

Ethics

What Do We Mean by Ethics?

- Ethics
 - Moral Principles and Values
- Business Ethics
 - Moral Principles and Values Applied to a Business Situation
 - Competing Demands of Stakeholders

Corporate Social Responsibility

- Concept that Corporations Should Act Ethically and Be Accountable
- Profit Maximization
 - Directors and officers have fiduciary duty to shareholders
 - one compromise pursue optimal profits
- Stakeholder Theory
- Corporate Citizen

Legal v. Ethical

- Legal Behavior
- Ethical Behavior (Subjective)
 - Strive to meet or exceed moral minimum with codes of ethics, compliance programs
 - Public opinion
 - Personal morality
 - Business operating abroad “moral minimum” may vary)

Duty v. Outcome

- Duty-Based Ethics
 - Religious Beliefs or Philosophical Reasoning
 - Categorical Imperative
 - consider effect if everyone did
 - Principles of Right
 - consider what effect actions have on the rights of others
- Outcome-Based Ethics (Situational)
 - Utilitarianism
 - greatest good for greatest number
 - cost-benefit analysis

Foreign Corrupt Practices Act

- Prohibits Bribing Government Officials for Business Opportunities
 - Doesn't prohibit bribery of minor officials for ministerial acts
- Requires US Companies to Keep Detailed Accounting Records
 - Prohibits false statements or entries in records
- Provides Sanctions Against Company and Individual
