As scandals at Enron, WorldCom, and elsewhere became public, American business schools came under attack for inadequate ethical formation of the country's up-and-coming managers. A less obvious but related problem has been the lack of realistic ethical training material. Now this author, a 32 year senior financial executive, has adapted the Enron story to address this pressing need. Drawing upon his own experience within a highly disciplined corporate culture, the author has extracted from the wreckage case studies that chart Enron's descent into fraud and asks students to consider how it could have been different.

These 17 practical case studies don't just retell the Enron story – they select pivotal moments when key individuals faced decisions that could carry the firm across another threshold of ethical decomposition. Students will get the opportunity to stand in the shoes of the young Ken Lay as he pondered how to handle Enron's first trading scandal. They will have the opportunity to consider how to oppose Jeff Skilling's plans to introduce 'Mark-to-Market' accounting and Andy Fastow's ever-more aggressive use of 'Special Purpose Entities'. Finally, they will have a chance to reconsider the tactics adopted by those who did resist. For example, was Sherron Watkins right to take her concerns to Ken Lay, or should she have made her case elsewhere?

These cases capture the daunting financial complexity that masked Enron's problems for years. They are also constructed with an eye on the conflicting business, organizational and personal objectives that complicate real world ethics questions. As each case makes clear, ethics in the business world comes wrapped in practical matters that can make 'going along' seem the smart move. These cases will provide students with practice in maintaining their ethical bearings in the face of such complexities and in how to chart a politically viable path of effective resistance.

The 17 case studies are augmented by 4 extensive key Essays that outline the approach to the cases and also discuss the connection between financial control and a firm's ethical climate.

Ideal for classroom use in business schools or further professional education

As a set, the 17 case studies seek to enable instructors to accomplish four goals:

1. To show what ethics issues look like in an organization that is uninterested in ethics. The cases also show how ethics issues change as a firm becomes more corrupt. Instructors will then be able to explore the issue of how executives can summon the resolve to resist when an organization is unsupportive.

2. Second, the cases allow instructors to ask 'how does one work an ethics issue' within a corporate environment? Students can then be asked to take the tactical political skill set that executives must develop and apply it to the sustaining of ethical outcomes.

3. Third, instructors will be able to challenge students to reconcile their preferred ethical course with achieving an acceptable business outcome. This will require students not only to master the business details surrounding the ethical issue but to develop alternate plans and strategies that management can accept.

4. Finally, the cases as a whole provide a course on the role of financial control within the corporation. Instructors will have the opportunity to teach the essentials of a financial controls system and, from there, explain the connection between sound financial control and a business environment where individuals can insist on ethical behavior.

“Extensive research was done in these case studies to reveal the subtleties of corporate opposition to the truth. Rarely will employees do wrong when asked to do so outright, but when an inappropriate course of action is masked properly, it is rare for employees to challenge it. Readers of Arbogast’s book will benefit from the authenticity and accuracy of the cases, hopefully helping them in their careers to either avoid or prevent another Enron from happening”.

Sherron S. Watkins, former Vice President of Enron, Time Person of the Year 2002, the Year of the Whistleblowers

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About the Author
Stephen Arbogast served from 1999-2004 as the Treasurer of ExxonMobil Chemical Company and has over thirty years of experience in finance working with Exxon Corporation and ExxonMobil Chemical. Currently serving as an Executive Professor of Finance at the C.T. Bauer College of Business at the University of Houston, Mr. Arbogast’s teaching career has focused on International Finance and Project Financing. In addition to authoring over thirty case studies based on his experiences at ExxonMobil, he has previously taught at both Fordham University’s Graduate School of Business in New York and Rice University’s Jesse Jones Graduate School of Management in Houston.

Audience
- Professionals specializing in audit or financial control advisory work.
- Business executives at all levels who want to learn about practical business ethics.
- Students preparing for a business career and law students training for careers advising or regulating the private sector.
- Seminary students studying for careers involving pastoral counseling with corporate workers.
- Corporate and academic libraries.

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About the Author

“Arbogast has created a remarkable book by dedicating the study of ethical decision process within the context of Enron through a set of cases that address interconnected issues. In doing so he has captured the rich complexity of the problem of ethics that is seldom communicated or appreciated”.

Krishna Dhir, Dean of the Campbell School of Business at Berry College, Georgia

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