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1.   Introduction

The laws established within the human society have made the peaceful existence among humans more easily to carry out; however, these laws have not always represented the common requirements of all members of the society. This situation has become more obvious in the current society where others interests such as economical and political have been prioritized over the social and natural requirements; therefore, serious dilemmas have emerged about the ethical behaviour of the persons who compiles the laws without measuring the consequences of their acts.

For example, from a global economical view, the interests of multinational companies have taken advantages from poor legal rules in developing countries where corruption and misgovernment has generated a total negligence about the human and environmental basic needs. As a consequence, it is valid to claim that to comply the law does not necessarily mean to act ethically.

2.   Ethics, Morality and Law: Relationship Review

As referenced by Velasquez (2002), Ethics can be defined as the fundaments of conduct that rule an individual or a group of individuals. It is also referred to the study of morality which represents the standards that the individuals have about what is right or wrong and defines the (moral) norms and values that can be defined as statements that describes objects or features of objects that are worth such as “ Honesty is good” or “ Robbery is bad”.

On the other hand the definition of law is more complicated because of the complexity of the concepts involved - authoritative issuance, social efficacy, and correctness of content - according how these concepts are assessed, Alexy (2002) exposes that law can be defined from its most basic correctness of content as the “ law of reason” to its purest positive aspect as the “ ruling out of correctness of content altogether and staking everything on authoritative issuance and/or social efficacy”; however, between these extremes many possible forms are possible.

Ethics and moral behaviour must complement, improve and, even, rectify the law practices. As stated by Francis and Armstrong (2003), where law sets basic standards, ethics sets aspirational ones, where law search for punishment, ethics seek for conciliation. Therefore, law practice must consider the ethical code as a matter of substantial relevance. The ethical self-regulation is clearly a natural response to balance the fixed law outcomes with more creative solutions.

According to Cohen (1999), it is possible to establish a similar situation linking business and ethics than linking law and ethics. It is remarkable that the analysis of individuals and interpersonal relations can lead to a parallel application in the case of business. For the individual case it is valid to claim that law does not cover all aspect of the ethical behaviour; moreover, it is not appropriate for it to do so. As a result, something that can be considered morally wrong though it is not illegal. Under this point of view, what is different to business to consider that law covers all its ethical issues, or moreover, business issues do not have to follow an ethical behaviour at all.

In the case of business, the ethical behaviour is influenced by thecultureand organizational structure; therefore is advisable that these companies apply consciously “ ethical infrastructures” that promote and support ethical behaviour in their employees which can lead to redefine the methods by which the company profits in order to account the social and environmental responsibilities too (Parker, Evans, Haller, Le Mire, & Mortensen, 2008).

Moreover Velasquez (2002) adds, in his arguments for and against business ethics, that in a perfect free market the pursuit of profits must satisfy the most fundamental needs of all the society members as well as the company’s without any kind of conflict; however, this is an utopia because of the nature of the market where business ethics is essentially to obey the law; indeed, that is an arguable assumption because ethics and law cannot be considered identical though in most of the cases is unethical to break the law. Finally is valid to conclude that while ethics should norms the voluntary individual activities, this must be brought to business because this is a voluntary activity.

3.   Relevant Cases

3. 1.        James Hardie Asbestos

This is an Australian company founded in the 19 th century, which has been involved in asbestos mining, and manufacturing and importing asbestos-based products until 1987 when the company ceased activities in Australia and New Zealand. Now the company, with headquarters in Netherlands, is the leader in the production of non-asbestos products. Thehealth’s problems, asbestosis which produce lung cancer, were detected in 1939 which causes claims compensations from its workers; moreover, in 1967, the company was advised that more than 1. 5 million in liabilities will be issued.

Although sanitary inspections disqualified the company infrastructure and procedures, it continued operating until 1987. Two decades of litigations conclude that the company neglected in protecting the health of its workers, its consumers andenvironment. Hardie and other asbestos companies sought both industrial solutions and legal protection to limit the economical effects under the increasing number of compensational claims; for example, Hardie take advantage of the “ no fault” provision of accident compensation Act 1972.

This raises the question about if law concerning the “ corporate veil” within companies reflect contemporary public expectations and standards. As Hamilton and Tozer (2007) states, “ This case highlights the existence of an ‘ expectation gap’ between recent corporate behaviour and contemporary society’s standards of ethical conduct”.

3. 2.        Australian Companies and Their International Operations

The application of law in many developing countries is influenced by corruption and an almost total absence of ethical behaviour. This scenario, along with the need of more profitability, is promoting that more and more Australian companies deal with countries such China, Malaysia, Indonesia, and western Europe countries where the unethical behaviour of their authorities have made that these companies got engaged in commercial practices than will appear abhorrent to the Australian business community.

This is the case of the Australian mining companies such as BHP-Billiton in Papua New Guinea where thedeforestationand environmental contamination are against the accepted standards in Australia; moreover, under the Papua authorities’ approval, with the mining continuation agreement, the mining company has made landlords sign contracts not only for them but for their future generations to not make posterior claims (Marshall, 2002).

Another remarkable case is the deforestation of Borneo woods instigated by the Australian developed market and the permissibility of the corruptible Malaysian authorities though Australia has signed the OECD (Convention on Combating Bribery of Foreign Public Officials) convention (Kellam, 2005). These are some examples that are causing Australia a serious damage in the credibility and socialresponsibilityof its companies and make clear reference that the compliment of the law does not always represent an ethical procedure, especially in the business ambit.

4.   Conclusion

As it can be appreciated in the relevant cases the ethical behaviour is not always represented in the legal procedure of corporations which prioritize its benefits and shareholders expectations to the welfare of the community and environment where they perform its productive activities. It is also crucial to highlight that legal norms that not cover the broad spectrum of ethics and moral norms, and that the ethical behaviour must be a natural practice in the law practice to balance the fixed outcomes with more creative solutions that accomplish not only the companies’ profits but also the necessities of every member of the society and its environment which they belong to.

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