Index

Abu Ghraib prison, abuse at 26
Accenture 106–7, 110
see also Arthur Andersen
accountability 135
accountants see Arthur Andersen; auditing/auditors
Adam, A. M. 122
Adelphia Communications Corporation 98–104, 111
business environment/practices 100, 103–4
debts 100
failure of 100–101, 111;
environmental (structural) factors in 101–4
financial misrepresentation 99, 100, 101, 102, 103
John Rigas and 99–100
agent/agency concept see bad apple concept
ambition 27–8
Anand, V. 5, 7, 35, 36, 41, 42, 43, 44, 45–6, 62, 63, 80, 116
Arthur Andersen & Co. 104–11
business environment/practices 106, 107, 110–11
as a consultancy 106–7, 108, 111
Enron and 88, 107, 110, 121
failure of 107–8; environmental (structural) factors in 108–11
profit-making 110–11
reputation 105, 106, 108
Leonard Spacek at 105–6
training programme 105, 106, 109
Andersen, Edward Arthur 104–5, 108
Andersen Consulting see Accenture
Archer Daniels Midland (ADM) 139
on the banality of evil 15, 19, 22–3, 39–40
Eichmann in Jerusalem . . . 22, 39–40, 70
Responsibility and Judgement 23
Aronson, E. 39
The Social Animal 73, 80
Ash, Solomon 72–3, 74, 75
Ashforth, B. E. 3, 4, 10, 44, 85, 88, 116
auditing/auditors 52, 53, 57, 60, 65, 103–4, 120, 132
Arthur Andersen 104–11
training/standards 105, 109, 110
authority/authority figures 73–4
automobile industry 86–7
see also Ford . . .
autonomy, limitation of 131, 132
bad apple concept (agents/agency) 2, 3, 4, 5, 6, 11, 15, 17–33, 34–51, 41–2, 68–9, 70–71, 82–3, 108, 111, 112, 128–34, 141
ambition 27–8
continuum of destructiveness 118
criticism of 19, 32–3, 33, 62
decision-making see decision-making
definition 14, 15
escalation of commitment 115
gratuitousness 26, 27
intent 26, 27, 36, 47, 129
Nick Leeson as 3, 7, 15, 51, 52–67, 112, 113, 117, 118, 128, 130, 132
personal attributes and 17–18, 19, 21, 22, 26–7, 29–30, 34–5, 51, 134
point of no return 115
psychology of 3, 15, 18–19, 20–21, 22–3, 27, 28–9, 31–2, 124–5, 128, 129
rationalization process see rationalization process
self-deception see self-deception/delusion
bad barrel concept see social environment (structure)
Baker, James 60
Bandura, A. 76
Bank of England 58
Report on the Board of Banking Supervision inquiry into ... the collapse of Barings Bank 52
banking sector 30, 36, 49, 54, 58 see also Barings...
Baring, Peter 54, 64
Barings Bank, collapse of 27, 52–67
Bank of England Report on 52
Barings Citibank account 56, 57, 61
Nick Leeson and 3, 7, 15, 51, 52–67, 112, 113, 117, 118, 128, 130, 132
reasons for 52, 54–8; management errors 55, 56, 58–9, 60, 66, 132
Barings Securities (Singapore) Ltd 52, 54–5, 58
auditing of 57, 60, 65
business environment/practices 59–60, 64–5, 132
Bass, D. 18, 31, 70
Baucus, M. S. 124
Bauman, Z: Modernity and the Holocaust 77, 78, 79
Bazerman, M. H. 117
Behrens, A. 137
Bennis, W. 47
Berdardino, Joseph 107
Berenson, A: The Number ... 114
Bérubé, G. 92
Bok, S.
Lying ... 112
Secrets ... 47
bonus payments 7–8, 12–13, 78–9, 110, 119
to Nick Leeson 58, 61, 62
Bowser, Gordon 57
Braithewaite, J: Corporate Crime ... 6
Bratsis, P. 4, 5, 8–9, 10
Brecht, Bertold 8
bribery 5, 84
outsourcing of 9–10, 32
by Siemans 7, 9, 19, 28–9
Brief, A. P. 32, 124
British American Tobacco (BAT) 135
Buchanan Ingersons law firm 103
at Adelphia Communications 100, 103–4
at Arthur Andersen 107, 110–11
at Barings Bank 55, 56, 58–9, 60, 66, 132
at Barings Securities (Singapore) Ltd 59–60, 64–5, 132
Chief Executives (CEOs) 48, 88, 106, 107, 140
as complex 71, 79–81, 96, 103–4, 114
corruption prevention/control and 130–31, 132–3, 137–40
corruption threshold 122–6
as corruption-prone 137–41
at Enron 24–5, 26, 32, 34, 78–9, 81, 82, 86, 88–9, 91, 92, 94, 95
financial distance 84, 91–3
financial misrepresentation see financial misrepresentation
financial systems 84, 93–5, 96; see also financial performance
global variations in 8–11
good practice 59
language, use of 42, 44, 76–7, 94–5
performance criteria 85
short-termism 84, 90–91, 94, 96
at WorldCom 91
business ethics 34, 35, 97, 128, 134–7
codes of 119, 120, 121–2, 134–5
corporate social responsibility (CSR) 135
see also ethical issues
business failure(s) 46, 126
Adelphia Communications 100–104, 111
Arthur Anderson 107–11
see also Barings Bank, collapse of;
Enron business models 94
Anglo-American 12–13, 14, 85, 102, 114, 129, 137, 138, 140
Rhenish (Continental) 12, 14, 85
Business Week 87
Index

businesses see corporations
bystander effect 76

Calás, M. B. 47
capitalism 141
types of 12–13; see also market
capitalism
Carlsmith, J. M. 39
Challenger spacecraft 126–7
Charles, Rose 103
Cheyney, Vice-President Dick 4
Chief Executive Officers (CEOs) 48, 88, 106, 107, 140
child labour 95
China 8, 9, 87
choice 22, 23, 24–5, 26–7, 30, 33, 36, 44, 49–60, 85, 129
by Nick Leeson 61–2, 85
see also decision-making;
rationalization process
Cialdini, R. B. 118, 126
Citibank, Barings Bank account with 56, 57, 61
class issues 58, 63, 64
coercion/threats 30
cognitive dissonance theory 37, 39
see also rationalization process
Cohen, Oren 100
compliance 79, 125–6, 134, 139
see also conformity
concentration camps 40, 71, 77
see also Nazi regime
conflicts of interest 4
conformity 71–5, 82, 96, 109–10, 111, 114, 118
group pressure 72–5, 80, 96, 129;
peer pressure 15, 74, 126, 132
obedience 26, 71–2, 77
types of 79–80, 124–5
see also social environment concept;
compliance
consultancies 106–7, 108, 110, 111
control see locus of control
Control Risks 9
corporate corruption 1–16, 69–70, 128–41
anti-corruption concept 10–11, 97
business environment as prone to 137–41
causes of 2, 4, 19, 89, 118, 137–41
charting/mapping of 3–4, 13–16, 140–41
cover-ups 115–16, 117, 130
definition 4–6, 125
ease of engaging in 113, 114–16, 126
effects of 113, 116–17, 122–7
environment conducive to see social environment (structure);
business environment/practices
escalation of see escalation process
globalization and 8–11, 137–41
individuals responsible for see bad apple concept (agents/agency)
perception of, as non-Western 10–11, 95
as pervasive 113, 117–18, 126
prevention/control 16, 113, 117, 118–22, 130–35, 137–40
public/private divide 6, 8–9
reactions to 25–6
recidivism 139
time frame of 81–2
types of 2, 5, 6–7, 12, 84, 140
see also individual cases
corporate crime 6–7
corporate development/growth 1, 88, 123
corporate social responsibility (CSR) 135
see also business ethics
corporations
globalization of 8–11, 86, 94, 95, 137–41
media representation of 1, 139
mistrust of 1–2
nature/structure of 1, 11–13, 138;
see also business environment/practices
theory of the firm 138
see also business . . .
corruption 10
corporate see corporate corruption
definition 10
corruption threshold 122–6, 128
Cotter, J. 92
Crane, D. see Matten, A. and D. Crane
Cressey, D. R: Other People’s Money . . . 76, 89, 101
cultural issues 8–11, 18, 54
societal norms 7–11, 123–6
Index

Darley, J. M. 26, 27, 41, 117, 118
debt market 94
debt repayment 11–12, 49
deception see lying; self-deception/delusion
decision-making 20, 23, 27–30, 32, 44–5, 51, 115
by Nick Leeson 61–2
see also choice
defective/unsafe products 7
Challenger spacecraft 126–7
Ford Pinto 7, 19, 20–21, 27, 36, 44–5, 87, 121
DeLany, Clarence 105
Deloitte & Touche 57, 103–4
denial 42–3, 80
see also rationalization process
Denton, N. see Gapper, J. and N. Denton
detection see prevention/control
Deutsche Post 140
deviance 124–5
see also conformity
Diamond, Jared: Guns, Germs and Steel 75
Dine, J. 10–11, 13
Donaldson, T. 125
Donaldson, T. and T. Dunfee: The Ties that Bind 125
Douglas, Mary: Purity and Danger 10
Duncan, David 103
Dunfee, T. 125

Ebbers, Bernie 36, 48, 74
economic system 11, 12, 19, 34
education levels 29–30
eo strength 28–9, 38, 68
Eichmann, Adolf 15, 19, 22–3, 25, 26, 39–40, 49, 70–71
Elkind, P. see McLean, B. and P. Elkind
Elliot, A. L. and R. J. Schroth: How Companies Lie . . . 94
Elliott Associates 11
Engardio, Peter 87
Enron 1, 23, 3, 11, 13, 19, 27, 34, 36, 41, 46, 62, 69, 85, 98, 126, 130, 138
Arthur Andersen and 88, 107, 110, 121
bonus payments at 78–9
business environment/practices 24–5, 26, 32, 34, 78–9, 81, 82, 86, 88–9, 91, 92, 94, 95, 121
credit ratings 91–2
financial misrepresentation by 7, 17, 34, 46, 48, 81, 82, 83, 89, 91, 92–3, 95, 107, 114, 116, 117, 133
Kinder at 89
Kenneth (Ken) Lay at 11, 13, 34, 36, 81
price-fixing by 23–4, 25, 43
rationalization/self-deception at 47, 48, 89
Jeff Skilling at 23, 28, 34, 43, 46, 47, 48, 81, 85
US government and 11, 13, 124
Enron: The Smartest Men in the Room (documentary) 24
environmental damage 7, 116, 137
escalation of commitment 115
escalation process 1–2, 3, 4, 14–15, 16, 83, 112–27, 128, 130, 141
causes 113, 114–18, 126–7
corruption threshold 122–6, 128
definition 113
prevention/control of 117, 118–22
probability of 115–16
ethical culture(s) 135–6
see also business ethics
ethical development 28
ethical distance 71, 77–9, 81, 96, 116, 118, 132
at Adelphia Communications 102
at Arthur Andersen 108–10
structural/temporal 78–9
ethical issues 3, 7–8, 9, 11, 17–18, 20, 33, 141
business ethics 34, 35, 97, 119, 121–2, 128, 134–7
choice see choice
in decision-making 27–30, 32
individual responsibility 18, 21, 22–3
principles 28
in rationalization process 39–40, 45, 49, 50
evil 15, 19, 21, 22–3, 25–6, 27, 31, 32, 39–40, 69
definition 25–6
exiting/exit strategies 30
extreme rendition strategies 9
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fastow, Andrew (Andy) 4, 17, 23, 26, 32, 34, 46</td>
</tr>
<tr>
<td>Festinger, L: <em>A Theory of Cognitive Dissonance</em> 37, 39</td>
</tr>
<tr>
<td>field dependency 28, 29</td>
</tr>
<tr>
<td>financial analysis/analysts 84, 91–3, 94–5, 96, 100</td>
</tr>
<tr>
<td>financial misrepresentation 2, 3, 5, 84, 86, 116</td>
</tr>
<tr>
<td>by Adelphia Communications 99, 100, 101, 102, 103</td>
</tr>
<tr>
<td>by Enron 7, 17, 34, 46, 48, 81, 82, 83, 89, 91, 92–3, 95, 107, 114, 116, 117, 133</td>
</tr>
<tr>
<td>by WorldCom 74, 117</td>
</tr>
<tr>
<td>financial performance 84, 86–90, 96, 110–11, 114, 121–2</td>
</tr>
<tr>
<td>profit-making see profit-making</td>
</tr>
<tr>
<td>short-termism in 84, 90–91, 94, 138</td>
</tr>
<tr>
<td>financial systems, complexity of 84, 93–5, 96</td>
</tr>
<tr>
<td><em>Financial World</em> 106</td>
</tr>
<tr>
<td>Fleming, P. 78, 79, 120, 121–2</td>
</tr>
<tr>
<td>Ford, R. 29</td>
</tr>
<tr>
<td>Ford Motor Company 20, 24, 29</td>
</tr>
<tr>
<td>‘Fatalities associated with crash-induced fuel leakage and fire’ 20</td>
</tr>
<tr>
<td>rationalization process at 37, 42, 44–5</td>
</tr>
<tr>
<td>Ford Pinto, as defective 7, 19, 20–21, 27, 36, 37, 44–5, 87, 121</td>
</tr>
<tr>
<td>forensic accounting 100–101</td>
</tr>
<tr>
<td>forgery 57, 62</td>
</tr>
<tr>
<td><em>Fortune</em> 95</td>
</tr>
<tr>
<td>Foucault, Michel 17–18</td>
</tr>
<tr>
<td>Frank, 140</td>
</tr>
<tr>
<td>fraud see financial misrepresentation</td>
</tr>
<tr>
<td>Freud, A. 38</td>
</tr>
<tr>
<td>Friedman, Milton 12, 88</td>
</tr>
<tr>
<td>Friedrich, C. 5</td>
</tr>
<tr>
<td>Friesen, P. see Miller, D. and P. Friesen</td>
</tr>
<tr>
<td>Fromm, E: <em>The Fear of Freedom</em> 73</td>
</tr>
<tr>
<td>Frost, David 56</td>
</tr>
<tr>
<td>Fukuyama, F: <em>Trust</em> . . . 5</td>
</tr>
<tr>
<td>futures market 55</td>
</tr>
<tr>
<td>switching process 55–8, 60, 62</td>
</tr>
<tr>
<td>Gap clothing company 95</td>
</tr>
<tr>
<td>Gapper, J. and N. Denton: <em>All That</em></td>
</tr>
<tr>
<td><em>Glitter: The Fall of Barings</em> 55, 56, 58, 60, 61, 66–7</td>
</tr>
<tr>
<td>General Electric 74–5</td>
</tr>
<tr>
<td>George, Bill 48</td>
</tr>
<tr>
<td>Gioia, D. A. 20, 36, 37, 44–5</td>
</tr>
<tr>
<td>globalization 86, 94, 95</td>
</tr>
<tr>
<td>corporate corruption and 8–11, 137–41</td>
</tr>
<tr>
<td>government investigations 2, 14, 47, 103–4, 107, 124</td>
</tr>
<tr>
<td>Granovetter, M. 5</td>
</tr>
<tr>
<td>Grant, R. M: <em>Cases to Accompany Contemporary Strategy Analysis</em> 86</td>
</tr>
<tr>
<td>Greece 9</td>
</tr>
<tr>
<td>greed 59, 61, 128</td>
</tr>
<tr>
<td>group pressure 72–5, 80, 96, 129</td>
</tr>
<tr>
<td>peer pressure 15, 74, 126, 132</td>
</tr>
<tr>
<td>see also conformity</td>
</tr>
<tr>
<td>Haddad, C. 74</td>
</tr>
<tr>
<td>Halliburton 4, 9, 137</td>
</tr>
<tr>
<td>Hamilton, V. L. see Kelman, H. C. and V. L. Hamilton</td>
</tr>
<tr>
<td>Heath, Christopher 54</td>
</tr>
<tr>
<td>hedge funds 11–12</td>
</tr>
<tr>
<td>Heffernan, W. C. and J. Kleinig (eds): <em>Private and Public Corruption</em> 5–6, 8–9</td>
</tr>
<tr>
<td>Heimel, P. 102</td>
</tr>
<tr>
<td>Hitler, Adolf 17, 22</td>
</tr>
<tr>
<td>human life, value of 20</td>
</tr>
<tr>
<td>hypocrisy 34, 35, 36, 37, 50</td>
</tr>
<tr>
<td>see also rationalization process</td>
</tr>
<tr>
<td>ignorance, as a defence 37, 46, 47–8</td>
</tr>
<tr>
<td>see also self-deception/delusion</td>
</tr>
<tr>
<td>individual freedom 21</td>
</tr>
<tr>
<td>individual responsibility 18, 21, 22–3, 41, 85–6</td>
</tr>
<tr>
<td>denial 42–3, 80</td>
</tr>
<tr>
<td>intent 26, 27, 36, 47, 129</td>
</tr>
<tr>
<td>initiation procedures 81–2, 106</td>
</tr>
<tr>
<td>innovation 87, 90</td>
</tr>
<tr>
<td>insanity 22</td>
</tr>
<tr>
<td>intent 26, 27, 36, 47, 129</td>
</tr>
<tr>
<td>see also decision-making; rationalization process</td>
</tr>
</tbody>
</table>
Index

International Chamber of Commerce 106, 125
International Labour Organization (ILO) 125
Iraq war 4, 137
Italy 8, 138

Jackall, R: Moral Mazes ... 27–8, 30, 36, 40–41, 74, 132
Jacobson, Robert 90
Janis, I. L: Victims of Groupthink 80

Kaleida Health 88
Kaptein, M. 121, 122
Kaufman, H. 92, 93
Keane, C. 69–70
Kelman, H. 79
Kelman, H. C. and V. L. Hamilton: Crimes of Obedience 82
Kinder, 89
Kleinig, J. see Heffernan, W. C. and J. Kleinig
Kohlberg, L. and E. Turiel: Moralization ... 28, 32
Kramer, R. M. 79

Lange, D. 5, 6, 131–2
language, of business 42, 44, 76–7, 94–5
Lay, Kenneth (Ken) 11, 13, 34, 36, 81
Leeson, Lisa (Mrs Nick Leeson) 52–3, 58
Leeson, Nick
his bonus payments 58, 61, 62
career 55–8, 60
character 52, 53, 56, 57, 59–62, 128
decision-making/choices by 61–2, 85
drinking habits 53, 57, 59
as a futures trader 55–8, 112; his error account (88888) 56, 57, 58, 59, 62, 63, 65, 114
as a liar 56, 60–61, 62
media representation of 52, 53, 56, 58
rationalization(s) by 53–4, 59, 62–6, 67, 102, 103, 129

Rogue Trader: How I Brought Down Barings Bank ... 53, 56, 61, 63–6, 67, 112
as self-deceiving 53–4, 63, 66–7
legal framework 4, 7, 8, 9, 13, 17–18, 132
Leonard, D. 99, 100
Lewis, M: Liar's Poker ... 41–2, 45
Lifton, R. J: The Nazi Doctors ... 31, 39–41
locus of control 28, 29
Lucent 41, 62, 117, 126
lying 47, 56, 60–61, 62, 112

Machado, L. 137
Manson, Charles 17
market capitalism 85, 86–7, 129, 137–9, 140
commodity trading 89
debt market 94
futures market 55–8, 60, 62
options market 57
see also capitalism
Martin, M. (ed.): Rationalization and Self-understanding 47
Matten, A. and D. Crane: Business Ethics 12, 136
McCarthy, Mary 23
McGuire, William D. 88
McKendall, M. A. 87
McLaughlin, B. 47
McLean, B. and P. Elkind: The Smartest Guys in the Room ... 82, 86, 89, 91, 93, 94, 116, 117, 124
McLean, Bethany 95

media representation
of corporate corruption 2, 139–40;
of Nick Leeson 52, 53, 56, 58
of corporations 1, 139
Medtronic 48
Merrill Lynch 100
Messick, D. M. 79, 117
Milgram, S: Obedience and Authority 70, 72, 77
Miller, D. and P. Friesen: Organizations ... 123, 125
Mintzberg, H. 91, 92
Mizik, Natalie 90
morality see ethical issues
Morgan Stanley 60
Morita, Akio 90

multinational organizations (MNCs)  
see globalization

Nazi regime 17, 25, 31, 40, 41, 77, 78
banality of evil concept of 15, 19,  
22–3, 39–40

Nixon, Richard 17
Norris, F. 61, 63, 64
Nye, J. 5

obedience 26, 71–2, 77
OECD 10
Oedipus story 18, 68–9, 70, 82
Office Space (film) 43
options market 57
organizational complexity 71, 79–81,  
96
at Adelphia Communications 103–4
definition 79
see also business environment/  
practices; social environment
organizational control, of corruption  
119, 120–21, 122, 130–35

Orwell, G: The Lion and the Unicorn 77
outsourcing, of corrupt practices 9–10,  
32, 95

Peck, M. S: The People of the Lie 47
peer pressure 15, 74, 126, 132
see also group pressure
personality cult 54, 59, 67
Petri, Tom 115–16
pharmaceutical companies 1, 9
Pierer, 36
Piniero, J. 122, 140
Plato 84, 125
Poses, R. M. 88
prevention/control 16, 113, 117, 118–22
bureaucratic controls 132–3
external codes 119, 120, 121–2
by individuals 130–34
by organizations 119, 120–21, 122,  
130–35, 137–40
transparency 132–3, 138
whistle-blowing 23, 30, 136–7
price-fixing 2, 6, 23–4, 25, 43, 75, 139
profit-making 1, 11–13, 24, 59, 87, 88,  
see also financial performance

psychoanalysis, of rationalization 37,  
38
psychological experiments/tests 31, 70,  
72–3, 74, 75, 76, 77, 129
psychology, of corruption 3, 15, 18–19,  
20–21, 22, 31–2, 124–5, 128, 129
dispositional approach 20, 22–3,  
28–9
situational approach 20–21, 26, 27,  
33
psychology, of rationalization 37, 38,  
39
see also ethical distance
Public Interest Disclosure Act 1998  
(UK) 137
public relations (PR) 135, 139–40
punishment 21, 26, 32, 139

Rachman-Moore, D. 122
Racketeer Influenced and Corrupt  
Organization Act (RICO) (US) 7
rationalization process 33, 34, 35–51,  
68, 71, 75–7, 114, 118, 119–20,  
129, 133, 135–6
at Adelphia Communications 102–3
at Arthur Andersen 109–10
availability of/choice in 36, 44,  
109–10, 122
cognitive dissonance theory 37, 39
credibility and 80
definition 35–6, 41, 42, 62
denial 42–3, 80
doubling concept 40–41
ethical issues in 39–40, 45, 49, 50
at Ford Motor Company 37, 42,  
44–5
hypocrisy 34, 35, 36, 37, 50
intent 26, 27, 36, 47, 129
by Nick Leeson 53–4, 59, 62–6, 67,  
102, 103
limitations of 48–50
mechanisms of 37, 41–4
psychoanalysis of 37, 38
psychology of 37, 38, 39, 71, 77–9
self-deception see self-deception/  
delusion
Rawnsley, J: Going for Broke . . . 54, 55,  
57, 58–60, 61, 63
regulatory framework 12, 13, 58,  
59–60, 97, 139
Index

Reingold, J. see Toffler, B. L. and J. Reingold
religious beliefs 21, 25, 99, 141
reputation 139–40
research and development (R&D) see innovation
responsibility see individual responsibility
Richardson, W. 29
Rigas, John 99, 101, 102, 103
family 99–100, 101, 102–3
see also Adelphia Communications Corporation
Rosanas, J. M. 120
Rudden, Kyle 93
Russia 141

salary levels 8, 88
bonus payments 7–8, 12–13, 58, 61, 62, 78–9, 110, 119
Salomon Brothers 42
Sanders, Bernie 107
Saviano, R: *Gomorrah: Italy's Other Mafia* 8
Schreven, S. W. J. C. 92–3
Schroth, R. J. see Elliot, A. L. and R. J. Schroth
Schwartz, M. S. 121
definition 36, 46, 47
at Enron 47, 48
ignorance, as a defence 37, 46, 47–8
by Nick Leeson 53–4, 63, 66–7
lying 47, 56, 60–61, 62, 112
see also rationalization process
self-image 38, 39
shareholders 12–13, 32, 34, 46, 85, 86, 94, 102, 129
increasing power of 137–8
stakeholder management 138–9
Shell 135
Shore, C. see Haller, D. and C. Shore
short-termism, in financial performance 84, 90–91, 94, 96, 138
Siemens 134, 138
bribery by 7, 9, 19, 28–9
Pierer at 36
SIMEX (Singapore International Money Exchange) 52, 53, 55, 56, 61
Simmel, G. 47
Simmons & Simmons 9
Simpson, S: *Corporate Crime, Law and Social Control* 6, 7–8, 74–5, 131, 139
Skilling, Jeff 23, 28, 34, 43, 46, 47, 48, 81, 85
Smeulers, A. 81–2
Smircich, L. 47
smoking see tobacco companies
Snow, C. P: *Science and Government* 71
social environment (structure) 2, 3, 4, 5–8, 11, 15, 18, 19, 31, 32, 36, 49, 68–83, 84, 112, 128–31, 134–7
at Arthur Anderson 108–11
Hannah Arendt on 22–3, 24–5
availability of rationalizations in 71, 75–7, 102–3, 109–10, 122
at Baring Securities 59–60, 64–5
definition 14
at Enron 23–4
ethical distance 71, 77–9, 81, 96, 102, 108–9, 116, 118
at Ford Motor Company 45
types of 71–81
see also business environment/practices
societal norms 7–8, 123–6
global variations in 8–11
see also cultural issues; legal framework
Socrates 84
Spacek, Leonard 105–6, 108
stakeholder management 138–9
see also shareholders
Stanford Prison Experiment 31, 70
Staw, Barry 115
Stewart, T. A. 90
structure concept see social environment
sub-prime mortgage crisis 94
Sullivan, S. 74
Index

tax evasion 7, 140
Thompson, A. A. (Jr): *Economics of the Firm* 90
tobacco companies 7, 35, 135, 137
Toffler, B. L. and J. Reingold: *Final Accounting* . . . 108–10
Toulmin, S: *Forecasting and Understanding* 93
transparency 132–3, 138
Transparency International 10
Corruption Perception Index 10–11
Trevino, L. K. 28–9
trust violation 4, 5, 76, 89, 101, 139
Turiel, E. *see* Kohlberg, L. and E. Turiel
Tyco 126
United Nations (UN) 125
United States (US) 7, 11, 13, 17, 26, 137
US Securities and Exchange Commission (SEC) 103–4
US Today 48
unsafe products *see* defective/unsafe products
Useem, M: *Investor Capitalism* . . . 137

Vaughn, D. 79
*The Challenger Launch Decision* . . . 126–7
Velilla, M. 120
Volkswagen 12
vulture funds 11–12
Waddock, S. 121
Wadia, Jim 106
Wagner, J. A. 87
*Wall Street* (film) 140
Warren, D. E. 124–7
Watkins, S. *see* Swartz, M. and S. Watkins
Watkins, Sherron 23
Weber, Max: *From Max Weber* . . . 73
Whistle Blower Protection Act 2007 (US) 137
whistle-blowing 23, 30, 136–7
Wigand, Jeffrey 137
WorldCom 1, 2, 11, 13, 19, 41, 46, 62, 69, 77, 79, 98, 130
business environment/practices 91
Bernie Ebbers at 36, 48, 74
financial misrepresentation 74, 117
S. Sullivan at 74

Young, S. M. 92

Zekany, K. E. 74
Zimbardo, P: *The Lucifer Effect* . . . 23, 25–6, 30, 31, 70, 72, 73
Žižek, S: *The Parallax View* 41
Zumwinkel, Klaus 140
Zyglidopoulos, C. S. 78, 79, 92–3, 120, 121–2