**Predictability of Bad Corporate Conduct**

Morals and ethics are not another idea in business, it has picked up significance and visibility as a result of public and private segment exposure and reporting issues and the passage of The Sarbanes-Oxley Act (SOX). The lessons learned from Enron and the other accounting scandals demonstrate that the improvement of a morals approach does not consequently prompt a real association any more than building up a corporate vision/mission statement makes a visionary organization (Langevoort, n.d.)

Globalization expands the potential effect of behavioral issues and concerns. An association working in distinctive nations may find that the qualities and moral principles of different societies conflict with its own entity and each of these issues adds to the requirement for each association to characterize its standards of conduct. Such ways are by naturally delineating its hierarchical values and making a code of morals and corporate behavior that give direction in leadership and all manners of things (Cohen.2010).

What researchers have studied have been in the field of describing the corporate behavior or by describing what the directors **did.** There does not appear to be any research into the predictability of the likelihood of bad corporate behavior. Various accounting professional organizations prescribe various procedures that members must adhere t including the issues of ethical behavior along with the consequences. These ethical standards issued,help clarify the requirements for associations to develop good corporate behavior and the like in addition to making their codes of moral behavior enforceable. Once again though, they do not predict bad corporate behavior.

Organizations that succeed in an expansive based organization of a code of morals will make a base for upgraded risk assessment and more prominent and straightforward for those in charge of hierarchical governance and an expanded likelihood that duties made in words are being satisfied practically speaking.

Thus, CEOs and CFOs who are required to sign functions of consistency will do as such with a more exceptional level of information and conviction that their words and the activities of the association are adjusted (Soltani, 2014). But, the researcher did not **predict** the likelihood of bad corporate behavior.

**Problem Statement**

Bad corporate behavior has been a serious problem leading to major corporate fraud. Previous research describes events such as in the Enron case, but does not offer a solution on how to predict the behavior. The predictability of bad corporate behavior has had little or no research into why it occurs (only the description after the event).

The corporate world needs s social science/psychological predictability tool to test for potential bad corporate behavior **before it occurs**. Action is required as soon as practical to weed out the directors who are potentially at risk of offending. The ideal state of affairs is that the tool will detect potential directors and not offer them positions on the board.

The corporate requirements for directors in today’s world, mean that directors must be compliant with the legal and ethical/moral standards and requirements. This developed out of the Enron case and the introduction of SOX.

**References**

Cohen, J. (2010). Expectation gap and corporate fraud. Retrieved from http”//ewsearch.mbs.ac.uk/accounting-finance/portals/0/docs/2010/expctationcorporatefraud.pdf

Landevoort, D.C. (n.d.). Organized illusions: A behavioral theory of why corporations mislead stock market investors. Retrieved from http:// scholarship.law.upenn.edu.cgi/viewcontent.cgi?article=3426&context=penn\_law\_review

Soltani, B. (2014). The antimony of corporate fraud: A comparative analysis of high profile American and European corporate scandals.