

Business Ethics (Contd.)

- Who determines the actions as right or wrong
 - Investors
 - Employees
 - Customers
 - Interest groups
 - The legal system
 - The community
- Approaches
 - Descriptive
 - Normative

Lacking BE

- Ethical misconduct
 - NBES
 - Volume of organization
 - Level of management
 - Accounting frauds, conflicts of interests, defective products, harassment, abusive behaviour, employee theft and bribery
 - Harris Interactive Poll – perception of trust
 - Enron, WorldCom, Anderson Worldwide, Global Crossing, Adelphia etc.
- Involvement of individuals, Corporations, Govt officials, Researchers, Sports
- Judgement of decisions – SOCIETY
- Reasons

Developments

- **1960**
 - **Ethical Climate**
 - Social Unrest
 - Anti-war sentiment
 - Loyalty to employer – loyalty to ideals
 - **Major Ethical Dilemmas**
 - Environment
 - Employee-employer tension
 - Civil rights
 - Honesty
 - Work ethics
 - Drug
 - **BE Developments**
 - Code of conducts & value statements
 - Social responsibility
 - Legal / Personnel departments

Developments (Cntd.)

- **1970**
 - **Ethical Climate**
 - Scandals
 - Recession
 - Unemployment
 - Heightened environment concerns
 - Public pressure over business accountability
 - **Ethical Dilemmas**
 - Employee militancy
 - Human rights
 - Firm's covering rather than correcting
 - **BE Developments**
 - ERC – 1977
 - Compliance with law
 - Foreign Corrupt Practices Act
 - Values movement

Developments (Cntd.)

- **1980s**
 - **Ethical Climate**
 - Social contract
 - Stringent rules – defence contractor
 - Downsizing & loyalty to employer eroded
 - Health care emphasized
 - **Ethical Dilemmas**
 - Bribes & illegal practices
 - Influence padding
 - Deceptive advertising
 - Financial frauds
 - Transparency
 - **BE Developments**
 - Code of Ethics for Government Service - 1980
 - Defence industry initiative
 - Ethic officers – Ombudsman
 - False Claims Act

Developments (Cntd.)

- **1990s**
 - **Ethical Climate**
 - Global expansion
 - Child labour
 - Environment
 - Internet / Cultural borders
 - Forbidden - common
 - **Ethical Dilemmas**
 - Unsafe work practices - 3rd world
 - Increased corporate liability
 - Financial mismanagement and fraud
 - **BE Developments**
 - Federal sentencing guidelines for organizations
 - Lawsuits
 - Global Sullivan Principles
 - Board responsibility
 - Voluntary disclosure – annual reports issuance on ethics

Developments (Cntd.)

- **2000s**
 - **Ethical Climate**
 - Economic growth – financial failures
 - High profile firms
 - Personal data
 - Hackers & data thieves
 - Aggression and fundamentalism
 - **Ethical Dilemmas**
 - Cyber crimes
 - Privacy
 - Financial mismanagement
 - International corruption
 - Loss of privacy
 - IP
 - SD

Developments (Cntd.)

- **BE Developments**
 - Sarbanes Oxley Act - 2002
 - Anticorruption
 - CSR and Integrity Management
 - UN Convention - 2003
 - UN Global Compact – 2004
 - Revised Federal Sentencing Guidelines – 2004
 - Ethics programs

Ethical Culture and Benefits

- Organizational
 - Ethics Officer
 - NYSE
 - UPS
 - Baxter Intl
- Global
 - The Caux Round Table
 - NAFTA, WTO, EU,
- Benefits
 - Employee commitment
 - Investor loyalty
 - Customer satisfaction
 - Profits