

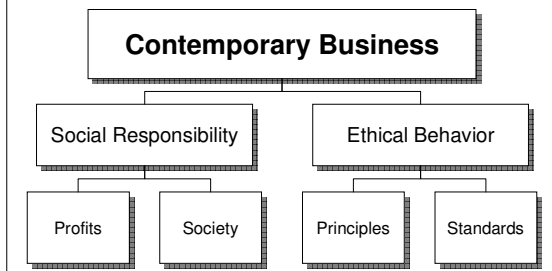
Ethics and Social Responsibility

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Chapter 2 - 1

Ethics in the Workplace




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Chapter 2 - 2

Corporate Fraud

Enron	
Arthur Andersen	
Marsh & McLennan	
WorldCom	
Ford & Firestone	

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What is Ethical Behavior?



**Competing Fairly
and Honestly**

**Communicating
Truthfully**

Not Harming Others

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Factors Influencing Ethical Behavior

Cultural Differences

Knowledge

Corporate Behavior

Reporting Systems



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Making Ethical Decisions

Is It Ethical?

**Stakeholder
Issues**

**Philosophical
Approaches**

**Legality
and Balance**

Outsiders

Utilitarianism

Acceptability

Supervisors

**Individual, Legal
and Human Rights**

Feasibility

Employees

**Principles
of Justice**

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Ethical Situations

Ethical Dilemma

Ethical Lapse



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Social Responsibility in Business

Early 20th Century



Maximize Profits

Middle 20th Century



Provide Jobs and Pay Taxes

Early 21st Century



Balance Ethics and Profits

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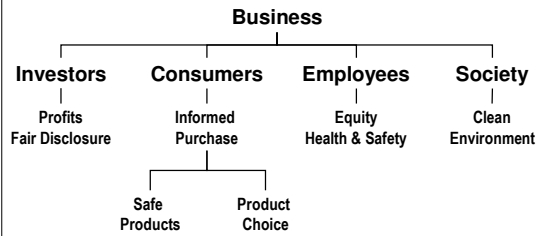
Percentage of Executives Who "Strongly Agree" or "Agree" That Companies Should:	Percentage
•Be environmentally responsible	100
•Be ethical in operations	100
•Earn profits	96
•Employ local residents	94
•Pay taxes	94
•Encourage and support employee volunteering	89
•Contribute money and leadership to charities	85
•Be involved in economic development	75
•Be involved in public education	73
•Involve community representatives in business decisions	62
•Target a portion of purchasing toward local vendors	61
•Help improve quality of life for low-income populations	54

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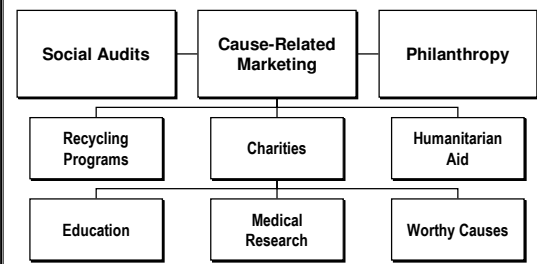
Chapter 2 - 9

Balancing Business and Stakeholders' Rights



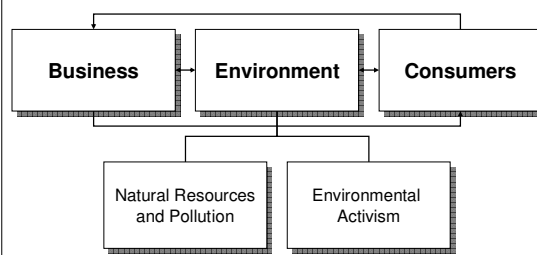
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Corporate Social Responsibility



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Responsibility to Society and the Environment



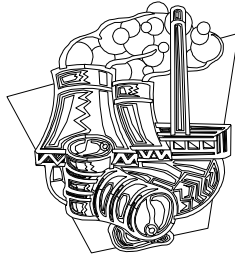
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Pervasiveness of Pollution

Industrial Discharges

Vehicle Emissions

Chemical Spills



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Government Efforts to Reduce Pollution



Clean Air

Global Warming

Clean Water

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Business Efforts to Reduce Pollution

Environmental Issues

Long-Term Cost

Environmental Staff

Product Development

Performance Expectations

Supplier Expectations

Performance Rewards

Training and Awareness

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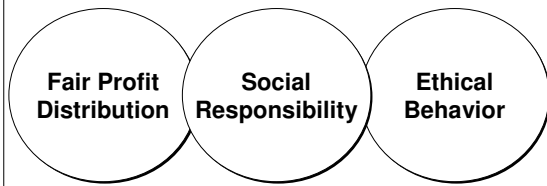
Responsibility Toward Consumers



- ✓Product Safety
- ✓Accurate Information
- ✓Freedom of Choice
- ✓Right to Be Heard

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Responsibility Toward Investors



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Responsibility Toward Employees

Equal Employment Opportunity	Affirmative Action
Disabilities	Occupational Health and Safety

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Global Ethics and Social Responsibility

Bribery

Environmental Abuse

Unscrupulous Business Practices



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