



Chapter 3

Corporate Social Responsibility and Business Ethics

Presented By:
Kim Kato



SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

- × Obligation to take action that protects and improves both the welfare of society as a whole and the interests of organizations

ARGUMENTS FOR BUSINESS PERFORMING SOCIAL RESPONSIBILITY ACTIVITIES

- ✘ Businesses have significant impact on the way society exists
- ✘ They have the responsibility to help maintain and improve the overall welfare of society
- ✘ Profitability and growth go hand in hand with responsible treatment of employees, customers, and the community

ARGUMENTS AGAINST BUSINESS PERFORMING SOCIAL RESPONSIBILITY ACTIVITIES

- ✘ Conflict of interest that could potentially cause the demise of business as it is known today
- ✘ Social responsibility activities may be unethical because it compels managers to spend money on some individuals that rightfully belongs to other individuals
- ✘ It costs too much money

MANAGERS SHOULD MAKE AN EFFORT TO:

- × Perform all legally required social responsibility activities
- × Consider voluntarily performing social responsibility activities beyond those legally required
- × Inform all relevant individuals of the extent to which the organization will become involved in performing social responsibility activities

- 
- ✘ Voluntarily take action to protect employees' health against carpal tunnel syndrome

SOCIAL RESPONSIVENESS

- ✘ The degree of effectiveness and efficiency an organization displays in pursuing its social responsibilities



RADISSON HOTELS INTERNATIONAL

A photograph of a hotel room. In the foreground, there is a bed with white linens and pillows. To the right of the bed is a desk with a chair. In the background, there is a bathroom with a bathtub and a glass shower enclosure. The room has a carpeted floor and a door leading to another area.

- ✘ Help preserve environment with “Green Suites” that feature recycled paper goods
- ✘ Only washing laundry if requested

-
- × **Social obligation approach-** confine social responsibility to existing legislation
 - × **Social responsibility approach-** business have economic and societal goals
 - × **Social responsiveness approach-** have economic and societal goals as well as the obligation to anticipate potential social problems and work actively toward preventing their occurrence.

STARBUCKS COFFEE

- × a Hewitt Associates Starbucks Partner View Survey found that Starbucks employees have an 82% job satisfaction rate as compared to the industry average of 50% (Dobkowski, 2005)
- × Partnership with Ethiopia
- × "As part of this commitment, 100 percent of the company's coffee will be responsibly grown and ethically traded; 100 percent of Starbucks cups will be reusable or recyclable; the company will significantly reduce its environmental footprint through energy and water conservation, recycling and green construction; and contribute one million community service hours per year" ("Starbucks Announces," 2008).



TOBACCO

✘ Can companies that make products that kill be socially responsible?

PEPSICO

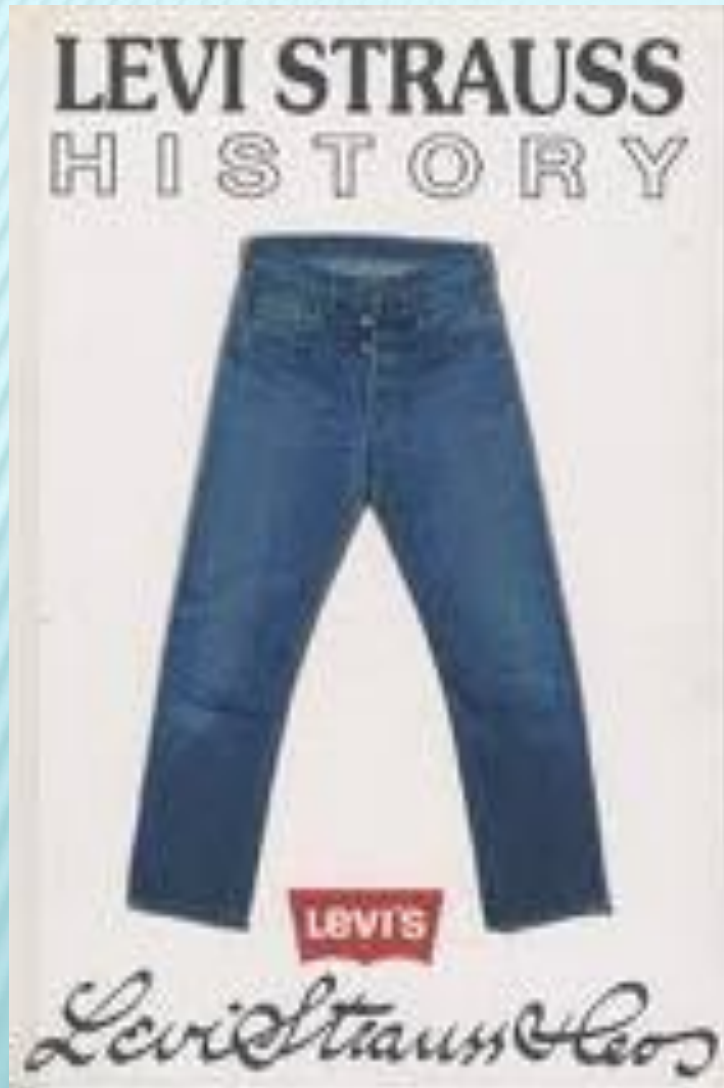
- × “Refresh Everything”
- × “Dream Machine”
- × **Water:** Respect the human right to water through world-class efficiency in our operations, preserving water resources and enabling access to safe water.
- × **Land and Packaging:** Rethink the way we grow, source, create, package and deliver our products to minimize our impact on land.
- × **Climate Change:** Reduce the carbon footprint of our operations.
- × **Community:** Respect and responsibly use natural resources in our businesses and in the local communities we serve.

ETHICS

101

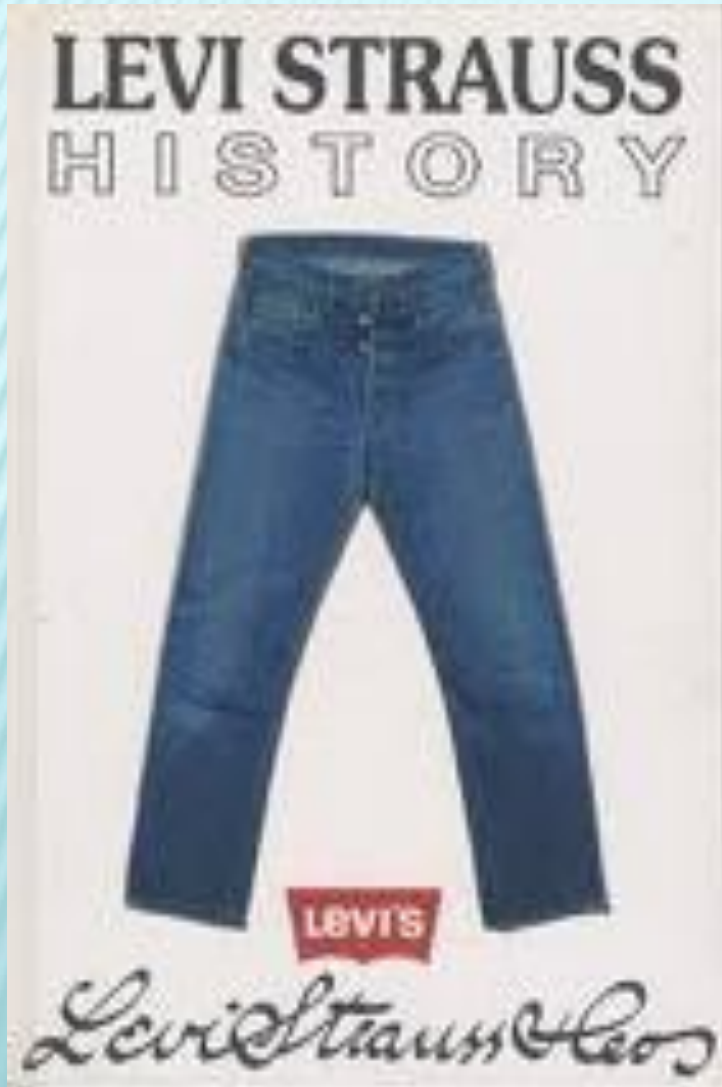
***ONE'S CAPACITY TO REFLECT ON
VALUES WHEN MAKING CORPORATE
DECISIONS.....***

SAMPLE POLICY OF BUSINESS ETHICS



- × **HONESTY:** We will not say things that are false. We will never deliberately mislead. We will be as candid as possible, openly and freely sharing information, as appropriate to the relationship.
- × **PROMISE-KEEPING:** We will go to great lengths to keep our commitments. We will not make promises that can't be kept and we will not make promises on behalf of the Company unless we have the authority to do so.
- × **FAIRNESS:** We will create and follow a process and achieve outcomes that a reasonable person would call just, evenhanded and no arbitrary.

SAMPLE POLICY OF BUSINESS ETHICS CONT'D



- × **RESPECT FOR OTHERS:** We will be open and direct in our communication, and receptive to influence. We will honor and value the abilities and contributions of others, embracing the responsibility and accountability for our actions in this regard
- × **COMPASSION:** We will maintain an awareness of the needs of others and act to meet those needs whenever possible. We will act in ways that are consistent with our commitment to social responsibility.
- × **INTEGRITY:** We will live up to the companies ethical principles, even when confronted by personal, professional and social risks, as well as economic pressures

BRITISH PETROLEUM OIL SPILL

An aerial photograph showing a white boat in the center of a large, swirling oil spill in the ocean. The spill is a thick, brownish-orange color and has a complex, swirling pattern around the boat. The water is a dark blue-grey color.

[Making the Connection](#)

<http://www.youtube.com/watch?v=VqWI6HxigjE>

Illnesses linked to BP Oil Disaster: Widespread Sickness due to Toxic Chemicals

January 9, 2011 by [Alex](#) Filed under [Gulf Oil Disaster](#), [Intel Hub Featured Articles](#)

By Dahr Jamail

Doctor attributes widespread sickness to toxic chemicals from the Gulf of Mexico catastrophe.

Dr. Rodney Soto, a medical doctor in Santa Rosa Beach, Florida, has been testing and treating patients with high levels of oil-related chemicals in their blood stream

“This is a young woman in good health, with good nutritional intake, no health issues, hates to take any medication, and ate only organic foods,” he explained, “But shortly after going to the beach, where she was likely exposed to toxins, she developed respiratory illness and developed cancer within weeks. I think this was due to direct exposure to chemicals in the dispersants and VOCs.”



Florida never issued any advisories, despite many residents reporting illnesses they attribute to the oil disaster.

Gregg Hall lived in Pensacola, Florida, and also had his blood tested. “I have a cough that won’t go away, my feet have been numb for months, I have headaches and nausea all the time,” Hall said.

Hall recently moved to Idaho, and is among a growing number of Gulf Coast residents who feel that they are victims of an environmental catastrophe that has received inadequate response from the federal government.

“It’s criminal for the government to tell people to eat the contaminated seafood, and that it’s alright for people go to our toxic beaches and swim in the contaminated water,”

Let the BP whistle blowing begin

Mon, Jun 14 2010 at 8:32 PM EST

“ I expect we will be seeing many more backlit, voice-modified whistleblower videos in the weeks and months to come, as more and more employees inside BP's Gulf cleanup and media operation decide enough is enough. A local news channel in Houston, Texas, was able to get one employee — who was hired to receive calls for BP — on the condition of anonymity to spill the beans about the company's mistreatment of sometimes desperate call-ins from Gulf residents affected by the BP oil catastrophe. According to KHOU (Channel 11 in Houston) more than 200,000 phone calls have been received by BP from distressed Gulf residents since they set up their call centers, but as the woman named "Janice" described, the messages left go nowhere. Knowing this, many of the call center workers just jot down "Blah, Blah, Blah." Many people in need of urgent assistance are deceived into thinking their messages are being formally documented, but it's clear that BP's ineptitude extends to the simple task of taking phone messages. One more strike in a growing list of what not to do when you are responsible for the world's biggest environmental disaster”



WORKS CITED

- BURKART, K. (2010, JUNE 14). *LET THE BP WHISTLEBLOWING BEGIN*. RETRIEVED JANUARY 21, 2011, FROM [HTTP://WWW.MNN.COM/GREEN-TECH/GADGETS-ELECTRONICS/BLOGS/LET-THE-BP-WHISTLEBLOWING-BEGIN](http://www.mnn.com/green-tech/gadgets-electronics/blogs/let-the-bp-whistleblowing-begin)
- BUSINESS ETHICS: SAMPLE POLICIES*. (2000, OCTOBER 20). RETRIEVED JANUARY 18, 2011, FROM [HTTP://WWW.INC.COM/ARTICLES/2000/10/14404.HTML](http://www.inc.com/articles/2000/10/14404.html)
- CERTO, S. C., & CERTO, S. T. (2009). *MODERN MANAGEMENT CONCEPTS AND SKILLS*. UPPER SADDLE RIVER: PEARSON EDUCATION INC.
- DOBKOWSKI, J. A. (2004). *STARBUCKS' 2004 CORPORATE SOCIAL RESPONSIBILITY REPORT*. RETRIEVED JANUARY 20, 2011, FROM [HTTP://ETHICALCORP.COM/COMTENT.ASP?CONTENTID=3699](http://ethicalcorp.com/content.asp?contentid=3699)
- FELLNER R, K. (2008, JANUARY 8). *SOCIAL RESPONSIBILITY OF STARBUCKS*. RETRIEVED JANUARY 8, 2001, FROM [HTTP://BIZCOVERING.COM/MAJOR-C OMPANIES/SOCIAL-RESPONSIBILITY -OF-STARBUCKS](http://bizcovering.com/major-companies/social-responsibility-of-starbucks)
- JAMAIL, D. (2011, JANUARY 9). *ILLNESSES LINKED TO BP OIL DISASTER: WIDESPREAD SICKNESS DUE TO TOXIC CHEMICALS*. RETRIEVED JANUARY 21, 2011, FROM [HTTP://THEINTELHUB.COM/2011/01/09/ILLNESSES-LINKED-TO-BP-OIL-DISASTER-WIDESPREAD-SICKNESS-DUE-TO-TOXIC-CHEMICALS/](http://theintelhub.com/2011/01/09/illnesses-linked-to-bp-oil-disaster-widespread-sickness-due-to-toxic-chemicals/)
- MCDERMOTT, M. (2010, MAY 12). *MUST SEE AERIAL FOOTAGE OF BP OIL SPILL SHOWS 'THE GULF BLEEDING' (VIDEO)*. RETRIEVED JANUARY 20, 2011, FROM [HTTP://WWW.TREEHUGGER.COM/FILES/2010/05/AERIAL-FOOTAGE-BP-OIL-SPILL-SHOWS-GULF-BLEEDING-VIDEO.PHP](http://www.treehugger.com/files/2010/05/aerial-footage-bp-oil-spill-shows-gulf-bleeding-video.php)
- TOM, E. (2010, APRIL 29). *HOME » WORLD NEWS PRINTLEAFLETFEEDBACKSHARE »*. RETRIEVED JANUARY 23, 2011, FROM [HTTP://WWW.WSWS.ORG/ARTICLES/2010/APR2010/OILR-A29.SHTML](http://www.wsws.org/articles/2010/apr2010/oilr-a29.shtml)

Obligation to take action that protects and improves both the welfare of society as a whole and the interests of organizations is the definition of _____

- a. Corporate Social Responsibility
- b. Ethics
- c. Productivity

_____ go hand in hand with responsible treatment of employees, customers, and the community.

- a. Stakeholder Relations
- b. Code of Ethics
- c. Profitability and growth

SOCIAL RESPONSIBILITY ACTIVITIES MAY BE _____ BECAUSE IT COMPELS MANAGERS TO SPEND MONEY ON SOME INDIVIDUALS THAT RIGHTFULLY BELONGS TO OTHER INDIVIDUALS.

- a. Fair
- b. Unethical
- c. good

The degree of effectiveness and efficiency an organization displays in pursuing its social responsibilities is called _____

- a. Honesty
- b. Social effectiveness
- c. Social Responsiveness

What approach says: “Business have economic and societal goals”?

- a. Social responsibility approach
- b. Social obligation approach
- c. Social responsiveness approach

Starbucks has a partnership with _____

From the sample policy of
business ethics.....

“We will create and follow a process and achieve outcomes that a reasonable person would call just, evenhanded and no arbitrary”
is _____

- a. Respect
- b. Fairness
- c. Promise-keeping

Business have the responsibility to help maintain and improve the overall _____

- a. Society
- b. Problematic
- c. Responsibility in the work place

From the Sarah Lee case:

Voluntarily take action to protect employees' health
against _____

_____ help preserve environment by featuring recycled paper goods.

- a. Green hotels
- b. Local recycling companies

“Confine social responsibility to existing legislation” is referring to the _____

- a. Social responsibility approach
- b. Social obligation approach
- c. Social responsiveness approach

“To have economic and societal goals as well as the obligation to anticipate potential social problems and work actively toward preventing their occurrence” is part of the _____

- a. Social responsibility approach
- b. Social obligation approach
- c. Social responsiveness approach

From the sample policy of
business ethics.....

We will not say things that are false. We will never deliberately mislead. We will be as candid as possible, openly and freely sharing information, as appropriate to the relationship.

- a. Respect
- b. Fairness
- c. Honesty

From the sample policy of
business ethics.....

We will go to great lengths to keep our commitments. We will not make promises that can't be kept and we will not make promises on behalf of the Company unless we have the authority to do so.

- a. Respect
- b. Fairness
- c. Promise-keeping

From the sample policy of
business ethics.....

We will live up to the companies ethical principles, even when confronted by personal, professional and social risks, as well as economic pressures

- a. Respect
- b. Integrity
- c. Promise-keeping

Social responsibility activities may be unethical because _____

- a. It compels managers to not spend money on some individuals that rightfully belongs to other individuals
- b. It compels managers to spend money on some individuals that rightfully belongs to other individuals

Managers Should Make an Effort to perform all legally required_____

- a. Social responsibility activities
- b. Social activities
- c. Ethical activities

From the sample policy of
business ethics.....

“We will be open and direct in our communication, and receptive to influence. We will honor and value the abilities and contributions of others, embracing the responsibility and accountability for our actions in this regard”.

- a. Respect for others
- b. Integrity
- c. Promise-keeping

ONE OF THE ARGUMENTS AGAINST BUSINESS PERFORMING SOCIAL RESPONSIBILITY ACTIVITIES IS THAT _____

- a. It's unnecessary
- b. It costs too much money

One's Capacity to Reflect on
Values when making Corporate Decisions is

- a. Ethics
- b. Honesty
- c. Fairness

