*Strategic Management*, 9e: Chapter 6 study guide

Nine key ethics and corporate governance questions for company directors

Based on guidance from a former Governor of the Bank of England

1. Is there any personal conflict for me regarding the issue before us? If so, declare it no matter how remote this issue. Then do I vote or abstain?

2. Do I have all the facts to make a decision? Remember the Duties of Care, Skill and Diligence.

3. Is this a rational business decision based on facts? Or is it an emotional one based on personal bias or personal connections?

4. Is the decision in the best interests of the company? And what is ‘the company’ here: is it shareholders only? Or does it include other stakeholders?

5. Is the communication to the stakeholders transparent?

6. Is the company seen to be deciding in a socially acceptable way?

7. Has the company fully taken into account the impact on the environment? And the impact on sustainable resources?

8. Would the board be embarrassed if the decision appeared on the front page of a newspaper?

9. Do I understand how this company makes money? What is its business model? What would kill it in the next few years?