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The recruitment and selection of the right candidate for the position. The orientation of the newly hired employee. The efficient management of payroll and benefits for the (hopefully) happy and Productive employee. The documentation of periodic performance reviews. The documentation of disciplinary behavior and remedial training, if needed. The creation of a career development program for the employee. HER department should coordinate final paperwork and should host an exit interview to ensure that anything the organization can learn from the departure is fed back into the company’s strategic plan.

Fifth right people re hired in the first place, it is believed, many other problems are avoided down the road. Many advocates of ethical business conduct argue that HER should be at the center of any corporate code of ethics – not as the sole creator of the code, since it is a document that should represent the entire organization HER professionals must help ensure that ethics is a top organizational priority. HER must ensure that the leadership selection and development processes include an ethics component. HER is responsible for ensuring that the right programs and policies are in place. HER must Stay abreast of ethics issues

The finance function of an organization can be divided into three distinct areas: financial transactions, the accounting function, and the auditing function. Financial transactions – the process by which the flow of money through an organization is handled. Accounting function – keeps track of all the company’s financial transactions by documenting the money coming in and money going out and balancing the accounts at the end of the period. Auditing function ?? the certification of an organization’s financial statements, or “ books” as being accurate by an impartial third-party professional.

Existing ND potential investors will make the decision to invest in the shares of an organization. 2. Provide three examples of unethical behavior that you have observed at the company you work or (or worked for in the past). What were the outcomes of this behavior? Deliberate Deception: I have seen following types: taking credit for work done by someone else, calling in sick in order to go to the beach, sabotaging the work of another person. This can be very damaging by using a person’s trust to undermine his rights and security.

In a workplace environment, this results in conflict and retaliation and less productivity. Conscience violation: My sales manager threatened to fire you unless I could sell 50 inferior quality but pricey products within the next MO. To keep your job, I had to violate my conscience and recommend that your customers buy the pricey inferior quality product. My boss was engaging in unethical behavior by forcing me to do something wrong, and also was risking the ire and potential loss of valuable customers to meet a product sales goal.

Failed to Honor Commitments: My boss promised me an extra day off if I could rush out an important project by a certain date. But when the project was successful by that deadline and wanted to realize the day off, my boss did not agree to give me that day off citing a lot of work still pending. 3. Philip Kettle argues that professional marketers “ should have the same ambivalence as nuclear scientists who help build nuclear bombs. ” Is that a valid argument? Why or why not? While I suppose this statement has some validity, it seems somehow exaggerated.

I would say that they probably should feel some ambivalence, but not “ the same ambivalence” as the people who make nuclear weapons. The validity of this statement rests on the idea hat marketing is harmful to those who are exposed to it. This is true to some degree. First of all, marketing can cause people to waste money. It can cause them to buy things that they would not have wanted to buy if they had not been exposed to the marketing. It might cause them to buy things that they will not even actually use. Second, it can harm people by encouraging them to buy things that are actually bad for them.

The classic example of this would be marketing for cigarettes. Of course, it is a major exaggeration to compare marketing and nuclear weapons. Marketing is not lethal in the same ay that nuclear weapons are. It can also, at times, be beneficial and does not necessarily hurt anyone. Nuclear weapons cannot be used without killing people. Marketing can be used without doing people any harm at all even if it can at times do some degree of harm. 4. What are “ Creative bookkeeping techniques’? Provide three examples.

Creative accounting, also known as competitive book keeping, is the adjustment of economical statistics, usually within the law and bookkeeping requirements, but very much against their soul and certainly not offering the “ true and fair” perspective of a company hat records are expected to. A common aim of creative bookkeeping will be to fill revenue outcomes. Some organizations may also decrease revealed income in excellent years to sleek outcomes. Obligations and resources may also be controlled, either to stay within boundaries such as debt covenants, or to cover up problems.

Typical creative bookkeeping techniques consist of off balance sheet funding, over-optimistic income recognition and the use of overstated non-recurring products. The phrase “ window dressing’ has identical significance when used to records, but is a wider phrase that can be seed to other places. In the CSS it is often used to explain the adjustment of financial commitment collection efficiency statistics. In the perspective of records, “ window dressing’ is more likely than “ creative accounting’ to suggest unlawful or bogus methods, but it need to do so. The methods of creative bookkeeping modify eventually.

As bookkeeping requirements modify, the methods that will work modify. Many changes in bookkeeping requirements are used to prevent particular methods of adjusting records, which indicates those purpose on creative bookkeeping need to find new methods of doing things. Simultaneously, other, well intentioned, changes in bookkeeping requirements start up new possibilities for creative bookkeeping (the use of reasonable value is an excellent example of this). Many (but not all) creative bookkeeping methods modify the main statistics proven in the fiscal reports, but make themselves obvious elsewhere, most often in the notices to the records.

The market has been amazed before by bad information invisible in the notices, so a persistent strategy can give you a side. One of the most important aspects of creative accounting is “ Earnings management”. It occurs when professionals use verdict in economical confirming and in constructing dealings to alter economical statements to either deceive some stakeholders about the actual economic performance of an organization or impact contract results that rely on revealed bookkeeping statistics.

Earnings control usually includes the synthetic increase (or decrease) of earnings, profits, or income per share results through competitive bookkeeping techniques. Aggressive income control is a form of scams and varies from confirming mistake. Management wanting to show income at a certain level or following a certain design seek problems in economical confirming requirements that allow them to modify the statistics as far as is possible to achieve their preferred aim or to fulfill forecasts by economical experts.

These improvements amount to bogus economical confirming when they fall ‘ outside the range of suitable bookkeeping practice’. Individuals for such behavior include industry objectives, individual realization of an extra, and maintenance of position within a industry. In most cases conformance to suitable bookkeeping methods is a matter of individual reliability. Aggressive income control becomes more potential when an organization is affected by a recession in company. Earnings control is seen as a pushing issue in current bookkeeping exercise. Art of the difficulty can be found in the approved acknowledgement that there is no such thing as a single ‘ right’ income figure and that it is possible for genuine company methods to develop into undesirable economical confirming. It is relatively easy for an auditor to identify mistake, but income control can include innovative scams that is concealed. The requirement for control to claim that the accounts have been prepared properly offers no protection where those professionals have already joined into conscious deception and scams. Auditors need to tell apart scams from mistake by determining the use of objective. . Would you leave your position within a company if you saw evidence of unethical business practices? Why or why not? What factors would you consider in making that decision? Yes I will leave my position within a company if I see evidence of unethical business practices being followed. I will follow the steps below while making that decision: 1 . Determine whether the matter truly involves ethics. 2. Strive to discover all the available facts before proceeding. 3. Consult existing guidelines that might apply as a possible mechanism for resolution. Pause to consider, as best as possible, all factors that might influence the decision you will make. 5. Consult with a trusted colleague. Because ethical decision-making involves a complicated process influenced by our own perceptions and values, we can usually benefit by seeking input from others. 6. Evaluate the rights, responsibilities, and vulnerability of all affected parties. These evaluations should include, if relevant, any involved institution and perhaps even the general public. 7. Generate alternative decisions. 8. Enumerate the consequences of making each decision 9. Make the decision. 0. Implement the decision. 6. Explain the potential ethical challenges presented by generally accepted accounting principles (GAP). Accountants always make judgments about how to record business transactions. They often base their decisions on the financial objectives of the companies for which they work while using accepted accounting principles (GAP) to steer their decisions. GAP are not a fixed set of rules. They are guidelines or, more precisely, a group of objectives and conventions that have evolved over time to govern how financial statements are prepared and presented.

And it’s this lack Of a clearly laid out el that presents the ethical challenged around GAP. The most difficult ethical problems (frequency reported) are: Client requests to alter tax returns and commit tax fraud, conflict of interest and independence Client requests to alter financial statements, personal-professional problems, and fee problems. Spas perceive that opportunities exist in the accounting profession to engage in unethical behavior When top management (partners) reprimands unethical behavior, the ethical problems perceived by Spas seem to be reduced.

Exercises: Complete the “ Internet Exercise” on page 58 of Business Ethics Now. 1 . Visit the U. S. Government recall Web site BMW. Recalls. Gob, select a product recall event from the past three years, and answer the following questions: a. What information would you consider to be evidence of an ethical transgression in this product recall? B. Other than recalling the product, what other actions did the company take to address the situation? C. What steps would you suggest that the company should have taken to restore that reputation? D.

Locate the Web sites for the American Marketing Association (AMA) and the American Institute of Certified Public Accountants (CPA). One has a “ Professional Code of Conduct,” and he other has a “ Statement of Ethics. ” Does the terminology make a difference? Why or why not? E. Compare and contrast the components of each approach. F. Since the AMA offers certification as a “ Professional Certified Marketer,” would the organization benefit from promoting a professional code of conduct like the CPA? Why or why not? Child Safety Seat Recalls: On February 7, 2014, Grace Children’s Products, Inc. Grace) informed NATHAN that it would be recalling model year 2009 through 201 3 toddler and booster child restraints, models Cozy Cline, Comfort Sport, Classic Ride 50, My Ride 65, My Ride w/Safety Surround, My Ride 70, Size 4 Me 70, Smart Seat, Nautilus, Nautilus Elite, and Argos 70. On March 7, 2014, Grace informed NATHAN it would be including an additional 403, 222 seats in this recall, including certain model year 2006 through 2014 Argos 70 Elite, Ready Ride, Step 2, My Ride 65 with Safety Surround, My Size 70, Head Wise 70 with Safety Surround, Nautilus 3-in-l Nautilus Plus, and Smart Seat with Safety Surround.

The defect involves difficulty in unlatching the harness buckle. In some cases, the buckle becomes stuck in a latched condition so that it cannot be opened by depressing the buckle’s release button. CONSEQUENCE: It may be difficult to remove the child from the restraint, increasing the risk of injury in the event of a vehicle crash, fire, or other emergency, in which a prompt exit from the vehicle is required. REMEDY: Grace is offering to replace the buckle with a new design, free Of charge.

Registered owners will be notified beginning around early April 2014, and offered the free replacement buckle. All other owners may contact Grace at 1800-3454109 (toll-free) or 1-330-869-7225, or online at www.[email protected]Com. A. A Child safety seat is intended to provide safety to the child. But the ensconce of this recall says : : It may be difficult to remove the child from the restraint, increasing the risk of injury in the event of a vehicle crash, fire, or other emergency, in which a prompt exit from the vehicle is required.

That is an ethical transgression. B. Grace is offering to replace the buckle with a new design, free of charge. Registered owners will be notified beginning around early April 2014, and offered the free replacement buckle. C. Other than recalling and replacing the existing faulty products, Grace should publicly demonstrate that they have put better process and controls in place o avoid similar defects in their products in the future. That would have helped them to restore their reputation. D. They do not have much of practical difference.

The purpose of both of them is to enforce ethical professional practices form their members e. Code of conduct depicts the standard procedures to be followed to do a work within professional boundaries. Statement of ethics outlines the ethical behaviors related to a particular organization or profession. F. No. In marketing profession, ethical challenges are much more evident than a lack of standards. So statement of ethics makes more sense. Case Study: Review Issue 5 from Taking Sides: Clashing Views in Business Ethics and Society. Hi chi viewpoint do you side with?

Why? Explain. Reference at least two outside resources that further support the viewpoint you side with. Issue 5: Can Ethics Codes Build “ True” Corporate Ethics? Side with Yes, When it comes to corporate ethics, bad news is good news. According to the Ethics Resource Centers 2009 National Business Ethics Survey, on-the-job misconduct is down, whistle-blowing is up, and ethical organizational cultures are stronger. Despite these trends, there may be no better time for human source managers to conduct or participate in ethics-related audits.

Setting the Tone: gal developments in recent like Sardines-Solely Act, with its emphasis on “ tone at the top” and its requirement that publicly traded company sees disclose whether they have a code of ethics to deter wrongdoing. The Federal Acquisition Regulation and the Federal Sentencing Guidelines also have a significant impact on organizations’ ethics policies and practices by requiring or providing incentives to encourage businesses of all kinds and sizes to adopt codes of conduct, train their employees on these codes, and create effective audit and reporting mechanisms.

HER plays a crucial role in shaping corporate ethical codes, policies and procedures and then communicating and teaching that information to the workforce. In many companies, the top HER manager either serves as the De facto chief ethics and compliance officer or works with the person in that role to manage ethics and compliance programs. Apart from the chief executive officer, there may be no more important ethical role model in the organization than an HER manager. Employees watch HER and they should.

HER managers, we essentially need to revere as the poster children for ethical behavior. HER managers who thrive as ethical role models almost always play central roles in conducting ethics- related audits, notes Marjorie Doyle, principal of ethics consulting firm Marjorie Doyle & Associates in Lundeberg, pa. , and a member of the Advisory Board of Directors for the Society of Corporate Compliance and Ethics. As a former chief corporate ethics and compliance officer, “ I spent a lot of time with HER,” she says. HER managers are “ trying to get people to do the right thing.

They also tend to manage the annual performance review process ND operate the communications network within the company, both of which are crucial to ethics audits,” Doyle says. “ They have a feel for whether certain behaviors are as ethical as they need to be. ” Laying the Groundwork Ethics audits ensure that behaviors an organization espouses in its code of conduct and policies and procedures exist in practice and that behavior forbidden in these documents does not occur. The risk of neglecting ethics audits can be Severe.

After its ethics-related implosion, Enron became well known for the fact that the framed values statements in conference rooms ere at odds with employees’ behavior on trading floors. And, more- immediate problems potentially exist for companies that do not conduct ethics audits. The danger can spread to other stakeholders, including customers, suppliers and community members. “ If word gets out that you are not an ethical organization, you run the risk of losing business,” Crane notes. Conducting an ethics audit requires a team effort as well as a clear definition of ethical behavior.

While many larger companies staff a chief ethics and compliance officer position, that individual is not solely responsible for each employee’s behavior. For this reason, Conway, Ark. -based Anabolic Construction co. Has an ethics committee consisting of top legal, finance, HER and operational executives. “ We want to have diverse skills on the committee and to make sure all of our geographies are represented,” says Andrea Woods, SPUR, vice president and corporate counsel for the private company with about 850 employees.

Anabolic Construction’s ethics committee takes responsibility for monitoring and investigating ethics hotlist calls and e-mails. The hotlist system is managed by a third-party provider, an arrangement that Woods says strengthens objectivity and independence. The committee conducts ethics audits as part of an annual internal audit process. In addition, a divisional controller, an HER employee and Woods conduct spot ethics audits on the recommendation of the committee.

The frequency Woods describes?? annual audits on all ethics-related areas and spot ethics audits on an as-needed basis in response to risk assessments?? jibes with what ethics consultants recommend. Depending on company size and auditing resources, Crane notes, some companies may audit their entire ethics programs only once every two years. However, the occurrence of a major organizational alignment may necessitate more frequent ethics audits in its wake.

Whether or not corporate leaders seek outside help on ethics audits depends on the nature and magnitude of the issues. “ If the issue involves something very important to the company, it helps to get an outside perspective and the impartial judgment that a third party provides,” Crane says. “ If the company conducts the audit internally and outside stakeholders are paying close attention to the issue, it can be more difficult to say, Yes, we audited our ethics internally and everything is just fine. ‘ That may be received as a matter f the fox guarding the heinous. Making It Tangible Regardless of whether ethics audits are woven into internal audit processes, performed internally in response to changing risk profiles or conducted by an external auditor, the question is “ What are you auditing against? ” says Mark Snyder, senior knowledge leader at LEARN, a company that helps businesses develop ethical corporate cultures. The answer requires a distinction between two disciplines frequently lumped together in corporate America: ethics and compliance. Ethics refers to the amorphous area of behavior. Compliance refers to adherence to legal regulations.

A company may be fully compliant yet still engage in unethical practices. While that may seem like a clear distinction on paper, it becomes muddled in a global business environment. Compliance audits compare internal behaviors to external regulations. Ethics audits compare internal behaviors to internal guidelines on behavior?? guidelines that exist in corporate codes of conduct and ethics-related policies and procedures. Of course, some compliance problems may stem from ethical lapses; others may arise from process or operational bugs. That’s why many business leaders conduct ethical audits in anadem with financial or operational audits.

The code should be translated into specific guidance within policies and procedures. “ You don’t need to start out with the 10 commandments and 500 related rules, but you do need to have something specific to audit against,” Doyle says. For example, what does an ethical violation related to bribery or conflict of interest look like? “ Be very descriptive in your policies and procedures about what these things mean,” she recommends. Also, have managers and employees establish performance goals related to ethics and compliance so employees can be evaluated against those objectives.

Doyle says greater specificity in ethics- related policies and procedures paves the way for ethics-related performance objectives and metrics. These metrics help enable more-tangible ethics audits.