

Business, Society & Ethics

14 February, 2019 | Lecture #12

Prudentially
Limiting
Prudence

Final Exam Scheduled

The final exam has now been scheduled. It will be Thursday, 2 May from 8:30_{AM} to 11:30_{AM}. It will be held in this room (lecture hall 2152).

Please let me know by 5:00_{PM} today if you have any issues with that timing. If you and I have not talked, then you will be taking the final as scheduled.

THE PURPOSE- BASED APPROACH TO BUSINESS

**HOW DO WE ENCOURAGE
GOOD BUSINESS?**

WHAT IS GOOD BUSINESS?

WHAT IS THE PURPOSE OF BUSINESS?

THE DOMINANT CONCEPTION OF BUSINESS

PHILANTHROPIC OBLIGATIONS

ETHICAL OBLIGATIONS

LEGAL OBLIGATIONS

ECONOMIC OBLIGATIONS

CLOCKWISE FROM TOP LEFT: GST, N.D.; AL-ZAYYAT, 2008;
ARMY.ARCH, 2014; CLAUDIAD, 2013; [IS HIS LIFE], 2014



Business is a system of
competition
for individual profit.

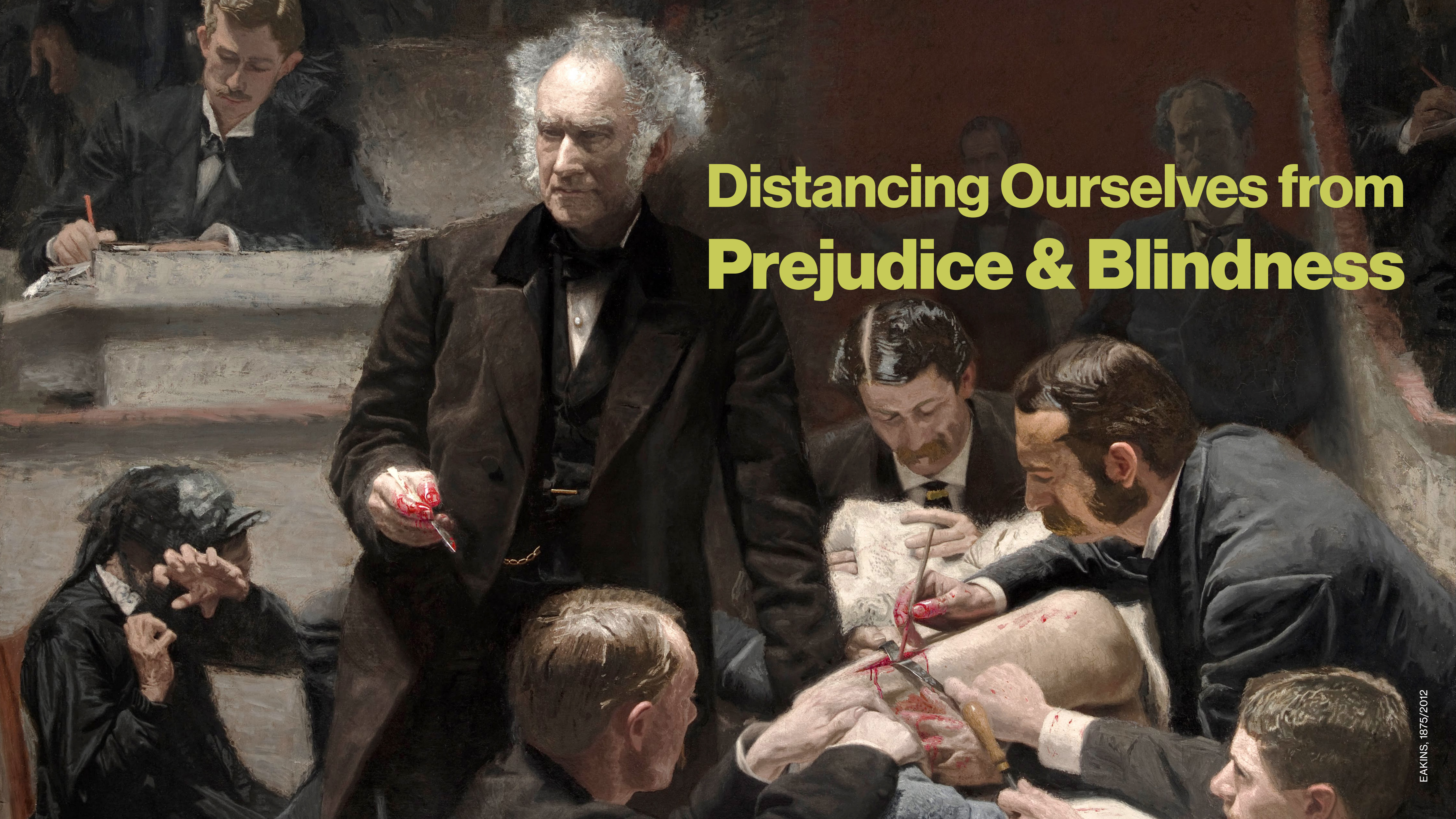
The purpose of
business is to profit
shareholders



**ORGANIZATIONAL
DECAY**

**ORGANIZATIONAL
DECAY**





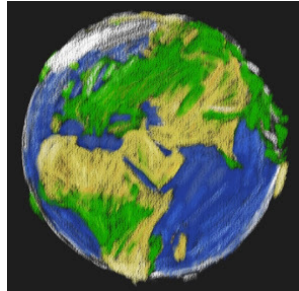
Distancing Ourselves from Prejudice & Blindness



**BE
PRUDENT
AND
LIMIT
PRUDENCE**



**SELF-
INTEREST
IS
SELF-
DEFEATING**





TRAGEDY *of* *the* COMMONS



COMMITMENT PROBLEMS



Self-Defeating
Behavior

Prudence

Beneficial
Behavior



Adding a Sheep
to the Commons

Prudence

Not Adding a Sheep
to the Commons



Resolving **COMMITMENT PROBLEMS**



Regulation

Prudence

Not Adding a Sheep
to the Commons



Regulation

Prudence

Beneficial
Behavior

Prudential “Rule of Thumb”

Prudential Constraint

ATTENTION



**EXCEPT WHEN
PRUDENT**

ATTENTION



NO EXCEPTIONS





IMPLICATIONS FOR BUSINESS

CLOCKWISE FROM TOP LEFT: [EMPTYING], N.D.;
DE TREY-WHITE, 2015; DIEZ, 2009; STARODUBOV, N.D.

The Corporation as Community & Citizen

Robert Solomon (1999) provides an alternative way to think about business, one that moves us away from egoism, competition, and shareholder profit.

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