

Chapter 2 Ethics and Corporate Social Responsibility

Source: Bohlman/Dundas, The Legal, Ethical,
& International Environment of Business

Theories of Ethical Conduct

- Ethics, in a normative sense, determines right and wrong

Source: Bohlman/Dundas, The Legal, Ethical,
& International Environment of Business

Theories of Ethical Conduct

- Business ethics is the application of ethics to business
- Generally, an action that is legal is also ethical
- Exceptions
 - Slavery
 - German Concentration camps in WWII
 - Enron

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& International Environment of Business

Dodge v. Ford Motor Co. Landmark Case

- Dodge was a minority shareholder, which owned 1/10 of the shares in the Ford Motor Co.
- It petitioned the directors to declare a dividend
- The defendant, Ford Motor Co., was ordered by the court to declare a dividend

Source: Bohlman/Dundas, The Legal, Ethical,
& International Environment of Business

Stakeholders

- Shareholders
- Employees
- Supply chain
- Government
- Community

Source: Bohlman/Dundas, The Legal, Ethical,
& International Environment of Business

Strategy for Ethical Decision Making

- Facts
- Stakeholders
- Values
- Alternative actions
- Choose and prioritize
- Decision and implementation strategy

Source: Bohlman/Dundas, The Legal, Ethical,
& International Environment of Business

Legal Ethics

- Involves the moral and professional duties that lawyers owe to one another, clients, and courts
- Fee arrangements
 - Flat, hourly, or contingency
- Ethical codes
 - ABA and/or others

Source: Bohlman/Dundas, *The Legal, Ethical, & International Environment of Business*

Cyberlaw

- Association of Ethical Internet Professionals
 - Promotes ethical standards
 - www.aecip.com

Source: Bohlman/Dundas, *The Legal, Ethical, & International Environment of Business*

International Considerations

- United Nations Code Regarding Multi-National Corporations
- Organization for Economic Cooperation and Development (OECD) Code Regarding Multi-National Corporations

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Legally Speaking

- When should you blow the whistle?
 - Call an attorney who will contact the appropriate law enforcement official on your behalf
 - Document the illegal activity
 - Document the paperwork
 - Attempt to convince other employees to go with you to law enforcement officials
 - Be prepared for the worst—losing your job
 - Prepare your family for the loss

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Summary

- Theories of Ethical Conduct
- Dodge v. Ford Motor Co.
- Stakeholders
- Strategy for Ethical Decision Making
- Legal Ethics
- Cyberlaw
- International Considerations
- Legally Speaking

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