

BUSINESS ETHICS

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CHAPTER 5

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BUSINESS ETHICS



SECTION 1

TRIPLE BOTTOM LINE

- “Investors and others began to look beyond profits and dividends and to consider the **triple bottom line** - *a corporation’s profits, its impact on people and its impact on the planet*” (p. 96)



MORAL MINIMUM

- “If people and entities merely comply with the law, they are acting at the lowest ethical level society will tolerate” (p.97)

THE INTERNET CAN RUIN REPUTATIONS - MYLAN'S CEO HEATHER BRESCH

IMAGE IS EVERYTHING = <http://usat.ly/2dh2lG5>

- Epi-Pens Cost versus CEO and Executives Salary Increase
- Failure to show corporate citizenship and demonstrate moral minimum



BUSINESS ETHICS AND SOCIAL MEDIA



SECTION 2

HIRING PROCEDURES

- Businesses are constantly facing ethical issues through social media
- Traditionally, businesses would ask for references to gain knowledge about an employee's past work history, where today employers are likely to look at what job candidates post on their social media platforms.
- Employers are likely to check out your Facebook, Twitter or LinkedIn to find out more about you before hiring takes place.
- An employer can also find it to be a red flag when they discover that a job candidate does not participate in social media and that may affect their hiring decisions.

USE OF SOCIAL MEDIA AND WORK

- Many people use social media to voice their opinions about their work environments.
- Companies have strict guidelines in regards to what is appropriate and inappropriate with what employees can post on their social media pages.
- Many companies have fired employees after they posted comments criticizing their managers or other employees on their social platforms.
- These decisions were considered ethical and legal until today...EX: National Labor Relations Board (NLRB) and Costco

EMPLOYEE ETHICS

- Is it ethical for employees to post negative comments on their social media platforms about managers and fellow employees?
- There is an ongoing debate about how to balance an employee's freedom of speech on the internet and inaccurate statements that damage management or a company's reputation



ETHICAL PRINCIPLES AND PHILOSOPHIES



SECTION # 3

DUTY-BASED ETHICS

- “...rooted in the idea that every person has certain duties to others, including both humans and the planet.” P. 101
- Religious Ethical Principles
 - “...principles or beliefs about how one should treat others.” P. 101
- Principles of Rights
 - “...believe that a key factor in determining whether a business decision is ethical is how that decision affects the rights of others...” P. 102
- Kantian Ethical Principles
 - People are not a means to an end
 - Categorical Imperative: “individuals should evaluate their actions in light of the consequences that would follow if everyone in society acted in the same way.” P. 103

OUTCOME-BASED ETHICS UTILITARIANISM

- Cost-Benefit Analysis:
 - a. A determination of which individuals will be affected by the action in question
 - b. A cost-benefit analysis, which involves an assessment of the negative and positive effects of alternative actions on these individuals
 - c. A choice among alternative actions that will produce maximum societal utility (the greatest positive net benefits for the greatest number of individuals). P. 103

CORPORATE SOCIAL RESPONSIBILITY

- “...combines a commitment to good citizenship with a commitment to making ethical decision, improving society, and minimizing environmental impact.” P.103
- The Social Aspects of CSR
 - “Corporations demonstrate that they are promoting goals that society deems worthwhile and are moving toward solutions to social problems.” P.103
- The Corporate Aspects of CSR
 - “...any socially responsible activity will benefit the corporation...the benefit may not be immediate.” P. 103
- Stakeholders
 - “...corporations have a duty not just to shareholders, but also to other groups affected by corporate decisions...” P. 104