

Foundation of ethical behavior

3 levels	Preconventional, Conventional, Postconventional (autonomous, principled)
Teleological approach	decisions based on consequences
Utilitarianism	Decides based on action for greatest amount of good
Deontological approach	Moral judgments are made and moral reasoning occurs independently of consequences

Labor issues

Wages, child workers, conditions for workers, hours, freedom of association

Child labor

250 million + children 5-17 work	Some companies won't trade, others are trying to establish responsible policies (IKEA)
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Corporate responses to globalization

UN Global Compact	establishes guidelines for appropriate behavior in human rights (labour, enviro, anti-corruption)
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Company benefits of ethical behavior

Competitive advantage

Avoid bad image

Cultural and legal foundations

Relativism	Ethical truths depend on the groups holding them
Normativism	there are universal standards of behavior that all cultures should follow
Law is inadequate	Unethical not always illegal, laws slow to develop, not efficient, subject to courts, based on imprecise morals
Legal justification is appropriate	Law = many of a country's morals, clearly defined rules, enforceable to all, reflects careful and wide discussions
Extraterritoriality	Imposing domestic legal and ethical practices in foreign headquarters

Ethics future trends

Increase in good conduct due to transparency

Individuals will develop skills to address ethical issues

Social media will impact

Better leaders will impact

Corruption and Bribery

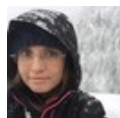
Corruption	Misuse of power for gain
Bribes	Common in govts and to public officials. Common in Russia, China and Italy

Importance of social responsibility

The environment	Protect air, soil and water from contamination during manufacturing
Natural resources	Preserve non renewable, and use renewable
Sustainability	Meeting needs of present without compromising the ability of future generations to do so
Kyoto Protocol	Signed to require countries to cut greenhouse gas emissions to 5.2% below 1990. Some are doing more some have not ratified (US, China, India)

Motivation for corporate response

Bad behaviour consequences	Legal, boycotts, low morale, drops in sales
Code of conduct	Sets expectations, communicates them, ensures followed through, reports to external stakeholders



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