pedagogical elements that take into account learning theories. Given its nature, online distance education is well matched with e-learning and flexible learning but is also used for in-class teaching and blended learning.</p> <p>References:</p> <p>Alonso, F. et al. (2005) "An instructional model for web-based e-learning education with a blended learning process approach", British Journal of Educational Technology; Mar, Vol. 36/2, 217-235.</p> <p>Mayer, R. E. (2003). Elements of a science of e-learning. Journal of Educational Computing Research, 29(3), 297-313.</p> <p>First understanding the definition of e-learning is therefore key to understand it's potential and the best ways to achieve learning goals through various related media, which are accomplished over the Internet, computer networks, using CD-ROM materials, interactive television, audio, satellite broadcast as well as other multimedia resources (www.about-elearning.com)</p> |
| Examples | <ul style="list-style-type: none"> • MIT Free Online courses • Finnish Virtual University |
| Key links | <ul style="list-style-type: none"> ▪ Pearson learning studio (http://www.pearsonlearningsolutions.com/pearson-learning-studio/) ▪ MIT OpenCourseWare (http://ocw.mit.edu/index.htm) ▪ Elearningeuropa.info (http://www.elearningeuropa.info/) ▪ Finnish Virtual University (https://www.virtuaaliyliopisto.fi/en/index/vy_activities_eng.html) |

| Title | Technology - Online platform (social media- blogs about anti-corruption by students) |
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| Description | <p>The purpose of this method is to ask an active participation of the students to create an online platform about corruption. Active participation will increase their motivation, their ability to learn anti-corruption issues over a long period of time. This tool is particularly suitable for young students keen to use technology. The lecturer should be aware of the work load involved; students use online platform as long as added-value results from it, such as updated information and frequent online dialogues with the professor. However, online platforms by students require them to be active learners and involved in the design and the animation of the blog.</p> |
| Examples | <ul style="list-style-type: none"> • Online platform to share on-going case studies done by the students • Press review about various current international and national cases of corruption. Students could present briefly small cases and highlight how each case relates to the course • Analysis of key academic texts shared by students with dialogue between them and facilitation by the professor • Online platform to share the experiences of students doing internships in various organizations, but linked to anti-corruption policy • Online platform where students assess various organizations anti-corruption policies with intervention of people of different specialized organizations (private; NGO, State) |
| Key links | <ul style="list-style-type: none"> ▪ Young India against corruption! – article posted by All India Students' Association (AISA) (http://www.aisa.in/?p=766) ▪ The wall street journal blogs about “corruption currents” (http://blogs.wsj.com/corruption-currents/) ▪ Hong Kong campaigns against corruption via social media (http://www.futuregov.asia/articles/2011/mar/18/hong-kong-campaigns-against-corruption-social-media/) ▪ Social media for anticorruption? Exploring experiences in the former Soviet block (http://europeandcis.undp.org/blog/2011/07/27/social-media-for-anticorruption-exploring-experiences-in-the-former-soviet-block/) ▪ Harnessing Social Media Tools to Fight Corruption (http://irevolution.files.wordpress.com/2011/05/harnessing-social-media-tools-to-fight-corruption-1.pdf) |

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| Title | Technology - Webinars with different countries/business schools |
| Description | <p>The term webinar is a neologism, short for web-based seminar. Among many computer-mediated communication systems the webinar tool is one of the latest developments. Webinars are affordable: Students can participate in a webinar session with a computer, video/audio capture devices, and broadband network connections. Able to transmit video, audio, and images, webinars also enable educators and students to share applications and to use whiteboard, the objective being to exchange information in a real-time and two-way format. Webinars include normally polling and question & answer sessions. Webinars are collaborative and provide a nearly face-to-face environment that increases for educators and students' social presence and that facilitates multi-level interaction. There are three formats for webinar-session delivery: (a) presenter vs. multiple participants from one site; (b) presenter vs. multiple participants from multiple sites; and (c) multiple participants from one site vs. multiple participants from one or multiple sites. Most of the webinar tools (i.e. Adobe Connect, Elluminate) provide an environment in which participants can archive seminar content for personal review or for people who missed the real time session. Webinar sessions are appropriate for delivering topics for which the direct focus is conceptual knowledge or basic procedural knowledge or for which the indirect focus lies on an augmentation of students' positive attitude toward the knowledge in question. The webinar form enables the students "to attend" sessions in a personalized environment, which can considerably reduce anxiety levels. However, educators should avoid placing heavy cognitive loads on students such as teaching hands-on skills and conducting complicated activities. Highly interactive lessons should involve smaller numbers of students, so the educator can ensure that each student follows the training session.</p> |
| Examples | No example could be provided since webinars are virtual events. |
| Key links | <ul style="list-style-type: none"> ▪ Penn Alumni Education – University of Pennsylvania (http://www.alumni.upenn.edu/education/officehours.html) ▪ Managing anti-corruption efforts in the new era of enforcement - MetricStream (http://www.metricstream.com/webinars/managing-anti-corruption-efforts-new-era-enforcement.html) ▪ Free EthicsPoint Webinar: Foreign Employment Litigation in U.S. Courts (http://www.corporatecomplianceinsights.com/2011/free-ethicspoint-webinar-foreign-employment-litigation-in-u-s-courts/) ▪ The Financial Advisor Webinar Series (http://www.advisorproducts.com/webinars.aspx) |

| Title | Videos |
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| Description | <p>The integration of video in a face-to-face or e-learning environment can illustrate theoretical issues vividly and make processes or human behavior tangible that otherwise would be difficult to observe. Videos provide a focus for situated learning, for perspective change, for self-reflection and discussion within a learning group. Videos are effective only if facilitator prepares questions to discuss after the show. The preparation and/or production of a video are also related to either the model based or problem based learning approach and therefore different depending on the type of approach.</p> <p>There are different types of video teaching:</p> <p>Educational films can be presented to transfer repeat, structure or expand on the subject matter. On the other hand, students can also produce videos themselves. Video as a medium provides a way to objectify the perspective of the learners on the relevant learning object. This video can serve as the basis for an in-depth discussion of the subject matter or serve as the completion and result of a thematic learning sequence.</p> <p>Educators can film learners in action sequences during a workout situation. Then the video serves as a kind of coaching instrument: self reflexion and feedback by others based on the analysis of the video sequences.</p> <p>Further “training videos” with voice over comments that illustrate “good practice” and “video cases” (often combining visual, graphic, and audio with text) can provide a rich and often more dramatic portrayal of management situations. Both can be applied in face-to-face or e-learning environments.</p> |
| Examples | <p>The Unwelcome Gift. Receiving gifts and hospitality</p> <p>To Pay or not to Pay. Facilitation payments and corruption</p> <p>The Mystery Middleman. The use of intermediaries and lobbyists</p> <p>The Strange Letter. Corruption and social investments</p> <p>Siemens: Anatomy of Bribery</p> <p>Videotyping your practice</p> <p>Dramatic representations of literary texts as a discussion tool – e.g, Arthur Miller’s <i>Death of a Salesman</i></p> |
| Key links | <p>The fight against corruption - A joint product of the UN Global Compact and the UN Office on Drugs and Crime, using six interactive learning modules (http://demo.thefightagainstcorruption.com/)</p> <p>DVD Case Videos of Stanford Graduate School of Business (http://www.gsb.stanford.edu/news/videocatalog.html)</p> <p>The changing nature of work - an established video series that creates a multimedia learning environment... (http://www.workvideos.com/)</p> <p>Vimeo – it is a community of people who are passionate about sharing the videos they make (http://vimeo.com/26459570)</p> <p>Giving Voice To Values (GVV) videos (www.GivingVoiceToValues.org; www.MaryGentile.com)</p> |

13. FAQ

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| Question 1 | How does one open a session? |
| Answer | <p>At the beginning of a session it is essential to gain students' attention. There are several ways to open a lecture. The following list of opening techniques is by no means exhaustive, but it provides a brief overview of possible options:</p> <p>Testimonial: Quote an influential person and/or celebrity the students know of/ respect</p> <p>Evidence: Present an interesting statistics or other data on the importance of anticorruption and corruption prevention</p> <p>Anecdote: Tell the story of someone directly affected by corruption</p> <p>Statement: Make a bold and powerful statement on the importance of corruption prevention</p> <p>Example: Give an example of a firm or a person whose life was affected by corruption</p> <p>Question: Ask a challenging question requiring students to answer or makes them think</p> <p>Activity: Engage the students in an activity such as a role play</p> <p>Surprise: Start with a suspense-building or unpredictable sentence that hits with surprise</p> |
| Related questions | This subsection will be developed later. |
| Key links to real examples | This subsection will be developed later. |

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| Question 2 | How could students give feedback about an anticorruption course? |
| Answer | <p>Nowadays, many universities have implemented a system of formal feedback and evaluation of courses. Such feedback and evaluation could be used to improve the learning activities. To make this possible, it is necessary to first define the learning objectives and what assumptions are being made.</p> <p>There are several means of evaluating the success of a lecture and gaining useful feedback. The following list is by no means exhaustive, but it provides a brief overview of possible options:</p> <p>Self-reflection: After a lecture it is important to reflect realistically on what students have learned and what could be improved with regard to content and student activity</p> <p>Feedback during the lecture: During the lecture students could be asked to name two things they liked about the lecture, two things they found difficult and two ways in which the lecture could be improved</p> <p>Feedback after the lecture: After the lecture students could be requested to ask questions and or to contribute to discussions using a web-based learning environment; as well as to provide feedback on the lecture. Alternatively, students could be asked to submit comments on the lecture via e-mail.</p> <p>Formal student questionnaire: A questionnaire gives students the opportunity to evaluate and to comment on specific aspects of the lecture, including its clarity, pace and relevance.</p> |
| Related questions | This subsection will be developed later. |
| Key links to real examples | This subsection will be developed later. |

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| Question 3 | How could one manage cultural differences in understanding corruption? |
| Answer | <p>One of the striking features of corruption is that it presents a high degree of cultural variation in its causes and in the public perception of the phenomenon. It is recognized by a flourishing literature, especially in the field of anthropology, which stresses the magnitude of the variations and challenges the customary wisdom that corruption has similar ethical frameworks worldwide.</p> <p>The problem of managing these differences may easily emerge when teaching on anti-corruption, as different and perhaps conflicting moral standards may emerge, according to the socio-cultural background of students. The following is a list of possible ways to deal with cultural differences:</p> <p>Principles of morality: The issue of different moral statements about corrupt deeds must be taken into account, considering that what general ethical principles about integrity may teach, are not necessarily accepted in all societal contexts or may assume conflicting meanings. At the same time, underlying universal principles such as the need to avoid harm to others should be discussed and applied to the varying contexts.</p> <p>Case studies: Case studies dealing with corruption in the countries from where the students come from are an important teaching tool. However, these case studies should be analytically and critically examined.</p> <p>Discussion on cultural features: The class should stimulate discussion about comparative cultural features such as, for instance, values; importance attributed to family and kin ties; gift-giving, reciprocity, hospitality; and so on.</p> <p>Simulation scenarios: One possible way to take advantage of cultural differences in teaching anti-corruption is by arranging simulation scenarios set in different cultural contexts. In these, at least one participant should come from that cultural setting.</p> <p>Public discourses: One method to deal effectively with cultural differences is by stimulating discussion about how media and public discourses of a particular country treat corruption. Reading articles from national/regional media and commenting on them can help in detecting cultural nuances on the topic and its transmission in society.</p> |
| Related questions | <p>Is culture determinant in shaping public perception responses to corruption?</p> <p>How can values and moral claims be treated cross-culturally to stimulate discussion in classroom?</p> |
| Key links to real examples | http://www.tiri.org/index.php?option=com_content&task=view&id=32&Itemid= |

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| Question 4 | Where does one get national / regional content (such as local cases)? |
| Answer | <p>The analysis of regional and national content is an important source for understanding and explaining corruption. Although there are a good number of case studies, both in business and public administration, few sites offer systematic geographical coverage of world regions. Moreover, an additional problem is that in several instances case studies do not deal specifically with corruption, or they treat it in a poorly critical manner, thus providing poor educational contribution. Some possible solutions to this problem are:</p> <p>Encourage students to develop their own cases. By providing a sound introductory education to the causes, consequences and features of corruption, it is then possible to expect that each student develop his/her own case based on experience and knowledge. Attention is needed, however, to take this option only towards the end of the course, in order to ensure that a sufficient knowledge has been achieved.</p> <p>Confront existing case studies with media coverage. By encouraging students to select an existing case and work on it critically, through comparison with media coverage (TV, internet, printed publications) it is possible to strengthen analytical skills and greatly enhance sensitivity to the issue.</p> <p>Organize case studies competitions. This is an efficient, but long-term oriented method to increase availability of national and regional contents. By organizing and sponsoring prize-winning contests of integrity-related case-studies it is possible to involve more participants and also to increase visibility of the educational project in general.</p> |
| Related questions | <p>Is the development of a case study in the classroom a feasible methodology in educating about anti-corruption?</p> <p>How can existing case studies be supplemented with new material?</p> <p>How can this material be tested for quality?</p> |
| Key links to real examples | CIBG-Amcham case study competition |

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| Question 5 | Where could one get statistics about corruption and anticorruption? |
| Answer | <p>The most authoritative international sources of information and statistics about corruption and the fight against it on the international and national level are the following: Transparency International (TI) is the global civil society organization leading the fight against corruption. TI's global network includes more than 90 locally established national chapters. TI provides a number of surveys and indices on local and international level. http://www.transparency.org/</p> <p>World Bank (WB) has developed the WB Governance Indicators Index, with an indicator concerning corruption. http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICSECTORANDGOVERNANCE/0,,contentMDK:22996457~pagePK:148956~piPK:216618~theSitePK:286305,00.html</p> <p>The Council of Europe has some interesting reports at http://www.coe.int/t/dghl/monitoring/greco/default_en.asp</p> <p>United Nations Office on Drugs and Crime (UNDOC) produces some reports and statistics on corruption. http://www.unodc.org/unodc/en/data-and-analysis/statistics/corruption.html -</p> <p>EBRD, European Bank of Reconstruction and Development has also some interesting information about accountability, integrity and corruption. http://www.ebrd.com/pages/about/integrity.shtml</p> <p>Nations in Transit is Freedom House's comprehensive, comparative study of democratic development in 29 countries from Central Europe to Eurasia. It also contains some information about corruption. http://www.freedomhouse.org/report/nations-transit/nations-transit-2011</p> <p>The World Economic Forum publishes a comprehensive series of reports. http://www.weforum.org/reports</p> <p>OECD (Organization for Economic Co-operation and Development) promotes the 1997 Anti-bribery Convention and follows its enforcement http://www.oecd.org/document/3/0,3746,en_2649_37447_45452483_1_1_1_37447,00.html</p> <p>Enterprise Surveys - An Enterprise Survey is a firm-level survey of a representative sample of an economy's private sector. The surveys cover a broad range of business environment topics including access to finance, corruption, infrastructure, crime, competition, and performance measures. The World Bank has collected this data from face-to-face interviews with top managers and business owners in over 130,000 companies in 125 economies. http://www.enterprisesurveys.org/</p> |
| Related questions | |
| Key links to real examples | |

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| Question 6 | What are the advantages / disadvantages of teaching an anticorruption course using e-learning? |
| Answer | <p>ADVANTAGES</p> <p>Advantages and disadvantages of teaching an anticorruption course using e-learning are connected with advantages and disadvantages of e-learning as a whole.</p> <p>The major benefit of e-learning is flexibility. Thus, students can take classes anytime and anywhere. E-learning also allows students to have more flexibility to schedule their learning program. They are able to work and learn at their own pace. Furthermore, students could be more active in the learning process and therefore could have a deep learning approach.</p> <p>Furthermore, e-learning saves time and reduces costs for educational institutions and students. Also it can be easily managed for a large group of students.</p> <p>Finally, an e-course can be updated easily and quickly.</p> <p>DISADVANTAGES</p> <p>Students need to have access to a computer and to the Internet.</p> <p>They also must be highly motivated and responsible, as all the work is done on their own. They therefore need to have discipline to work independently without assistance.</p> <p>Another disadvantage of e-learning is that students may feel isolated and unsupported while learning. E-learning does not provide enough interaction among students. That could be a problem for those who like to discuss and communicate during class-taking.</p> <p>Also, a major problem for an anti-corruption e-course is that students may not be willing to share their views on such a sensitive subject.</p> <p>Another constraint for academics could be the time that they have to spend in preparing specific materials for the e-learning platform and in interacting with students.</p> |
| Related questions | |
| Key links to real examples | |

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| Question 7 | How could one give feedback to students? |
| Answer | <p>Feedback to students could be oral or written, individual or for groups. One should give feedback in terms of explicit criteria. It is necessary to say in advance which are the characteristics of a good piece of work for an assignment.</p> <p>There are some basic principles of effective feedback:</p> <p>Give positive information first. Explain what they have done well. Good news should be clear, specific, personal and honest.</p> <p>Give information regarding what the students have done poorly. Bad news should be specific, constructive, kind and honest.</p> <p>Suggest ways in which their work could have been improved.</p> <p>Do this in a way which respects the individuality and worth of each student.</p> <p>End your feedback on a note of encouragement.</p> <p>Give your feedback promptly and at the right time.</p> |
| Related questions | |
| Key links to real examples | <p>www.teaching.polyu.edu.hk/datafiles/R56.doc - sample feedback reports</p> <p>https://sites.google.com/site/sgriffithsphd/sample-essay-feedback - sample essay feedback</p> |

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| Question 8 | How would one develop the final assessment at the end of the course? |
| Answer | <p>Final assessment is a summative assessment that is carried out at the end of the teaching period. The results are used to evaluate the students. Assessing students' performance follows a 3-stage process:</p> <p>Setting the criteria for assessing the work,</p> <p>Selecting the evidence,</p> <p>Making the judgment to as to whether the criteria were satisfied (Biggs and Tang, 2007).</p> <p>Lecturers should be particularly cautious about reliability and validity. Since a corruption course could have complex learning outcomes, academics should pay attention to having clear criteria and standards of evaluation.</p> <p>The backwash effect refers to the fact that lecturers generally see learning outcomes as the central pillar of the teaching / learning system, while students see assessment as the most important part (Ramsden, 1992). Students learn what they think they will be tested on (Biggs and Tang, 2007). To resolve this issue, some authors have proposed implementing a constructive alignment between learning outcomes / teaching / learning activities / assessments. In an anti-corruption course, the assessment could be problematic if some learning outcomes are linked to the moral development of the students. Therefore lecturers should be careful when linking assessment linked to the learning goals.</p> <p>One potential way to address this concern is to use the Giving Voice To Values approach to pedagogy (described below). Since this pedagogy revolves around asking students to develop well-researched, well-reasoned and realistic approaches to enacting ethical and values-driven objectives which are already stated /given in the case assignment, the faculty member can assess the rigor, clarity and soundness of the students' work without being placed in a position of assessing their characters.</p> <p>Plagiarism is also an academic problem related to assessment. Many students do not see it as a moral issue. A compulsory final written exam could be a solution. Wiggins has also suggested that assessment becomes a learning opportunity (1998). In such a case, the assessment allows the student to learn, not only to get a grade.</p> <p>Biggs, J. & Tang, C. (2007). <i>Teaching for quality learning at university</i> (3rd ed.). McGraw Hill.</p> <p>Ramsden, P. (2003/2010). <i>Learning to teach in higher education</i>. Routledge.</p> <p>Wiggins, G. (1998). <i>Educative assessment: design assessments to inform and improve student performance</i>. Jossey-Bass.</p> |
| Related questions | <p>How should one give feed-back to students?</p> <p>How could one motivate students to learn anti-corruption?</p> |
| Key links to real examples | This subsection will be developed later. |

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| Question 9 | How could one motivate students to learn anticorruption? |
| Answer | <p>Many theories exist to understand student motivation and these could be applied to the specific anticorruption course. To motivate students, Fink stressed that one should design the course to increase student engagement and learning (2003). With a learning-centered and integrated course design, students will be more engaged in the learning process and thus motivated. The action-orientation and peer coaching components in the “Giving Voice To Values” curriculum (described below) can also encourage student engagement.</p> <p>Rather than developing a course that provides students only with a lot of content about corruption, one needs to design an anticorruption course integrating the situation factors, the learning goals, the learning activities and the feedback / assessments.</p> <p>For the situation factors, lecturers may need to collect information about the kind of students studying anticorruption, their expectations, and the nature of knowledge to be learnt. For the learning goals, scholars should decide as soon as possible what they want students to learn in the field of anticorruption. Fink has proposed a taxonomy of significant learning which could be a course design guide (2003):</p> <p>Be clear about the foundation knowledge that is required from the students in order that they understand anticorruption from various perspectives.</p> <p>Try, with the students, to apply this knowledge to specific situations using various means such as case studies.</p> <p>Make sure that the students integrate the knowledge and are then able to apply it to different contexts, for example bribery in emerging countries / in developed countries, in a multinational / SME.</p> <p>Make sure that the anticorruption course will be an opportunity for students to learn something about themselves or about how to interact with others in corruption situations.</p> <p>Accept the existence of different feelings, interest and values regarding to corruption and that potential changes could take place.</p> <p>Teach students how to learn about anticorruption during the course and after.</p> <p>For the learning activities, the main principle is to select activities which allow the students to reach the pedagogical goals. This toolkit provides many learning activities. For the feedback and assessment, an interesting idea is to design them as educating tool (Wiggins, 1998), which not only gives an evaluation but educates as well. The reader could refer to the assessment section of the Q/A section for more information.</p> <p>Fink, J. (2003). <i>Creating significant learning experiences: an integrated approach to design college courses</i>. Jossey-Bass.</p> <p>Wiggins, G. (1998). <i>Educative Assessment: design assessments to inform and improve student performance</i>. Jossey-Bass.</p> |
| Related questions | How would one develop the final assessment at the end of the course? |
| Key links to real examples | This subsection will be developed later. |

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| Question 10 | Where can one find the most important laws against corruption? |
| Answer | <p>Regulation is an important aspect in learning about anticorruption. Clearly, students should learn their national anticorruption laws and the appropriate guidance and procedures which are sometimes associated. Each lecturer should provide at least the key elements of the national regulation. In some countries, there are many laws dealing with corruption. Rather than provide all the legal texts, professors may decide to give out internet links to them and discuss their key aspects in class. A key message for the teacher to pass across should be the risks associated with the use of corruption both at firm level and at individual level.</p> <p>Furthermore, students should learn about some regulations in other countries that nevertheless influence their country. This is especially the case when an anticorruption law has an extraterritoriality component. For example, the 2012 UK bribery act posits that non-British firms with interests in the UK have to respect UK regulation.</p> <p>Finally, students should have a minimum level of information about the international laws and conventions related to the matter. Very often, the international regulations have been implemented in their national law against corruption. However, this is not always the case.</p> |
| Related questions | |
| Key links to real examples | <p>United Nations Convention against corruption: http://www.unodc.org/unodc/en/treaties/CAC/</p> <p>OECD Convention: http://www.oecd.org/document/21/0,3746,en_2649_34859_2017813_1_1_1_1,00.html</p> <p>Council of Europe: http://www.coe.int/t/dghl/cooperation/economiccrime/corruption/default_en.asp</p> <p>European Union: FCPA: http://www.justice.gov/criminal/fraud/fcpa/</p> <p>UK Bribery Act: http://www.legislation.gov.uk/ukpga/2010/23/contents</p> |

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| Question 11 | How would one deal with a hostile class about anticorruption? |
| Answer | <p>The topics of an anticorruption course could be very sensitive for many students. The hostility could result from a feeling that the session is judgmental in tone, especially if in an environment where corruption is widespread and some or many of the students have been involved in it in the past. Another reason for the hostility could come from feelings of insecurity about what is expected from doing a course on anticorruption. Therefore, lecturers should keep in mind that it is not a personal matter – more likely it is the topic that is arousing hostility.</p> <p>To deal with an hostile class, various pieces of advice could be given:</p> <ul style="list-style-type: none"> . Remember that not everyone in the class is hostile, even if it seems so. . Empathize with them – if one knows ahead that an audience might be hostile, it may be good to find out what kind of comments may antagonize them further in order to avoid such, and to find out what could show understanding of their feelings. . Be cordial throughout and speak with sincerity. Acknowledge that not everybody thinks the same way about these things. Listen attentively to their comments and try to address every issue they raise. At the same time, be firm and give good reasons for the points you are trying to pass across. . Avoid being defensive. Pass questions around the class, i.e., ask someone to respond to someone else's question. Try to make them reflect on the issues themselves. . Maintain good humor. While not ignoring anyone, focus on the ones in your audience that seem least hostile. This will help you to overlook frowns, lowered brows, heckling, or any other signs of hostility from others. Ignore negative body language – people slouching in their chairs, working on their blackberries, etc. If someone is openly disruptive, e.g. holding a side conversation during the class, politely and firmly ask him or her to desist. . Start and end the session with an expression of readiness to continue discussing these issues individually with anyone that wants. . If things get out of hand and as a last resort you are forced by the students' disorderliness to end the session earlier than planned, still end it with cordiality and perhaps indicate a willingness to revisit the issues at a later and more propitious time. |
| Related questions | <p>How does one open a session on anticorruption?</p> <p>How do I interest an indifferent class in anticorruption issues?</p> <p>How does one close a session on anticorruption?</p> |
| Key links to real examples | <p>http://www.ljlseminars.com/hostile.htm</p> <p>http://westsidetoastmasters.com/article_reference/defusing_a_hostile_audience_2002-09.html</p> <p>http://publicwords.typepad.com/nickmorgan/2009/09/5-ways-to-handle-a-hostile-audience.html</p> |

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| Question 12 | How does one close a session on anticorruption? |
| Answer | <p>The closing segment of a session depends on the teaching style of the lecturer, the type of students, and the type of course being taught. It is important to allow about ten (10) minutes for this closing segment. During this time, the teacher should summarize what the session has been about and indicate how this has met the objectives of the session as stated from the beginning. At this stage, the lecturer could ask the students for any questions or comments.</p> <p>Some academics close their sessions by means of a minute paper, which often entails asking the students to each write down the most important thing they have learnt during that session and their most critical unanswered question from all the sessions so far. This could have a disadvantage over simply doing the same thing orally, since it means the teacher will need to go through all of them later on in order to ensure that nothing is left unanswered.</p> <p>Alternatively, the teacher could ask questions that prompt the students to summarize the session themselves or to recall the objectives, or to discuss the practical applications of what they have learnt. If it was not already included in the course outline, it might be useful to give them some reference material for further reading on the topic of the session – for those who may be interested in knowing more about it than what was covered in class. Also, the lecturer could let them know that if they have challenges in future in applying the learning, they could come back to him or her, especially if they are faced with real life anticorruption dilemmas.</p> <p>In addition to the above, the teacher could give the highlights for the next session or assign material to read or an exercise to carry out before the next session.</p> <p>Finally, due to the sensitive nature of corruption course, the lecturer could remind students that they could contact him / her to discuss any matter related to the course. If the class was hostile, the lecturer could ask some students to stay back in class to share their feelings about what happened.</p> |
| Related questions | <p>How does one open a session on anticorruption?</p> <p>How would one test what students have learnt on an anticorruption course?</p> |
| Key links to real examples | <p>http://www.schreyerinstitute.psu.edu/pdf/planning_a_class_session.pdf</p> <p>http://laurelandassociates.blogspot.com/2011/02/tip-363-how-to-close-training-session.html</p> |

Contributor Biographies

Wolfgang Amann graduated from Harvard University's Institute for Management and Learning in Higher Education. He learned his research skills at the Wharton School in Philadelphia and his executive education skills at IMD in Lausanne. After years in top management consulting, he has been marketing, designing, directing, and delivering executive education seminars as well as MBA programs for more than a decade. He has also been a visiting professor in the field of international strategy and sustainability at Hosei University in Tokyo, Tsinghua in Beijing, and at the Indian Institute of Management in Bangalore, ISP St. Petersburg, Warwick Business School and Henley Business School in the UK. He now serves as the Executive Academic Director of Executive Education at Goethe Business School in Frankfurt.

Ronald E. Berenbeim is an Adjunct Professor at the New York University Stern School of Business Administration where he has taught Professional Responsibility: Markets Ethics and Law since 1995. Professor Berenbeim is also a Senior Fellow at The Conference Board. From 2001 to 2003, he was a project director for a World Bank study of private sector anticorruption practices in East Asia and co-authored, with Jean-François Arvis, *Fighting Corruption in East Asia: Solutions from the Private Sector* (The World Bank 2003). He currently serves as director of The Conference Board and World Bank project on Trade Competitiveness and Integration of Poor Countries in Global Supply Chains: a Perspective of Global Suppliers and Producers. Professor Berenbeim is a member of the United Nations Global Compact Tenth Principle (anticorruption) Working Group, Transparency International's Steering Committee on Business Principles for Resisting Corrupt Practices, and the U.S. Advisory Board of FTSE4Good. In 2010, he received a Fulbright grant to teach business ethics and governance at the University of Cergy-Pontoise in Cergy, France. In 2011, he was selected by Trust Across America as one of 2010's Top 100 Thought Leaders in Trustworthy Business Behavior. Professor Berenbeim is a graduate of Cornell University; Balliol College, Oxford (Keasbey Scholarship); and Harvard Law School.

Gabriel Cecchini is Coordinator of the Center for Governance and Transparency at IAE Business School in Buenos Aires, Argentina. He has a BA in Communication from the National University of Cordoba in Argentina, an MA in Social Sciences (Sociology) from the University of Chicago and has also started a PhD in Sociology at the Catholic University of Leuven in Belgium. He has joined research projects in the area of philosophy of the social sciences and social theory, specializing in functional differentiation theory and the work of Niklas Luhmann. Cecchini is currently coordinating research and support to companies in the field of compliance, anticorruption and best practices at IAE's Center for Governance and Transparency.

Dominic DePersis, Ph.D., is Professor of Business Law and International Business. Dominic is an instructor of business law, contract law, ethics and health policy, international law and business, and hospitality law, at the undergraduate level. He studied under the guidance of the protégé of the founding father of strategic management, Professor H. I. Ansoff. Dominic has an extensive background in teaching, research, grant administration and law practice. He holds the privilege to practice law in New York, Minnesota, New Jersey and the District of Columbia. He has lectured internationally including Russia, Ukraine, and Taiwan. He has published numerous articles in the fields of law, philosophy of jurisprudence, and management. Dominic has co-led several international grants. He serves on several boards. Dr. DePersis holds a BS 1995, Binghamton University; JD 1998, Syracuse University; SJD 2005, Northwestern California University. His research interests include International Law, Anti-corruption laws, Jurisprudence, Not-for-Profit institutions, and Human Rights.

Mary C. Gentile, Ph.D., is Director of Giving Voice to Values and Senior Research Scholar at Babson College; Senior Advisor, Aspen Institute Business & Society Program; and independent consultant. Previously Gentile was a faculty member and manager of case research at Harvard Business School. Giving Voice To Values is a business curriculum launched by Aspen Institute and Yale SOM, now based and funded at Babson College. GVV is a pioneering approach to values-driven leadership that has been featured in Financial Times, Harvard Business Review, Stanford Social Innovation Review, McKinsey Quarterly, BizEd, etc. and piloted in over 175 business schools and organizations globally. The book – Giving Voice To Values: How To Speak Your Mind When You Know What's Right – is out from Yale University Press (www.MaryGentile.com). While at Harvard Business School (1985-95), Gentile was one of the principal architects of the innovative educational program, Leadership, Ethics and Corporate Responsibility. Gentile co-authored Can Ethics Be Taught? Perspectives, Challenges, and Approaches at Harvard Business School (with Thomas R. Piper and Sharon Parks, Harvard Business School Press, 1993, translated into Japanese and Hungarian). Other publications include Differences That Work: Organizational Excellence through Diversity; Managing Diversity: Making Differences Work; Managerial Excellence Through Diversity: Text and Cases, as well as numerous articles, cases, and book reviews in publications such as Academy of Management Learning and Education, Harvard Business Review, Stanford Social Innovation Review, Risk Management, CFO, The Journal of Human Values, BizEd, Strategy+Business, etc. Gentile served as Content Expert for the award-winning interactive CD-ROM, Managing Across Differences (Harvard Business School Publishing 1996). Gentile holds a bachelor's degree from The College of William and Mary (Williamsburg, VA) and an M.A. and Ph.D. from the State University of New York at Buffalo.

Jonas Haertle is Head of the Principles for Responsible Management Education (PRME) secretariat to the United Nations Global Compact Office. Haertle is responsible for driving the mission of the PRME initiative, to inspire responsible management education, research and thought leadership globally. Jonas holds a Masters degree in European Studies from Hamburg University. As a Fulbright scholar, he also attained an MSc degree in Global Affairs from Rutgers University in the USA. He provides global leadership in bringing together good practice in implementing the principles of PRME and the Global Compact. He has collaboratively hosted and participated in PRME forums in Asia, Europe and other regions of the world.

Christian Hauser is a Professor of Business Economics and International Management at the Swiss Institute for Entrepreneurship (SIFE) at the University of Applied Sciences, HTW, Chur. He studied Latin American Studies at the Universities of Cologne/Germany, Lisbon/Portugal, and Fortaleza/Brazil. In 2006, he earned his Doctorate in Economics on Foreign Trade Promotion Schemes at the University of Cologne. During his PhD studies, he worked at the Centre for the Portuguese Speaking World at the University of Cologne. In 2006, he joined the Institute for SME Research (IfM) Bonn as a Postdoctoral Research Associate. Since July 2007, he has been working at the SIFE on topics including international entrepreneurship, SME and private sector development and business integrity.

Polina Kalnitskaya is an independent consultant on Corporate Governance and Business Ethics. She is an external consultant for International Business Leaders Forum (IBLF) for developing a business ethics course for Russian educational institutes. Polina have been teaching corporate governance and ethics in Moscow International Higher Business School MIRBIS. Polina has legal experience since 1995. She was a legal adviser of the IFC/World Bank projects «Corporate governance in Russia» and «Corporate governance in the banking sector of Russia» (2001 - 2007), and also the EU/TACIS project «Corporate governance in Russia» (2005). Worked as the Consulting Director for Russian National Independent Directors Association till 2010. The certified organisational gestalt-consultant and the business trainer. Polina Kalnitskata is a graduate of the Southern Federal University and Institute of Management, Business and Law (Russia).

Matthias Kleinhempel served as a fulltime professor at IAE Business School from 1999 to 2002. In 2009 he rejoined IAE and currently teaches in the MBA and the Executive Education programs. He is the Director of the Center for Governance and Transparency at IAE and the Academic Director of the Senior Executive Program Latin America in Miami. He holds an MBA degree from IAE and a Law Degree from the University of Hamburg, Germany. His research deals with Corporate Governance, Business Ethics, and Regional Strategies. He is a visiting professor at IESE Business School. In the past he has served in a number of positions at Siemens: he was President and CEO of Siemens Venezuela, CFO for the Andean Region, President of the Cable Division, holding responsibility for the worldwide business, and CEO and President of Siemens in Argentina and CFO of the Mercosur Region.

Hans Krause Hansen, Ph.D., is associate professor at Copenhagen Business School. Originally trained in Political Science and Latin American Studies, his research revolves around the role private actors in global governance, anti-corruption practices in international business and transparency regimes. Recent publications draw on practice, discourse and institutional theory and include *Digital Governance//: Networked Societies* (2006, Samfundslitteratur / NORDICOM), *Critical Perspectives on Private Authority in Global Politics* (2008, Palgrave Macmillan) and *The Power of Numbers in Global Governance* (Special Issue of *Journal of International Relations and Development*, forthcoming 2012). Hans has published extensively in peer-reviewed journals such as *Bulletin of Latin American studies*, *Gestión y Política Pública*, *Critical Quarterly*, *Citizenship Studies*, *Alternatives: local, global political*, *International Studies Review*, *Review of International Political Economy*, *Journal of International Relations and Development*, and *International Political Sociology* (forthcoming 2012), and he has contributed with chapters in a long range of international anthologies. Hans has previously served as Academic Director of the Business, Culture and Language Studies program, CBS, and he is currently Head of Doctoral School of Organization and Management Studies, CBS. He is also member of the PRME Working Group on Anti-Corruption, as well as a reviewer and editorial board member for several international journals.

Alfred Lewis, Ph.D., is Professor of Management and Economics, School of Business, Hamline University. Alfred is an award-winning instructor of finance, international business, and strategic management, receiving accolades at the undergraduate, masters, and doctoral levels. He studied under the guidance of the founding father of strategic management, Professor H. I. Ansoff. He has published numerous books (monographs and textbooks) and articles in the field of banking, entrepreneurship, not-for-profit management, law, international business, and strategic management. Alfred has led numerous study-abroad programs given the increasingly global economy. He serves on several editorial boards and is editor of the journal *Business Strategy Series* published by Emerald in the United Kingdom and the Associate Editor of the *British Journal of Management & Economics*. Dr. Lewis holds a BS 1983, International University-England; MBA 1984, DBA 1989, United States International University; EJD Concord Law School 2005. His research interests include Banking, Corporate Strategy, Not-for-Profit institutions, and Political Economy.

Daniel Malan is a Senior Lecturer in Ethics and Governance at the University of Stellenbosch Business School (USB) and Director of the Centre for Corporate Governance in Africa at the USB. His focus areas are corporate governance, business ethics and corporate responsibility. He is a member of the following initiatives: the World Economic Forum's Global Agenda Council on Values in Decision Making, the International Corporate Governance Network's Integrated Business Reporting Committee and the Anti-Corruption Working Group of the United Nations Principles for Responsible Management Education (PRME). His educational qualifications include a Masters degree in Philosophy as well as a Masters degree in Business Administration (MBA), both from the University of Stellenbosch in South Africa. He lives in Stellenbosch with his wife and two daughters, where he is the residential head of Wilgenhof, the oldest university men's residence in Africa.

David Odrakiewicz, MA, economist, originally from Canada with Polish roots, educated in Scotland (Univ. of Aberdeen) David is interested in the areas of interplaying of economics, efficient management, integrity competences, entrepreneurship and corporate social responsibility, combines his research interests with completed internships in Santander Bank/ DM BZWBK Brokerage House/ and as a manager of CSR in marketing in AMEX company, management trainer and competence educational consultant for youths in GPMI research institute with offices in Poznan, Aberdeen and Vancouver.

Peter Odrakiewicz, Ph.D., Adjunct Professor Poznan PWSB and Visiting Professor Romania/Partium Christian University. Research Fellow and Director Evolute Program Finland, USA, Korea and International. Dean of managerial linguistics Poznan PWSB/Poznan University College of Business, Vice-Rector 2007-11 presently honorary Vice-Rector, Visiting Professor multiplex, HR Academy of Management Ambassador for Poland 2008-present, Director of International Management Program in Department of Economics and Management. In addition to his academic duties, Dr. Odrakiewicz was appointed on the board of AMEX PPHU, previously with DaimlerChrysler Canada Inc headquarters as representative, innovator, leading teacher, author, co-author and editor of more than eight scientific books, numerous academic research papers presented in Rotterdam School of Management Erasmus University, EDINEB Vienna, Chicago and Montreal AOM conferences, reviewer Academy of Management, USA.

Kemi Ogunyemi teaches business ethics, anthropology and sustainability management at the Lagos Business School (LBS), Lekki campus, of the Pan-African University. She holds a Law degree (University of Ibadan), an LLM (University of Strathclyde), and an MBA (Lagos Business School). After Law School, she worked as director, team lead and mentor in projects of the Women's Board (Educational Cooperation Society) before she joined Lagos Business School. In these roles, Kemi has had the experience of coordinating and facilitating sessions on numerous character formation and personality development courses. She has also contributed to international publications on respecting diversity and on teaching values and has authored journal articles and teaching cases. She is a member UN PRME Working Group on Anti-corruption and of the EBEN SIG on Teaching Business Ethics.

Roberta Paro has a degree in Agricultural Engineering (University of the Estate of São Paulo, Brazil, 1996) and an international Master's degree on Environmental Science, with a multidisciplinary and systems analysis approach to sustainability (Lund University, Sweden, 2000). As associate professor and researcher at the Center for Corporate Sustainability at Fundação Dom Cabral since the end of 2005, Roberta Paro has coordinated research on the incorporation of sustainability into strategic planning and corporate governance, and developed tools, cases and studies on the integration of sustainability challenges into business. Roberta Paro is a member of the Anticorruption Working Group of the United Nations Principles for Responsible Management Education (PRME), and of the Anticorruption Task Force for the Global Compact Brazilian Committee. Before that, Roberta Paro worked as coordinator of corporate responsibility management tools at the Ethos Institute of Business and Social Responsibility (2002-2003) and as teaching assistant in systems analysis applied to sustainability at Lund University, where she also worked as project assistant (2001;2004-2005). Roberta Paro was an invited teacher at Malmö University (2001) and in the post-graduation course on CSR at the business school Fundação Getúlio Vargas FGV-EAESP (2002).

Ajai Prakash is a Professor at KCA University, Nairobi Kenya. He is a visiting researcher at ISAE, Brazil and other institutes. He teaches Strategic Management and International Business. He has been recipient of Career Award for Young Teacher by All India Council of Technical Education, India. He received his education in Lucknow, India and is a Ph.D in Business Administration, M.B.A. and L.L.B. from The University of Lucknow, India. He started his career as an academican at University of Lucknow and is based there. He had a short stint with IIM Lucknow before joining KCA University. He has served as a Dean SGS at KCA University among a number of other assignments. He has been the First Director of B.Com (Hons.) and Asst. Director Planning and Development Board, University of Lucknow. His interest is in studying issues of poverty and social change in the Indian subcontinent and East African Region. He is working with Groups on United Nations PRME, UN Groups on Poverty and UN Group on Anti Corruption.

Agata Stachowicz-Stanusch, Ph.D., D.Sc., *Associate Professor of Management*, Silesian University of Technology, Poland, is Head of the Management and Marketing Department. Her research reflects her interest in management education and her involvement in the United Nations sponsored PRME initiative to make management education an effective vehicle for the delivery of the values and practices of integrity and social responsibility in business. This is reflected in her 2012 MED Division-sponsored Boston meeting workshop co-organized with PRME leaders. Among her 14 books are: *Integrity in organizations - Building the foundations for humanistic management* (Palgrave Macmillan- forthcoming), *Business Integrity in Practice – Insights from international case studies* (Business Expert Press -forthcoming), *Education for Integrity: Handbook of Research on Teaching Ethics in Business and Management Education* (IGI Global, 2012), *Ethically Educating Tomorrow's Business Leaders* (Emerald, 2011), and *Effectively Integrating Ethical Dimensions into Business Education* (IAP, 2011). Her extensive articles and papers also reflect this interest. Pro bono she is a World Engagement Institute and International Fellow, Chief-of-Research of the International Higher Education Teaching and Learning Association, member of the Anti-Corruption Academic Initiative (ACAD), an academic project coordinated by Northeastern University and the United Nations Office on Drugs and Crime and member of Polish Academy of Sciences, the Committee on Organizational and Management Sciences, Katowice Department. Other recent service includes Track Chair for Rome (2010) and Rotterdam (2012) EURAM conferences, PDW co-organizer and presenter for AOM Annual Meeting in San Antonio (2011). She is regularly reviewer of AOM, EURAM, the Journal of Brand Management (Palgrave MacMillan), Journal of Organizational Change Management (Emerald). She is also a co-founder and vice editor-in-chief of the Organizational and Management Journal edited by the Silesian University of Technology as well as a member of many journal Editorial Boards.

Davide Torsello, social anthropologist, is Associate Professor at CEU Business School, Hungary. He is also senior researcher at the Center for Integrity in Business and Government, CEU Business School. His main interests concern the study of corruption, in both private and public sectors, from a social and cultural perspective. He is the coordinator of a Work Package entitled "The ethnographic study of corruption", part of a major EU FP7 Cooperation grant, that includes 21 institutions. He has published extensively (7 books and over 30 articles) on several issues among which corruption, trust in institutions, social networks, informal exchange, postsocialism. His latest volume has been published by Ashgate: *The New Environmentalism? Civil Society and Corruption in the Enlarged EU* (2012).

Shiv K. Tripathi is Professor at Mzumbe University Dar Es salaam School of Business, Dar Es salaam, Tanzania. He teaches Strategy, Operations, Supply Chain and Ethics Courses. He received Bachelor's degree in Electrical and Electronics engineering from Karnatak University, Dharwad(India) and Master of Business Administration from Mahatma Gandhi Kashi Vidyapith, Varanasi(India). He was awarded Doctorate from Mahatma Gandhi Kashi Vidyapith, Varanasi(India) for his pioneering work in comparative management thoughts of the East and the West. He is an alumnus of IESE Business School, Spain. During last 15 years of his academic career, he has served a number of academic institutions and universities in different capacities. Prior to joining the Mzumbe University, Tanzania in March, 2009, he was Dean, Faculty of Management Studies at VBS Purvanchal University (India). His area of special research interest includes Strategic Management applications; Ethics in Management; and Higher Education Management. He has completed different sponsored research projects in subject area of 'strategic higher education management' and is associated with a number of international journals and professional bodies as a paper-reviewer and member of editorial-board. Prof. Tripathi has made significant contributions towards the dissemination of Human Values oriented Management thoughts. He initiated and established a 'Special Cell on human Values and Ethical Management' at VBS Purvanchal University (India) and organized a number of Conferences and Workshops on the theme of 'Human Values oriented Management'. He is also a member in two working groups of United Nations supported Principle for Responsible Management Education (PRME).

Bertrand Venard is a Professor of Strategy at Audencia Nantes School of Management (France). He received a Doctorate in Management from the University of Paris (9) doing his research at the Management Research Centre of the Ecole Polytechnique (France). As a tenured professor, he holds a Certification of Research Direction (“Habilitation à Diriger des Recherches”) from the University of Paris (12) (Post-Doctorate diploma for Research Director and Professor). Before starting an academic career, he worked in the financial industry and in consulting for PricewaterhouseCoopers. He has had various administrative positions in Higher Education such as Research Director in France and Dean of a Business School in Vietnam. He has been a Visiting Professor at Wharton Business School (Financial Institutions Centre), London Business School, the University of Cambridge and the University of Oxford (Extra-Legal Governance Institute, Department of Sociology). Since 2002, Professor Bertrand Venard has been listed in the Who’sWho in the World, listing the most influential individuals in the world. He was made Knight of the Academic Palms in 2008, Order of Chivalry of France to academics, distinction given by the French Ministry of Education. He is a member of the Academy of Management (AOM), EGOS (European Group for Organizational Studies), AIB (Association of International Business), AIMS (International Association for research in Strategic Management), SMS (Strategic Management Society), TI (Transparency International). His research interests concern deviance, fraud and corruption, especially in emerging countries. He has published more than 50 academic articles.

Ambreen Waheed is Founding Executive Director of the Responsible Business Initiative (RBI), Pakistan's only citizen sector enabler dedicated to Responsible Business and Information Communication Technology. Chair and co-founder South Asia Forum on Responsible Business (SAFoRB), the region's representative network of citizen-sector organizations addressing issues of Responsible Business through coherent and effective engagement with all stakeholders. Ambreen has served on the Board Nominating Committee of Global Reporting Initiative (GRI); the Steering Board UN Global Compact in Pakistan; the Securities and Exchange Commission of Pakistan (SECP) Governance Taskforce; and the Board of Trustees – Asia-Pacific Roundtable on Sustainable Consumption & Production (APRSCP). Founding member of Asia-Pacific CSR Centers Group; the South Asia Alliance for Responsible Business (SAARB); the Asian Forum on CSR; Fair-trade Pakistan; and the Globally Responsible Leaders Initiative of the UN Global Compact & EFMD. Served the juries for the Asia Forum CSR Awards; AIM-INTEL Corporate Responsibility Award; and the ACCA-WWF Environmental reporting Awards; UN Global Compact working Group member for Role of Local Networks in the COP and engagement of Civil society organizations with UNGC; Chaired the Global Reporting Initiative (GRI) Emerging Markets Working Group. As Technical advisor to UNGC Pakistan Local Network initiated “Business Talk CSR” and “Living Global Compact Responsible Business” Award based on UNGC Principles and RBI Responsible Business Framework. Ambreen is the author of Pakistan's first, CSR status report commissioned by the UNDP and SECP and “Responsible Business Guide” initiative by CIPE and National Chambers, co-author AccountAbility’s State of Responsible Competitiveness 2007 (foreword by Al Gore) launched at GC Leaders Forum in Geneva. Developed an innovative and cost effective online Social Impact Assessment Process for CIDA and nonfood Fair-trade criteria and guidelines for FLO M&E and Certification. She has taught at ESSEC-France, University of Michigan and the Wharton Business School-USA. She has a Masters in Computer Science and MPhil in Management Science from the Judge Institute, Cambridge University-UK.