

In business, ethics and legality differ, even though the concepts can be similar. A company can do something unethical without breaking the law. Ethics go beyond the law, which is limited to protect people from fraud, theft, or violence. For example, in 2007, the investment bank Goldman Sachs was concerned with the price of collateralized debt obligations (CDOs) it was selling (Eisinger, 2011). Goldman sold these securities anyway, at higher prices than it had recorded in their books using their good reputation. Simultaneously the investment bank was shorting the housing market. None of this was illegal, but Goldman ended up paying five billion dollars for their role in the 2008 financial crisis. The reason being the way they marketed these securities to potential investors. "This resolution holds Goldman Sachs accountable for its serious misconduct in falsely assuring investors that securities it sold were backed by sound mortgages when it knew that they were full of mortgages that were likely to fail," said acting associate attorney general Stuart Delery (The Guardian, 2016). Goldman was only one of many firms that sold these securities while it was making bets against them. These shorts were large enough they are not considered hedge positions (Morgenson, 2009). The actions these firms took were widely considered to be unethical. Yet only partially illegal, illustrating that laws are limited while ethics are society's standards which businesses should uphold. Bryan P. Marsal of Lehman Brothers, when asked about the status of ethics in business, was quoted as saying, "there are none." which highlighted legal yet unethical behavior that led to the financial crisis (Smith, 2021).

It can be challenging to determine if a business decision is ethical. In doing so, it is essential to ask three questions. Is the action legal, is it balanced, and how will it make me feel. A former design ethicist at Google, Tristan Harris, has spent the last six years raising awareness

of ethical dilemmas caused by technology created by huge software companies like Apple, Google, and Facebook (Lapowsky, 2018). He argues that software today, designed to be addictive and attention-grabbing, is causing people to develop many mental health issues (Lapowsky, 2018). Many of the largest companies in the world compete for real estate in the attention economy, treating human attention as a resource. These companies who make a large percentage of their revenue from targeted ads are not balanced. Businesses profit greatly off advertisements, while users pay in time and mental health. While businesses competing in the attention economy are legal, they are not balanced and have caused employees to feel less than proud. Guillaume Chaslot, a former Youtube engineer, says, "It worries me that an algorithm that I worked on is actually increasing polarization in society.". While the actions by these tech firms are legal, passing one of the tests to determine if a business decision is ethical, they certainly are not balanced and have led to some members leaving their respective companies.

Management plays a crucial role in setting ethical standards. They often write formal standards regarding ethics, but more importantly, how they respond to misconduct influences employees more than written codes. Enron sometimes referred to as the biggest fraud in history had a 64-page code of ethics (Nilsen, 2015). The section Securities Trades by Company Personnel stated that no director, officer, or employee of Enron Corp. could directly or indirectly trade in the securities of the corporation. Yet elevators displayed the company's stock price live, and almost every employee traded Enron and related stocks. The CEO, Kenneth Lay, sold the stock 350 times, his employees followed the example he set (Wayne, 2002).

In limited situations, individuals or companies can find themselves doing something legal but unethical. For example, it is legal in many states to use capital punishment, but many people consider it unethical. Similar to this is abortion, legal in some places but evil to many. Ethics are imposed on an individual by the larger society and are frequently written to be law. Laws that prevent people from doing ethical things are often outdated; most people today would say it's completely ethical for two individuals of the same sex to get married. Recently the Supreme Court ruled that gay marriage was legal.

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