Wells Fargo’s Fake Accounts Scandal and its Legal and Ethical Implications for Management

Taking a comprehensive view of the 2016 Wells Fargo “fake accounts” scandal, the authors detail the bank’s legal, ethical, management, and social responsibility transgressions. Civil and criminal charges are explored—some of which have been settled. Ethical and immoral aspects are examined in light of four theories: ethical egoism, ethical relativism, Utilitarianism, and Kantian ethics. Other lapses are analyzed in terms of corporate social responsibility and sustainability. Numerous recommendations to management may help the bank overhaul the corporate culture, restore customer trust, repair the breach with employees, and improve its social and environmental profile. Above all, leadership must make sound business decisions that are also legal, moral, and socially responsible.

Frank J. Cavico and Bahaudin G. Mujtaba

Can Women Avoid the Rice Paper Ceiling? A SWOT Analysis of Entrepreneurship in Japan

Using the easy-to-understand SWOT approach (strengths, weaknesses, opportunities, threats), this article plumbs the role of women in Japan’s economy, exploring entrepreneurship as a potential avenue to greater involvement that bypasses the rice-paper ceiling. Although women are generally well educated and appreciate change and flexibility, they face daunting obstacles in the business world: Japan’s low rate of entrepreneurial activity, a culture that assigns them to the domestic sphere amid widespread gender segregation, lack of mentors, and limited access to financial resources, to name a few. Nevertheless, Japan’s aging workforce needs more women, the economy needs more start-ups, and an increase in government-sponsored training programs and other aids may help women directly and change cultural norms indirectly.

Shiho Futagami and Marilyn M. Helms

The Moral Hazards of Higher-Education Faculty: A Qualitative Study with an Agency Perspective

Despite their qualifications, university faculties in South Asia—and other countries around the world—often fall prey to moral hazards and become dysfunctional. Students can be short-changed. To investigate this problem, 19 one-hour interviews were conducted in six highly regarded public universities in the Peshawar district of Pakistan, Khyber Pakhtoonkhwa. Questions drawn from the literature addressed the perceived principal determinants of moral hazards: the missing link between pay and performance; asymmetric information; measurement problems; almost complete job and pay security; high-powered incentives; and lack of specific terms of reference (job descriptions). Based on rigorous analysis of the data, the globally applicable findings suggest the need for sound appraisal and measurement systems, strong leadership, well-established accountability, and incentives that actually link to the university’s educational goals.

Shandana Shoaib and Bahaudin G. Mujtaba

Perceptions of Internet-of-Things Surveillance by Human Resource Managers

Employers can now monitor employees to an almost unthinkable degree by using electronic devices—often common ones. But should they? Could lower morale offset or even prevent higher productivity? A sample of 172 human resource managers in Texas reported their perceptions of the most- and least-ethical uses of Internet-of-things (IoT) surveillance, both when employees were and were not made aware of the practice. Results were correlated with numerous factors, such as age, familiarity with electronic devices, and type of surveillance (health, location, use of company property, off-site activities, etc.). In short, before launching any type of surveillance, HR managers should 1) know their workforce very well, and 2) ponder the potential pluses and minuses. This article can help.

Gundars Kaupins and Malcolm Coco
Executive Recruiting and Management Information in the White House

Let's time-travel. Executive recruiting for the U.S. Government has always been a big issue. In today's hyper-political environment, it's also a "hot" issue, so it seemed interesting and relevant to reprint an article on the subject from SAM's early days. While much has changed in 47 years, much remains nearly the same. True, the federal government's spending and duties have expanded greatly, but the number of executive branch employees does not exceed the three million level cited in this 1970 article. Filling these positions is front-and-center in today's political news. We invite you to review the issues laid out in 1970: Are they relevant? Would the authors' suggestions work? What would you advise for the 21st century?

John W. Macy, Jr. and Matthew B. Coffey

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