

## Conflict of Interest

Ecler Jaqua, MD<sup>1\*</sup> and Terry Jaqua PhD, MBA<sup>2</sup>

<sup>1</sup>Trident University International, Master of Business Administration Department

<sup>2</sup>Trident University International, Health Sciences Department

\*Corresponding author details: Ecler Jaqua; [eclerjaqua@gmail.com](mailto:eclerjaqua@gmail.com)

### ABSTRACT

There are countless ways and forms in which one would create or engage in an activity that may pose an ethical conflict. Ethical problems tend to arise between a person and another, which may not be in the interest of one or both parties where a conflict may appear. In order to better understand what a conflict of interest is, we must first define it.

**Keywords:** conflicts; ethics; contradiction; business; law; behavior

### SHORT COMMUNICATION

According to Korenman (n.d.), a conflict of interest exists when two or more contradictory interests relate to activity by an individual or an institution. The conflict lies in the situation, not in any behavior or lack of behavior of the individual. In essence, a conflict of interest occurs when what an individual considers to be in his or her best interest is not the same for another person or organization to which the person owes loyalty. For example, a conflict of interest is manifested when people have incentives and duties in their personal and professional lives and tend to be at odds, hence harming other people, including society. Accordingly, conflict of interest can take many forms arising from different reasons.

Many individuals may not be able to see the ethical dimensions of decisions concerning their work responsibilities and their typical lives. Also, it depends on how people frame given life occurrences, which may obscure or overlook a conflict of interest. All the same, a possible conflict of interest can force an individual to establish an incentive that interferes with the system (McCombs School of Business, 2019).

Self-dealing refers to an act assumed by a corporate fiduciary for an individual's benefit instead of channeling such gains for the organization (Veblen, 2017). A perfect example, in this case, includes taking money meant for use by an organization and use them as a personal loan or purchasing a company's products for resale based on inside information. However, if an employee in the accounting department gets a job opportunity with an accounting institution that did work for his or her employer presents a conflict of interest (McCombs School of Business, 2019).

For instance, a worker could instantaneously help himself but offended his employers by accepting an enticement or kickback to buy inferior products that his company is supposed to be used. Seaman (2017) says that a conflict of interest can emerge from the exit when an individual must obey two different people or groups of authorities who have conflicting needs.

In business and law, partaking a fiduciary obligation to another individual is acknowledged as having the responsibility of loyalty (Seaman, 2017). For example, company auditors owe investors a responsibility, particularly those who depend on the financial reports they have to verify. However, auditors are employed and remunerated entirely by the organizations whose financial statements they remunerate. Nonetheless, the responsibility of an auditor, which he or she owes to the investors, can be a conflict with the personal needs of the auditor to keep both the company, which is its client, happy and desire to make it seem like a lucrative investment.

In sum, like any other form of illegal or unscrupulous behavior, conflict of interest activities conveys the risk of consequences. Accordingly, in the federal authority or rather a government, the issues of conflict of interest bear the prospect of criminal prosecution. However, nearly all corporate situation issues of conflict-of-interest lead to lawful prosecution. At a personal level, conflict of interest makes one confuses opportunities, not knowing which the option to pursue is, leading to the loss of such changes. Hence, it is essential to search for advice and self-debate when such circumstances arise to avoid making a poor decision.

### REFERENCES

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