
BUSINESS ETHICS AND INTEGRITY A CASE STUDY ON 300 U.S. LISTED COMPANIES

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Abstract: Profit-maximizing behavior or moral integrity? Can companies have both? Our study takes a look at 300 U.S. based companies listed on the New York Stock Exchange and NASDAQ, and their way of dealing with business ethics. The research undertaken focuses on the content analysis method, using the corporate Codes of conduct and Corporate Social Responsibility (CSR) reports. The study reveals the evolution of the corporate ethics policies and programs throughout the years 2010- 2014. We also take a look at the most frequent controversies concerning business integrity, by sectors of activity.

Key words: sustainability reporting, code of conduct, corporate governance, business ethics.

J.E.L. Classification Numbers: G30, M14, K22.

Abbreviations: CSR: Corporate Social Responsibility; SEC: Securities and Exchange Commission; GRI: Global Reporting Initiative; RI: responsible investors; IR: Integrated Reporting; NYSE: New York Stock Exchange; ESG: Environmental, Social and Governance; NGO: non-governmental organization.

Introduction

For many years, corporate social responsibility has become the norm. Companies and stakeholders alike have increased their awareness of the ever-growing demand for undertaking ethical activities. In this paper, we aim to compare what companies declare with regards to their business integrity and what whistleblower programs they actually put into place.

We have decided to use U.S. based companies listed on the New York Stock Exchange and NASDAQ due to their importance for stakeholders and the similarities regarding listing requirements. A comparison between the NYSE and NASDAQ listing requirements for governance codes can be found in the Literature review section.

In order to complete our analysis we have used the content analysis method that allows us to research qualitative data from corporate websites and CSR reports. The selection process resulted in 300 American companies, 242 listed on NYSE

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and 58 listed on NASDAQ. These were analyzed throughout a 5 year period (from April 2010 to April 2014) on two sub-indicators: business ethics and integrity policy, and whistleblower programs. Details concerning the research methodology can be found in the third section of the paper.

Results have focused both on reporting done by the company and on controversies concerning business ethics (lawsuits, bad NGO reviews, negative media attention). The majorities of the companies publish a code of conduct, but do not go beyond simple compliance with the law in its enforcement. Some of the analyzed companies are currently under public scrutiny concerning the way they conduct business.

The conclusions section highlights the several inferences we have come upon, as well as subjects for further research.

Literature review

Business ethics is an issue that concerns or should concern all entities. Two recent global processes, globalization and the change in firm ownership structure have determined the need to improve corporate governance and ethics in an attempt to fill the institutional regulation voids (Aguilera and Cuervo-Cazurra, 2004; Kolk and van Tulder, 2005).

Therefore, starting from the mid 1970s large companies have begun adopting codes of conduct, going beyond simple compliance with the law (Keeper, 2011; Moberly and Wylie, 2011; Brooks, 1989). A study conducted between 1989 and 1990 on 244 Fortune 1000 companies showed that 93% of the companies used a code of ethics and 25% had created an ethics committee, with more than half providing ethics training for their employees (Center for Business Ethics, 1992).

Beginning in the 1990s, companies have been even more inclined to issue codes of conduct due to legal incentives from the U.S. government through the Organizational Sentencing Guidelines (Moberly and Wylie, 2011).

In its 2004 research on the 200 largest companies in the world, Kaptein found out that 52.2% have in place a code of conduct and that about half of them make direct references to conflict of interest, corruption and fraud, as well as to monitoring code compliance. Nowadays, behaving ethically in business is widely regarded as good business practice (WBCSD, 2015).

The instrument that is usually used to define, explain and enforce business ethics principles is a code of practice, also called code of conduct or code of ethics. Ethical codes should be perceived as key strategic documents for an organization, not simply as „window dressing” (Stevens, 2009). A proper code of conduct should communicate to stakeholders the moral standards and values the company uses for guiding its activities, in order to improve stakeholder confidence but also prevent

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unwanted incidents (Stevens, 2009; Kaptein, 2004; Schwartz, 2002; Ferrell et al., 2015).

An aspect that should be clarified is that, although business practices are most of the time guided by law, companies should go beyond this. It is not enough for companies to simply respect the law, but they should be more proactive and meet the shared ethical standards of the community where they operate. Companies with good business ethics in place do not only have a good reputation, but also a competitive advantage.

Worldwide, there are several sector codes of ethics that can be used by companies as a model. The easiest way for companies is to simply subscribe to this kind of codes applicable to the whole industry; however, this is not enough. Best practice is to also elaborate their own code and commit to stricter rules and principles.

A code of ethics is a document that should outline the mission and values of the organization, its ethical principles, how professionals are supposed to approach problems, and the standards to which their employees will be held accountable to. The code has to be approved by the company's board of directors or management board and it should be revised regularly. All new employees should be trained regarding business ethics.

This study focuses on the governance code of American companies, listed on the New York Stock Exchange (NYSE) and on NASDAQ. The two organizations regulate the information listed companies should disclose. NYSE is considered a self-regulatory organization whose self-designed rules remain subject to the regulatory overlook of the United States Securities and Exchange Commission (SEC). Its rules concerning code of ethics stipulate that all listed companies must adopt and disclose on their corporate website a code of ethics.

According to NYSE, the purpose of a code of ethics is to „focus the board and management on areas of ethical risk, provide guidance to personnel to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability” (NYSE, 2009, Section 303A). To this end, it should prohibit conflict of interest and personal gain through the use of corporate property, information or position, as well as enforce confidentiality, fair dealing, proper use of company assets and compliance with laws.

The governance code should also include a section dedicated to whistleblowing. According to Ferrell et al. (2015), whistleblowing is the action by which an employee exposes an unethical business practice to outsiders. However, most of the codes of conduct refer to whistleblowing as reporting an illegal action either to a compliance officer or to a designated hot line.

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NASDAQ publishes similar requirements for listed companies, defining the code of conduct in accordance with Section 406(c) of the Sarbanes-Oxley Act of 2002: „standards as are reasonably necessary to promote - (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (2) full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the issuer; and (3) compliance with applicable governmental rules and regulations” (SEC, 2002). Moreover, it is required that each employee, director or officer is subject to a code of conduct.

According to NASDAQ rules, a code of conduct should contain information concerning clear standards for compliance with the corporate code, enforcement mechanisms and whistleblower policy (NASDAQ, 2010). NASDAQ does not explicitly provide a list of misconduct that should be reported (Moberly and Wylie, 2011).

A comparative analysis of the two sets of requirements for listed companies can be found in Table 1.

Table 1. Comparative analysis of code of conduct regulations

Criteria	NASDAQ	NYSE
Who it applies to	all directors, officers and employees	directors, officers and employees
Availability	public	Available on the website and in the annual report (Form 10-K)
Waivers	For executives/ directors, approved by the Board and publicly disclosed	For executives/ directors, approved by the Board and publicly disclosed
Purpose	„to demonstrate to investors that the board and management [...], have carefully considered the requirement of ethical dealing and have put in place a system to ensure that they become aware of and take prompt action against any questionable behavior”.	„focus the board and management on areas of ethical risk, provide guidance to personnel to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability”
Content	Conflict of interest, fair dealing and compliance with the law	Conflict of interest, using corporate opportunities/assets for personal gain, confidentiality, fair dealing, compliance with the law, reporting of unethical behavior
Modal verbs used	„shall” adopt	„must” adopt and disclose
Enforcement mechanism	Required; protection for persons reporting	Required; protection for persons reporting

Source: adaptation of regulations (NYSE, 2009, Section 303A; NASDAQ, 2010, section 5610)

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As mentioned above, business ethics have the purpose to implement proper business policies and practices regarding potentially controversial issues, such as corporate governance, bribery and corruption, insider trading, discrimination, corporate social responsibility and fiduciary responsibilities. However, there are several instances when codes can fail. Usually, codes fail when they are not communicated properly or when they are not acknowledged and accepted by the organization's culture (Stevens, 2009; Valentine and Barnett, 2003).

The bad news for companies is that it is not enough to simply release a code of conduct or a related policy, but these documents should also be implemented. When analyzing a company from a sustainability perspective, both aspects are screened. Unethical behavior may damage a firm's reputation and make it less appealing to stakeholders. Thereby, if a company has strong business ethics policies in place, but it is also involved in business ethics related controversies, its overall score for business ethics is not a strong one, the high score for policies being adjusted with the negative score for involvement in a controversy. Controversies are used by socially responsible investors in negative screening, because they can affect the company's image, making it vulnerable to operational or financial risks.

The most important sources providing information for negative screening are media and corporate reports, such as annual or CSR reports. Difficulties are met because companies are not very transparent with their negative involvement and the media tends to exaggerate some facts.

Research methodology

The aim of this paper is to contribute to the current literature by providing an analysis of corporate code of conducts and CSR reports focusing on the concept of business ethics, as expressed by a non-financial indicator. We have named this indicator „ethics and integrity”, using GRI terminology. The research hypothesis is that the reporting on this metric has improved during the past 5 years. We aim to prove or reject this hypothesis using the content analysis method.

The study analyses 300 U.S. based companies (that either have their headquarters in the United States, or the majority of their operation are undertaken on U.S. soil) listed on the world's biggest stock exchanges, NYSE (New York Stock Exchange) and NASDAQ. We have used historical data from the firm Sustainalytics, an international ESG research and analysis firm that provides data for responsible investors. The population comprises 4676 international companies listed on stock exchanges around the world, that Sustainalytics has researched starting with 2009. Although the method for collecting data has not changed over time, following

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market trends and private requests from investors, several hundred companies have been added yearly to the international data base.

We have narrowed down the population to include only companies that have been constantly analyzed between 2010 and 2014, as well as only U.S. based companies, listed on the NYSE and NASDAQ. This resulted in 841 companies, out of which we have randomly selected 300. The selection was done using the RAND function in Excel, which attributed each company a random number between 0 and 1. We have then filtered the field containing the results of the RAND function ascending, and selected only the top 300 companies. A comprehensive list of companies and their sector of activity can be found in Appendix 1.

We have then proceeded to determine on which stock exchange each of the selected companies was listed on, in order to compare the degree in which stock exchange regulation influences corporate disclosure. Our selection comprises 242 NYSE companies and 58 NASDAQ companies. The companies operate in 38 sectors, best represented being Healthcare (20 companies) and worst represented Automobiles, Construction Materials, Diversified Metals and Precious Metals (with 1 company each).

Regarding the ethics and integrity indicator, we believe that a company's awareness towards ethics can be better described by both its statements and its actions. Therefore, we have divided the indicator into 2 sub-indicators, one pertaining to policy (code of ethics) and the other one to programs put in place to ensure compliance with the code.

For the first sub-indicator concerning the corporate policy, we have developed a measuring framework, grading companies on fulfilling the following criteria:

1. the company publishes a code of conduct/ CSR report that includes a policy on bribery and corruption:
 - a. the policy is a formal document, signed by an executive;
 - b. it applies to at least 50% of the company's operation (if not mentioned otherwise, we have assumed it applies company-wide).
2. the policy should:
 - a. forbid the giving or receiving of any type of bribery or improper payment by company employees;
 - b. explain the concepts of bribery, corruption and conflict of interest;
 - c. provide clear guidelines and/or examples of acceptable and unacceptable behavior.

In order to ensure the comparability of data across sectors, we have scored companies on a scale from 0 (worst practice) to 4 (best in class) as in Table 2.

We have measured the second sub-indicator similarly, taking into account whether a company has in place a reporting and monitoring system in addressing ethical misconduct. A strong whistleblower program should be based on a corporate policy

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communicated in local languages to employees, suppliers, customers and other third parties. This includes identification of reporting channels (Compliance Officers, hotline, web form) and their availability. Best-practice companies make their reporting channels available 24/7. It is also of critical importance for the company to ensure anonymity for the person reporting, as well as protection from any kind of retaliation.

Table 2. Scoring categories for the ethics and integrity policy

Score	Description
4	All features are covered by the company (strong policy)
3	The company has a policy that includes only 2 out of the 3 features
2	The corporate policy includes only one feature among the one suggested
1	The company has a statement on ethics and integrity that does not qualify as a policy
0	No statement on business ethics

Source: Adapted from Sustainalytics' framework

Aside from the policy that satisfies the criteria listed above, the company should have designated structures to process whistleblower reports and should include in its communication towards stakeholders the number of reports received, the types of misconduct for which the reports were made, and the disciplinary measures taken to address misconduct. Considering all of these features, we have graded corporate whistleblower policies as:

Table 3. Scoring categories for the whistleblower programs

Score	Description
4	All features are covered by the company (strong programs);
2	The company complies with only half of the features;
1	The company has some activities to combat bribery and corruption through whistleblowing, but these are not coherent or company-wide;
0	The company does not disclose any activities or programs to report business ethics violations.

Source: Adapted from Sustainalytics' framework

Findings and discussion

For the first sub-indicator, our analysis revealed that the biggest number of companies analyzed disclose a strong policy on business ethics and integrity (on average, 37,2% of NASDAQ companies and 52,9% of NYSE companies). For detailed yearly information, see Table 3.

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Table 4. Business ethics and integrity policy

Stock Exchange	Score	Year					Total
		2010	2011	2012	2013	2014	
NASDAQ	0	19,0%	17,2%	12,1%	10,3%	5,2%	12,8%
	2	37,9%	44,8%	51,7%	36,2%	34,5%	41,0%
	3			3,4%	19,0%	22,4%	9,0%
	4	43,1%	37,9%	32,8%	34,5%	37,9%	37,2%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
NYSE	0	10,3%	4,1%	3,7%	3,7%	2,5%	4,9%
	1				0,4%	0,8%	0,2%
	2	35,5%	41,7%	37,6%	24,4%	19,8%	31,8%
	3			4,1%	20,2%	26,4%	10,2%
	4	54,1%	54,1%	54,5%	51,2%	50,4%	52,9%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Total	0	12,0%	6,7%	5,3%	5,0%	3,0%	6,4%
	1				0,3%	0,7%	0,2%
	2	36,0%	42,3%	40,3%	26,7%	22,7%	33,6%
	3			4,0%	20,0%	25,7%	9,9%
	4	52,0%	51,0%	50,3%	48,0%	48,0%	49,9%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: authors' results

As seen in the literature review section, NASDAQ uses SEC regulations pertaining to business ethics, while NYSE has its own SEC approved rules for this issue. NYSE's rules are more detailed and include, aside from conflicts of interest, transparency and compliance with laws (which NASDAQ refers to), confidentiality and the forbiddance of using company goods for personal gains.

Concerning the first sub-indicator, both sets of rules and regulations take into account the necessity of a reporting and enforcement mechanism to determine and deal with ethics violations (NYSE, 2009; NASDAQ, 2010). Both frameworks require companies to report on their policy at a minimum score 3 policy (none refers to clear examples/guidelines of acceptable and unacceptable behavior).

The 1 score category pertaining to statements concerning business ethics is negligible for both stock exchanges. In general, one can say that more than half of the analyzed companies have complied with the regulation requiring them to report on business ethics policies (score 3 and score 4 companies). The weak performance of the other companies can be attributed to the fact that companies are not required to assure their compliance with the requirement listing, nor does the stock exchange verify their disclosure.

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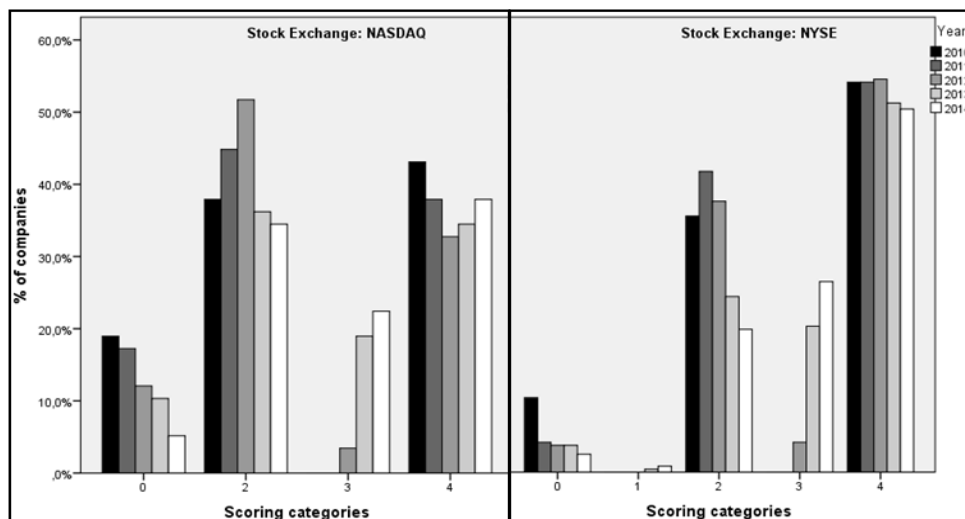
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Figure 1. Business ethics and integrity policy for NASDAQ companies (left) and NYSE companies (right)
Source: authors' results

As seen in Figure 1, the single obvious trend that can be inferred from our results is an evolution in the score 3 category of an adequate policy (NASDAQ: from 0% in 2010 to 22,4% in 2014; NYSE: from 0% in 2010 to 26,4% in 2014) doubled by a decrease in the 2 score category (NASDAQ: from 37,9% to 34,5%; NYSE: from 35,5% to 19,8%).

Part of the evolution of the 3 score category is due to companies becoming more aware of the challenges for ethical behavior (those improving from a 2 score category) and part to companies decreasing the quality of their reporting.

Concerning whistleblower programs, the analysis revealed a worse scenario, only 34,1% of NASDAQ companies and 41,6% of NYSE companies having released, on average, information about their reporting and monitoring system for ethical violations. NASDAQ regulations state that a company must include in its code of conduct information concerning its enforcing mechanism, while NYSE highly advises towards encouraging employees to report violations.

Therefore, it comes as no surprise that a smaller number of companies can be given a score of 4 for whistleblower programs than for business ethics and integrity policy, the difference being smaller for NASDAQ that perceives whistleblower programs as mandatory (on average, for NASDAQ: 34,1% as opposed to 37,2%

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and for NYSE 41,6% as opposed to 52,9%). Table 4 also details the percentage of enterprises in each score category, for both NASDAQ and NYSE.

Table 5. Whistleblower programs

Stock Exchange	Score	Year					Total
		2010	2011	2012	2013	2014	
NASDAQ	0	6,9%	5,2%	3,4%	3,4%	0,0%	3,8%
	1	27,6%	24,1%	20,7%	13,8%	10,3%	19,3%
	2	32,8%	34,5%	31,0%	46,6%	69,0%	42,8%
	4	32,8%	36,2%	44,8%	36,2%	20,7%	34,1%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
NYSE	0	6,2%	1,2%	0,0%	0,4%	0,8%	1,7%
	1	20,2%	19,8%	13,2%	6,6%	3,3%	12,6%
	2	32,6%	29,3%	32,2%	57,9%	68,2%	44,0%
	4	40,9%	49,6%	54,5%	35,1%	27,7%	41,6%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Total	0	6,3%	2,0%	0,7%	1,0%	0,7%	2,1%
	1	21,7%	20,7%	14,7%	8,0%	4,7%	13,9%
	2	32,7%	30,3%	32,0%	55,7%	68,3%	43,8%
	4	39,3%	47,0%	52,7%	35,3%	26,3%	40,1%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: authors' results

As can be observed from Figure 2, the comparative results for American companies by stock exchange are almost identical, the 0 and 1 score category having a negative trend, while the 2 score category a positive one for the last three years analyzed. The number of businesses that have put in place strong whistleblower programs increases from 2010 to 2012, reaching a maximum of 26 NASDAQ listed and 132 NYSE listed, and decreasing for the following years. An objective for further research could be identifying the factors determining the decreasing trend for 2012-2014.

However, given that stock exchange regulations only ask for a whistleblowing program equivalent to our score 2 category, we can safely assume that more than 76% of NASDAQ companies and 85% of NYSE companies place emphasis on reporting ethical violation.

In order to better understand the way companies apply their ethics policy we have also researched whether any of our selected businesses has been subject to a related controversy. Out of the 300 companies, only 6 have outstanding issues (2 companies in the Financial sector, 2 in Media and one in each of the Consumer Service and Transportation (Services)). Their problems vary from manipulating key

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interest rates, forex rates and fraud, to deceptive sales practice and phone and e-mail hacking.

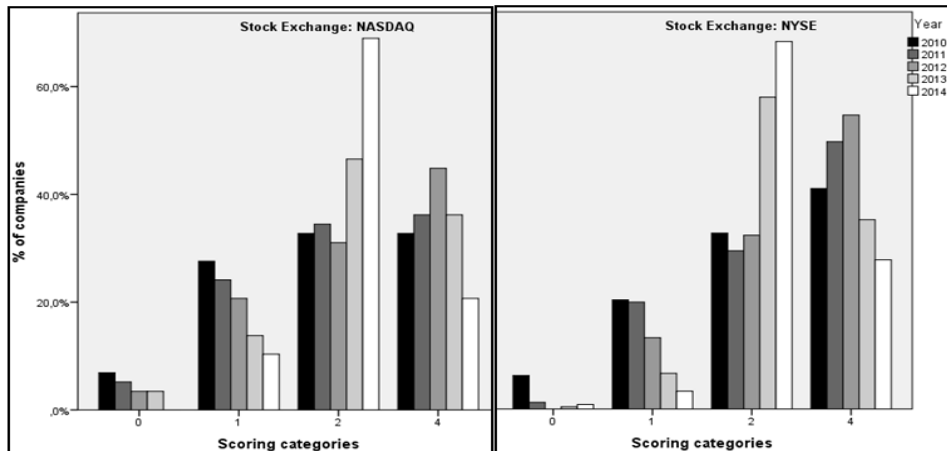


Figure 2. Whistleblower programs for NASDAQ companies (left) and NYSE companies (right)

Source: authors' results

If we take a look at the extended Sustainalytics' database listing the ethical approach of more than 17000 companies, we can see that the most exposed sector is the financial one comprising of banks, insurance and diversified financials (capital markets, stock exchanges, etc.), responsible for almost 32% out of total business ethics controversies. This could be explained due to the fact that financial companies have a limited environmental impact and moderate social impact, but a very high business ethics impact. Second is the consumer discretionary sector composed by a variety of industries such as automobiles, media and textiles generating close to 14% of the total amount of controversies. The industrials sector (aerospace, transportation, construction and so on) follows closely behind with almost 11% out of total business ethics controversies. The less exposed sectors are telecommunication services and health care sectors with 5.15%, respectively 4.12%.

Conclusions

Less than 10% of the analyzed companies do not disclose any statement concerning business ethics, and less than 5% do not mention whistleblowing in their communication towards stakeholders. In the last 5 years, there has been a trend

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towards complying with stock exchange requirements, few companies actually going beyond this compliance.

There are not big differences between companies following NYSE or NASDAQ regulations, especially for implementing whistleblower programs. For this sub-indicator there has been a decrease in the number of best reporting companies since 2012, trend that could be grounds for further research.

Companies that don't report on business ethics are more susceptible to have a bad corporate image, investors and employees being the first ones influenced by it. Moreover, several hundred companies have become the target of lawsuits and media attention in the last few years, due to bribery, corruption, confidentiality breach or retaliation against whistleblowers.

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Appendix 1. List of analysed companies, by stock exchange and sector

Companies listed on the New York Stock Exchange:

No	Company	Sector
1	Aaron's, Inc.	Retailing
2	Actavis, Inc.	Pharmaceuticals
3	Advance Auto Parts Inc.	Retailing
4	AECOM Technology Corporation	Construction & Engineering
5	Aeropostale Inc.	Retailing
6	Air Products & Chemicals Inc.	Chemicals
7	Alexandria Real Estate Equities Inc.	Real Estate
8	Alliance Data Systems Corp.	Software & Services
9	Allstate Corp.	Insurance
10	Altria Group Inc.	Food Products
11	American Eagle Outfitters, Inc.	Retailing
12	American International Group	Insurance
13	AmerisourceBergen Corporation	Healthcare
14	AptarGroup, Inc.	Containers & Packaging
15	Archer Daniels Midland Company	Food Products
16	Armstrong World Industries, Inc.	Building Products
17	Assurant Inc.	Insurance
18	AT&T, Inc.	Telecommunication Services
19	Automatic Data Processing, Inc.	Software & Services
20	AutoNation Inc.	Retailing
21	Ball Corp.	Containers & Packaging
22	BancorpSouth, Inc.	Banks
23	Bank of Hawaii Corporation	Banks
24	Brinks Co.	Commercial Services
25	Broadridge Financial Solutions Inc.	Software & Services
26	Cabot Corp.	Chemicals
27	Calpine Corp.	Utilities
28	Carmax	Retailing
29	Carnival Corporation	Consumer Services
30	CBS	Media

31	Charles River Laboratories International Inc.	Pharmaceuticals
32	Choice Hotels International Inc.	Consumer Services
33	Church & Dwight Co. Inc.	Household Products
34	Cimarex Energy Co	Oil & Gas Producers
35	Citigroup Inc.	Diversified Financials
36	Clear Channel Outdoor Holdings Inc.	Media
37	CNA Financial Corporation	Insurance
38	Commercial Metals Company	Steel
39	Computer Sciences Corporation	Software & Services
40	Comstock Resources Inc.	Oil & Gas Producers
41	ConocoPhillips	Oil & Gas Producers
42	Constellation Brands	Food Products
43	Con-way Inc.	Transportation
44	Corn Products International Inc.	Food Products
45	Corporate Office Properties Trust	Real Estate
46	CVS / Caremark	Food Retailers
47	D.R. Horton	Homebuilders
48	Dr Pepper Snapple Group	Food Products
49	Duke Realty Corp.	Real Estate
50	Ecolab Inc.	Chemicals
51	Edison International	Utilities
52	Edwards Lifesciences Corp.	Healthcare
53	Entergy Corporation	Utilities
54	Equifax	Commercial Services
55	Essex Property Trust Inc.	Real Estate
56	EXCO Resources Inc.	Oil & Gas Producers
57	Fairchild Semiconductor International Inc.	Semiconductors
58	Fidelity National	Software &

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	Information Services	Services			
59	Fifth Third Bancorp	Banks	89	ITT Educational Services Inc.	Consumer Services
60	Flowserve Corp.	Machinery	90	J. C. Penney Company, Inc.	Retailing
61	Forest City Enterprises Inc.	Real Estate	91	Juniper Networks	Technology Hardware
62	Forest Oil Corp.	Oil & Gas Producers	92	Kinder Morgan Energy Partners LP	Refiners & Pipelines
63	Freddie Mac	Banks	93	L-3 Communications Holdings	Aerospace & Defense
64	Gamestop Corp.	Retailing	94	Laboratory Corp. of America	Healthcare
65	GATX Corp.	Traders & Distributors	95	Las Vegas Sands Corp	Consumer Services
66	General Dynamics Corp.	Aerospace & Defense	96	Leucadia National Corp	Diversified Financials
67	General Motors	Automobiles	97	Level 3 Communications	Telecommunication Services
68	Genuine Parts Company	Retailing	98	Liberty Property Trust	Real Estate
69	Goldman Sachs Group	Diversified Financials	99	Lockheed Martin	Aerospace & Defense
70	Graham Holdings Company	Media	100	Markel Corp.	Insurance
71	Grainger WW	Traders & Distributors	101	Marriott International, Inc.	Consumer Services
72	H&R Block, Inc.	Consumer Services	102	Marsh & McLennan Companies, Inc.	Insurance
73	Hanesbrands Inc.	Textiles & Apparel	103	Martin Marietta Materials Inc.	Construction Materials
74	Harris Corp	Technology Hardware	104	MEDNAX, Inc.	Healthcare
75	HCP	Real Estate	105	Medtronic	Healthcare
76	Health Management Associates Inc.	Healthcare	106	MEMC Electronic Materials Inc	Semiconductors
77	Health Net, Inc.	Healthcare	107	MetLife, Inc.	Insurance
78	Hillenbrand, Inc.	Consumer Services	108	Mohawk Industries	Consumer Durables
79	Hill-Rom Holdings, Inc.	Healthcare	109	Moody's Corp.	Diversified Financials
80	Honeywell International Inc.	Aerospace & Defense	110	New York Times Co.	Media
81	Hospira Inc.	Pharmaceuticals	111	Newmont Mining	Precious Metals
82	Hospitality Properties Trust	Real Estate	112	Noble Energy Inc.	Oil & Gas Producers
83	Host Hotels & Resorts Inc.	Real Estate	113	Northrop Grumman Corporation	Aerospace & Defense
84	IHS Inc.	Commercial Services	114	Occidental Petroleum Corp.	Oil & Gas Producers
85	Intercontinentalexchange Group, Inc	Diversified Financials	115	OGE Energy Corp.	Utilities
86	International Rectifier Corporation	Semiconductors	116	Old Republic International Corp.	Insurance
87	Interpublic Group	Media	117	ONEOK Inc.	Utilities
88	Investment Technology Group Inc.	Diversified Financials	118	Ormat Technologies Inc.	Utilities
			119	Packaging Corp. of America	Containers & Packaging

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120	Pall Corp.	Machinery	152	Toro Co.	Machinery
121	Parker Hannifin Corporation	Machinery	153	TransDigm Group Incorporated	Aerospace & Defense
122	PerkinElmer Inc.	Pharmaceuticals	154	UGI Corp.	Utilities
123	Phillips-Van Heusen Corp.	Textiles & Apparel	155	United Technologies Corp.	Aerospace & Defense
124	Pioneer Natural Resources	Oil & Gas Producers	156	Universal Health Services Inc.	Healthcare
125	Praxair	Chemicals	157	URS Corp.	Construction & Engineering
126	Precision Castparts Corp	Aerospace & Defense	158	Visa, Inc.	Software & Services
127	Principal Financial Group	Insurance	159	Vishay Intertechnology Inc.	Technology Hardware
128	Procter & Gamble Co.	Household Products	160	Westar Energy Inc.	Utilities
129	Prudential Financial, Inc.	Insurance	161	Whiting Petroleum Corp.	Oil & Gas Producers
130	Questar Corporation	Utilities	162	Williams-Sonoma Inc	Retailing
131	Reliance Steel & Aluminum Co.	Steel	163	Wyndham Worldwide Corp	Consumer Services
132	Salesforce.com	Software & Services	164	Xcel Energy	Utilities
133	Sherwin-Williams	Chemicals	165	Devon Energy	Oil & Gas Producers
134	Simon Property Group Inc.	Real Estate	166	Hess Corp	Oil & Gas Producers
135	Southern Company	Utilities	167	Quicksilver Res. Inco.	Oil & Gas Producers
136	Southwestern Energy Co	Oil & Gas Producers	168	Apartment Invest & Mgmt	Real Estate
137	SPX Corporation	Machinery	169	Cigna	Healthcare
138	St. Jude Medical	Healthcare	170	Best Buy	Retailing
139	StanCorp Financial Group Inc.	Insurance	171	CareFusion Corp.	Healthcare
140	Stanley Black & Decker, Inc.	Machinery	172	SAIC Inc.	Software & Services
141	Sunoco, Inc.	Refiners & Pipelines	173	Coca-Cola Company	Food Products
142	Target Corp.	Retailing	174	TJX Companies, Inc.	Retailing
143	Telephone & Data Systems	Telecommunication Services	175	John Wiley & Sons Inc.	Media
144	Terex Corp	Machinery	176	United Health Group	Healthcare
145	The Bank of New York Mellon Corporation	Diversified Financials	177	Pepco Holdings	Utilities
146	The Cooper Companies Inc.	Healthcare	178	MSCI Inc.	Diversified Financials
147	The E. W. Scripps Company	Media	179	Keycorp	Banks
148	The Travelers Companies, Inc.	Insurance	180	Robert Half Intl	Commercial Services
149	The Walt Disney Company	Media	181	Kohls	Retailing
150	Time Warner	Media	182	Weyerhaeuser	Real Estate
151	Timken Co.	Machinery	183	ProLogis	Real Estate
			184	Jabil Circuit Inc.	Technology Hardware
			185	Philip Morris Intl. Inco.	Food Products
			186	Cablevision Systems	Media

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187	Vornado Realty Trust	Real Estate			America Inc.	
188	JPMorgan Chase & Co.	Diversified Financials	216	City National Corp.	Banks	
189	FirstEnergy Corporation	Utilities	217	IDEX Corporation	Machinery	
190	United States Steel Co.	Steel	218	Hewlett-Packard Company	Technology Hardware	
191	Progress Energy Inc.	Utilities	219	Waste Connections Inc.	Commercial Services	
192	Diebold Inc.	Technology Hardware	220	Ameriprise Financial Inc.	Diversified Financials	
193	Sealed Air	Containers & Packaging	221	National Oilwell Varco, Inc.	Energy Services	
194	Progressive Corporation	Insurance	222	The Hanover Insurance Group Inc.	Insurance	
195	Arrow Electronics Inc	Technology Hardware	223	Compass Minerals International Inc.	Diversified Metals	
196	Brandywine Realty Trust	Real Estate	224	U.S. Bancorp	Banks	
197	TCF Financial Corporation	Banks	225	MDC Holdings Inc.	Homebuilders	
198	Atwood Oceanics, Inc.	Energy Services	226	American Express Company	Diversified Financials	
199	KB Home	Homebuilders	227	BB & T	Banks	
200	Owens Corning	Building Products	228	Republic Services, Inc.	Commercial Services	
201	Unitrin Inc.	Insurance	229	WellPoint Inc.	Healthcare	
202	RPM International Inc.	Chemicals	230	UAL Corp.	Transportation	
203	Energen Corp.	Oil & Gas Producers	231	Graco Inc.	Machinery	
204	Discover Financial Services	Diversified Financials	232	Mastercard Incorporated	Software & Services	
205	Pinnacle West Capital Corp.	Utilities	233	Dun & Bradstreet Corp.	Commercial Services	
206	Toll Brothers Inc.	Homebuilders	234	Manitowoc Co. Inc.	Machinery	
207	Kirby Corporation	Transportation	235	Bio-Rad Laboratories, Inc.	Pharmaceuticals	
208	Kroger	Food Retailers	236	Airgas Inc.	Chemicals	
209	Westinghouse Air Brake Technologies Corp.	Machinery	237	Atmos Energy Corporation	Utilities	
210	Plum Creek Timber	Real Estate	238	International Flavors & Fragrances Inc.	Chemicals	
211	Wal-Mart Stores Inc.	Food Retailers	239	FedEx Corporation	Transportation	
212	AES	Utilities	240	Health Care REIT Inc.	Real Estate	
213	Teleflex Inc.	Healthcare	241	Fluor Corporation	Construction & Engineering	
214	Avnet Inc.	Technology Hardware	242	CenturyLink, Inc.	Telecommunication Services	
215	Reinsurance Group of	Insurance				

Companies listed on NASDAQ:

No	Company	Sector			
1	Allscripts Healthcare Solutions, Inc.	Healthcare	3	Bed Bath & Beyond Inc.	Retailing
2	Autodesk, Inc.	Software & Services	4	Biogen Idec	Pharmaceuticals
			5	BioMarin Pharmaceutical Inc.	Pharmaceuticals

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6	Celgene	Pharmaceuticals	32	Staples	Retailing
7	Cognizant Technology Solutions	Software & Services	33	The News Corporation	Media
8	Compuware Corp.	Software & Services	34	Urban Outfitters Inc.	Retailing
9	Copart Inc.	Commercial Services	35	Washington Federal Inc.	Banks
10	DIRECTV Group, Inc.	Media	36	WebMD Health Corp.	Software & Services
11	E*TRADE Financial Corporation	Diversified Financials	37	Gilead Sciences	Pharmaceuticals
12	Electronic Arts Inc.	Software & Services	38	C H Robinson Worldwide Inc	Transportation
13	Erie Indemnity Co.	Insurance	39	Hasbro Inc.	Consumer Durables
14	Fastenal Co	Traders & Distributors	40	Costco Wholesale Corp.	Food Retailers
15	FLIR Systems Inc.	Technology Hardware	41	SBA Communications Corp.	Telecommunication Services
16	Gentex Corp.	Auto Components	42	Qualcomm	Technology Hardware
17	Goodyear Tire & Rubber Co.	Auto Components	43	Commerce Bancshares, Inc.	Banks
18	Green Mountain Coffee Roasters Inc.	Food Products	44	Micron Technology	Semiconductors
19	Henry Schein Inc.	Healthcare	45	Discovery Communications	Media
20	Hudson City Bancorp, Inc.	Banks	46	Penn National Gaming Inc.	Consumer Services
21	Intuit	Software & Services	47	JB Hunt Transport Services Inc.	Transportation
22	Microsoft Corporation	Software & Services	48	BE Aerospace Inc.	Aerospace & Defense
22	Microsoft Corporation	Software & Services	49	Ebay Inc.	Software & Services
23	ON Semiconductor Corp.	Semiconductors	50	Hologic Inc.	Healthcare
24	Patterson-UTI Energy	Energy Services	51	American National Insurance Co.	Insurance
25	PetSmart, Inc.	Retailing	52	Career Education Corp.	Consumer Services
26	Priceline.Com Inco.	Retailing	53	Cerner Corp.	Healthcare
27	Rovi Corporation	Software & Services	54	Microchip Technology Inc.	Semiconductors
28	SanDisk Corp.	Technology Hardware	55	Lamar Advertising Co.	Media
29	Schnitzer Steel Industries Inc.	Steel	56	Hansen Natural Corporation	Food Products
30	Silicon Laboratories Inc.	Semiconductors	57	Tellabs Inc.	Technology Hardware
31	SIRIUS XM Radio Inc.	Media	58	PMC-Sierra Inc.	Semiconductors