

BUAD 3000—Integrated Skills for Management
Session 10

I. Today's Session

- Ethical decision-making in business

II. Ethical Decision-Making in Business (“The Dog Ate My Ethics”)

- Martha Stewart and friends.
- Arthur Andersen LLC
- Enron missteps dismantled and destroyed the company
- What to do? What to do?

III. Sarbanes-Oxley (Public Company Accounting Reform and Investor Protection Act of 2002) (or “SOX”)—The Corporate RICO Act

- Sponsored by Senator Paul Sarbanes and Representative Michael Oxley
- Overwhelmingly approved
- Designed to review audit requirements and set new standards for compliance.
- Goal: to protect investors by improving the accuracy and reliability of corporate disclosures.
- Major provisions include:

- 66 pages long—you can read the whole Act at:

<http://news.findlaw.com/hdocs/docs/gwbush/sarbanesoxley072302.pdf>

IV. Beyond the “Celebrity Scandals” How Do We Conduct Ourselves Ethically on a Day-to-Day Basis?

- When we see illegal or unethical behavior—what do we do?
- When we are asked to participate in illegal or unethical behavior—what do we do?
- When we suspect illegal or unethical behavior—what do we do?
- Should our behavior set an example for others to model?

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V. 4 Ethical Decision-Making Criteria

1. Utilitarianism -

2. Rights -

3. Justice -

4. Duties -

VI. Case Studies in Ethics—Team Exercise

- All teams should prepare a ~10-minute presentation (including class Q&A) providing the following information:
 1. Overview of case and relevant facts.
 2. Who are the primary “stakeholders”?
 3. What are the ethical (which, if any, of our 4 “ethical decision-making criteria apply) and/or legal issues?
 4. What is the “right” thing to do?
 5. What are the ethics of the actions you could/should take? (again, apply our “Big 4”)
 6. What are the practical constraints (i.e. the “real world” vs. philosophical)?
 7. What actions will you take? Why?
 8. Take a vote on #7 (How close to unanimous was your team?)