

# Business ethics essay sample

[Business](#), [Company](#)



## Corporate Social Responsibility (CSR)

The Corporate Social Responsibility (CSR) has acquired extensive interest throughout the previous decades, even though, it is not an innovative concept, and it certainly dates back to the early years of 1930, as stated by Eric Orts, University of Pennsylvania. Prior to the World War II, the industrialists of Germany, Walter Rathenau, declared that the corporations have turned out to be huge and that they have developed to be an important part of the community or the society.

As said by Walter Rathenau, although a corporation significantly intends to pursue the personal and individual interests and revenues for the owners or the leaders of the corporation they progressively bear the mark of a responsibility and to a growing degree, have consistently assisted the private interest of individuals. Moreover, philosophers such as James H. Tufts and John Dewey, explained in their book ‘ Ethics’ published in the year 1908, they promoted the idea that is not adequate to sight the corporations as a virtuous economic machine and that corporations are supposed to be included in the duties and responsibilities of the general public or individuals privately.

## Sustainability and Corporate Social Responsibility

The concept of Corporate Social Responsibility (CSR) is not static. This concept remains in motion and its target continues to evolve, as stated by Norine Kennedy of the U. S. Council on International Business. As per the statement of Kennedy, a concrete and pure definition for CSR does not exist. On the contrary, this term is not used in place of the role and responsibilities that a state government has to confront in order to maintain a sustainable

growth and expansion of an economy. The concept of a sustainable growth in the endorsement of a business is rapidly increasing in a number of directions. A number of individuals comprehend the concept of corporate responsibility by means of the concept that what directions shall the corporation follow beyond the description of law.

Some individuals also think that, this concept should be authorized legally at the domestic or international level; individuals again acquire the significance that already exists to perform it, as explained by Kennedy. However, the scope of corporate responsibility fluctuates state by state, district by district, and interest group by interest group. At the least stance, it involves the issues that concern the environment but it also considers the governance, social, health, ethical and certain other problems. Probably, it is an extensive concept to protect and it is a challenge for the community of different businesses to work accordingly in order to maintain the environmental ethics.

Corporate Social Responsibility in the Context of Regulation Orts explained, corporate social responsibility (CSR) is considered to be the point of reference to the business ventures that declares that an organization encompass more than merely being responsible and accountable to the leaders and shareholders of the business enterprise in order to maintain a sustainable economy. It is certainly considered to be the social body that involve ethical obligations and the significance that goes above the legal and official compliance and its complete requirements. Most of the people in a

society, and particularly the inhabitants of the business community do not consider CSR to be a good idea.

For instance, Orts observed that Milton Friedman is well known for mentioning that corporate social responsibility (CSR) shall not be implemented, for the reason that, the restraints has to be provided by the government, so an organization can augment its earnings and revenues to the maximum extent. However, the regulation and the law should provide the control and limitations. The advocate of this perspective of the argument over the corporate social responsibility (CSR) states that, a pressure exists among the economic dispute and regarding the need for corporations, particularly the public businesses, so as to; emphasize on the end product, to be precise, the value acquired by a shareholder. In contrast, ethical arguments are also discussed, and each individual corporation has to recognize and identify its ethical responsibilities that are moreover, going to be confined or a fragment of it definition as a corporation.

It was observed by Orts that, the Institute of American Law with respect to its principles of the corporate authority and governance recommended that the prime objective of a corporation is to generate profits for the owners and the shareholders, yet it has to deliberately follow the rules and regulation even though if it is not lucrative or gainful. As indicated by Orts, David Baron, Stanford University professor, made it clear that the ethical dispute for the idea of social responsibility by means of differentiating among what he actually meant, when he used the term Corporate Social Responsibility (CSR) and the Corporate Social Performance (CSP). Authentically, corporate social

responsibility includes an assortment of a company's well being inclined towards the prospect of an individual product encouraged by the general standard and the norms that in other words is referred to as the ethical values and principles.

The corporate social responsibility (CSR) that is planned strategically or an uncomplicated corporate social performance includes the performance that seems to be encouraged and endorsed by the social purposes at a higher level and are indeed, endorsed and encouraged by the profits generated, as observed and noted by Orts. Intense situations mostly amount to mere dishonesty, fraud or 'Green-washing' as explained and elaborate by Baron in the year 2001. For that reason, when the term Corporate Social Responsibility (CSR) is discussed in the context of health and environment, we deliberately discuss the corporate social responsibility (CSR), Orts stated.

In addition to it, Orts cited the book 'The Ecology of Commerce' by Paul Hawken, this book elaborates that business is an essential contributor in wiping out the world, and if the corporations continue the way they are currently working, the wild-life cannot sustain, however, an indigenous or a wild culture would remain at the rare back. Numerous corporations in the present world identify that they are accountable and responsible for the forthcoming of the world. In spite of that, they do not abide by the rule that the business of business is a business simple, stated and observed by Orts. The innovative principle regarding the business is, businesses are the leading establishments in the world at present. Corporation assist to address the

issues concerning the social environment that has immense impact on the mankind.

This principle is eventually becoming the perspective that is ethically driven by means of numerous companies operating as multinationals. The process of globalization in the world associates and accuses the concept of citizenship in the global corporate world, in corporations that globally compose of the communal society and fetches the requirement for precision and simplicity concerning about how to implement distinctive set of laws and regulations. This recommends the entity to which the multinational corporations are obliged to offer their loyalties to, whether the corporation is operated domestically or internationally as a global corporation. It further recommends the foremost responsibilities and obligations of a global company in an extensive prospect of a civil community. As indicated by Orts, the corporations are inhabitants of a global community and thus, be in debt of a responsibility to contribute in that broad communal group.

Corporations are the dominant institutions on the planet today. Therefore, they have to help address social environmental issues that affect humankind. ~ Eric Orts

Numerous government s and official bodies in the world enclose prime abilities for dealing with the complicated challenges generally faced by a society. Global issues, for instance, the change in climate globally, depletion of the ozone layer, loss of the bio-diversity, running down the forests and the fisheries, the harmful waste, disposal of transportation, migration of microbes and the species that are invasive, in addition to, the pollution of air

and water are the complex global problems and to encompass a constituent of health. It is often not feasible for the governments to address them individually.

Legal Reform Strategies to Enhance Corporate Social Responsibility Today, we live in a complicated society, where the government officials are not capable to answer the queries regarding the standardized regulations and rules to follow within the society. Corporations have to play a significant part in this process and develop innovative strategies that are officially authorized. Orts indicate that the reflexive law is the law that goes above the approach of command and control. Regulation that is informational is the kind of a compulsory revelation of data and information akin to the lethal liberation of inventory that can be utilized to improve the concept of CSR. The concept of environmental agreement is that the corporations can have affiliations and work on their own with the NGOs or with other management on certain problems.

Rules and regulations can be agreed upon to assist and encourage this policy. If a corporation makes an agreement concerning a certain problem, it may create more successive and creative outcomes to these issues rather, if it is solely dependent on the U. S. Congress or the Environmental Protection Agency, as indicated by Orts. Companies might select to be communally responsible and get concerned about a variety of health or social issues with accuracy and intense competition. Moreover, these selections have to be made with no loss of sight of the information that the prime concern for a corporation is its sustainable economy, concluded by Orts.

## Part B

### Corporate Social Responsibility (CSR) Report of McDonalds

The foundation of the complete venture of McDonalds is that, it follows the principles of the code of ethical conduct, honestly, durably and ethically. However, establishing a good will in the fast growing market requires sufficient time so as to build a significant reputation. McDonalds are not the motivators; they are individuals who are performing ethical business maintaining a permanent, solid, constructive and ethical agenda that will be the trend from today until it progresses.

Values Defined by McDonalds in Relation to the Corporate Social Responsibility (CSR) McDonalds value the experience of its customers significantly. They believe that their customers are the reason behind their subsistence and survival. They illustrate their admiration by offering their customers with superior quality of food and service, in a congenial and eco-friendly environment maintaining the higher level of the values and principles defined. The main objective of McDonalds is to provide high standard of quality and values for every individual customer that is willing to get served by McDonalds. Furthermore, McDonalds is dedicated to its people. They offer an assortment of choices and opportunities to develop the skills and abilities of individuals associated to McDonalds and enhance their leadership skills.

They have firm believe that the group of adequate individuals with distinctive experiences and upbringing and operational effectively in circumstances that encourage the aspect of respect and compels to high



decreases of involvement, is important in the path to our achievements continuously. The stakeholders affiliated to McDonalds believe in the structure of methods applied to carry out a business. The business model followed by McDonalds demonstrated the three legged stool of the operators and the managers, employees and suppliers of the corporation is the prime interest of McDonalds. McDonalds operate its venture and corporation ethically. Following the ethics firmly results in a good business. McDonalds preserves itself and conduct its venture to superior standards of justice and equality, truthfulness and candour.

McDonalds follows the motive that they are accountable at an individual level yet they are responsible towards the society collectively. McDonalds believe that they owe to the communities associated to them. They consider their responsibilities critically in terms of being a person in charge.

McDonalds supports its stakeholders and the customers to establish an enhanced and improved society, they assist the RMHC and influence their distinctive dimensions, extent and sources to assist the associates to create the world in an improved place to live maintaining a congenial environment.

McDonalds develop their corporation valuably; they are considered a company that carries out its trade publicly. They work to offer a sustainable profit and growth of the organization for the well being of the owners and the associated stakeholders. Although, this need to emphasize on the customers and the well being of the system followed and implied by McDonalds.

McDonalds continuously struggles to improve and enhance their reputation. They believe in the process to learn about new innovations every single day

and it maintains the core objective to predict and act in response positively to the customers who change every day.

### The Standards of Business Conduct

The standards, values and principles incorporated in the conduct of business, are considered to be an escort to the lawful and the ethical responsibilities that the stakeholders of McDonalds contribute to the family of McDonalds as a member of it. However, it is not the absolute and comprehensive book of rules that directs and deals with each problem that is considered ethical and that might develop. It is not an extraction of all the policies and the laws that are implemented by McDonalds in its business and corporation. It is either not an agreement and it is not applicable to relocate a judgment that is fairly decided. To a certain extent, the values and standards provide guidance and direct its affiliates to take the appropriate decisions.

### Applicability of Standards

The values, principles and the standards of the conduct of business that relates to the work force of the corporation of McDonalds and the subordinates it owns throughout the world. The affiliates of McDonalds that are not included in its work force officially are considered to be the members of the board of directors of McDonalds and that they should follow the codes and rules followed and implemented at the work place of McDonalds as an ethical corporation. However, these values and standards is not functional for the executive, owners, purveyors, affiliates that are non controlled, or any of the leaders or an administrator associated to McDonalds. Moreover, as the constituent of the family of McDonalds they are presumed to have

complete knowledge of the standards and conducts maintained by the corporation of McDonalds.

They certainly motivate the stakeholders and other affiliates to expand and establish their own codes, strategies, methods of the code of conduct, the agendas for learning and development and the documentation that are reliable in accordance to the determination of the standards and the values maintained and to reinforce the work force in order to comply with standards and the codes of conduct. This obligation is however, communicated and will reinforce and assure that McDonalds maintain its reputation as an ethical corporation that carries out the business and its corporation with the attribute of uprightness.

#### Corporate Social Responsibility and Sustainability

McDonalds always tries hard to expand its business and prove to become more progressive every next day. This is considered to be above everything that communicates the significance of McDonalds as an ethical corporation. The main objective for the efforts incorporated by McDonalds emphasizes on the constant and incessant growth and enhancement through the five different regions, the regions include, a sustainable chain of supply, responsibility towards the environment, the well being and nutrition, experience of the work force and most significantly the society.

#### Environmental Responsibility

McDonalds is dedicated and accountable to the environment that is it owes some obligations for its surroundings, and each individual associated to McDonalds incorporate its significance for the purpose to stand by the

commitments proclaimed. They emphasize and attempt to put their efforts in the areas where they can acquire and influence the crucial problems that take place concerning the environment around, these critical problems include the change in climate, the resources that are natural, management of the waste material and conservation.

They constantly pay attention, identify and empower and authorize the inventiveness that can be used to enhance the surroundings and the footprint of the environment around us. McDonalds develops association with other corporations to increase and expand the awareness and knowledge of the environment. They eventually work and function along with their chief providers to motivate the practices that are conducted in order to exercise their responsibility towards the environment.

#### Nutrition and Well-Being

McDonalds is committed to reinforce its customers and their well being. They provide an assortment of distinctive choices to encounter the diversified needs and preferences of their customers and other affiliates. They certainly offer knowledge and information regarding the values and standards of their contributions; consequently, the customers are able to select the products that encounter the needs and desires of the customers considering their diet and the well being of their families.

#### Sustainable Supply Chain

McDonalds visualize the chain of supply that is profitable and produces products of superior quality that are safe and do not harm the environment and do not interrupt the supply of its products, whilst

influencing their management instance to produce a total advantage by enhancing the outcomes that are obtained ethically, economically and environmentally.

## Part C

### Code of Ethics

A code of ethics published by a business is a specific kind of policy proclamation. A code that is appropriately structured, indeed, a form of legislation within a corporation made compulsory for its work force, along with the particular endorsements set for violation of the code. For instance, if such endorsements are not present, the code is just a list of goodness. The most critical endorsement is in general a notice of dismissal, except till a crime has been committed. The concept of ethics in business came in to sight during the early years of 1960, at the time when ‘ social responsibility was introduced and this progress was accepted by a number of gigantic corporations. This progress itself was enthused by promoting the interest of general public concerning the aspect of environment and consumerism.

A significant difference lies among the concept of law and ethics. Complying with the law is the least level of the ethical code of conduct imposed in the community. The concept of ethical conduct and performance involves more than just a legal behavior. However, it is unethical to state an unauthentic statement, for example, telling a lie is in contradiction of the law only below certain situations, therefore, telling a lie under an oath is false swearing. The literal and formal definition of the term Business Ethics and the Codes of Conduct is, that it always involve a constituent that goes above the legality

that is strictly declared. They require devotion towards high values and principles. During the era of World. com and Enron, the scandals regarding different corporations were heard, however, the codes of ethics have moved on to a different path.

In the year 2002 legislation was approved, the Sarbanes-Oxley Act (“SOX”), need the companies who trade their stocks underneath the conditions of the Act of Securities Exchange approved in the year 1934, it is required to bring out the codes of ethics they follow, if these are present, and also distribute any amendments to these ethical codes so as to win the confidence of the investor. A number of small businesses, obviously, are not synchronized by the Securities and Exchange Commission (SEC) since they do not publicize the stock they trade. Therefore, they are not affected by SOX. The well known and famous code of ethics in the history throughout is the oath taken hypocritically by all the individuals who tend to become a doctor. On the contrary, the general belief, the phrase that is not included in the oath taken is ‘First, do no harm.’

The original language, as mentioned in the third paragraph of the classical edition: “I will apply the measures to diet for the benefit of the ill people in accordance to my capability and decision; I will keep them from damage and prejudice”, as indicated by Barlett. An even more renowned statement is extracted from the epidemics of the Hippocrates; it says that an illness creates a habit of two effects, to support and assist and the second is to make no damage or harm to any individual.

## The Document

The document of code of ethics is an official document; it is not only a surrounding, a comprehension, an agreement, a rule that is unwritten or merely a component of the culture of a corporate. At the least prospect it is a document that is officially published. In a number of corporations the individual employees are also obliged to sign an official proclamation, that declares that they have gone through and acknowledged the obligations they are assigned. In huge corporations or to companies that respond to the scandals recently heeded, at certain instances only the officers of the company or only the officers that look after the finances are asked to sign the agreement. In various other situations, an assortment of codes of ethics might be present; they are eventually customized to certain operations as accounting, sales and purchasing, etc. The codes of ethics are unconnected terminologies of the companies. These terminologies consist of a mission statement, a list of values and principles of the corporate and common strategies regarding the functions performed.

## Content

The ethical codes in relation to the corporations are alienated into four different components:

1. A preamble or an introduction
2. A declaration that states values, mission and the purposes
3. Particularized regulations concerning the code of conduct, which is further divided in different procedures
4. Execution of the code of conduct ethically, this execution certainly explains the development of managers, exposure and authorization.

### Introduction: Management Sponsorship

The foreword to the ethical code of conduct preferably incorporates a proclamation by the officers of the higher levels in a company, where the officers indicate their individual allegiance to and for the assistance of the ethical code being carried out. Professionals and researchers of an ethical business never fall short to emphasize the significance of leadership at the top level of management. The document released for the code of ethics, the possible frame work constructed for the scandals, contains minor influence along with the employees until the commitment of the business indicates concrete symbols related to the indications provided.

### Purposes and Values

The foremost division of the code conventionally offers a condensed statement declaring its mission pursued by the principles and the values. This segment defines the overall environment of the corporation, the work it does and the purpose of its existence. The code preferably declares the financial objectives practically; in addition to this declaration the code will particularize the professional and social goals. The proclamation of principles and values will correspondingly start with declarations that are defined in a narrow perspective. Following all the applicable rules and regulations, the preliminary value; devoted to higher values of ethics will be implied in the next instance. Companies that are involved in a number of professions; the professions include medicine, engineering, law etc., openly turns to the expert values and entities that situate in accordance to the values of that corporation.



## Rules of Conduct

The rules and regulations of an ethical conduct are conventionally divided into different segments. The IBE (Institute of Business Ethics), a corporation originated from London, offers a record that is adjustable without any difficulty even by a corporation that operates on a lower scale and maintains its own code of conduct ethically. IBE separates the fundamental appearance in to the codes of conduct approved by the corporations concerning its human resources, shareholders, customers and additional subsidy mediators, providers and afterward the broader community. In order to, deal with the employees with respect to different sections, an in effect code will additionally divide in to the conduct of the corporation in the direction of its stakeholders and individually, the conduct is anticipated from its individual employees.

Considering the language of business and corporations the employees, customers, mediators and the providers are collectively known as the ‘stakeholders’, it signifies the fact that, the individuals who encompass a stake in the welfare and success and in the ethical behavior as well, of a particular corporation is said to be the stakeholder of that business. The groups conventionally describe all the entities with which the corporation maintains its ethical affiliations. However, in numerous cases, everything depends on the variety of activities performed by the corporation. Additional fields might acquire specific significance. Therefore, the regulations and the rules set in accordance with the code of conduct shall signify in correspondence to the environment physically, along with the significance of

gender, ethnicity and relations in terms of race, in the respective areas of medicine, justice and law.

The codes of ethical conduct particularly describes and deals with the fields that are complicated, it includes contributions to the campaigns launched or observance and conformity with the particular rules. Surrounded by the codes of ethical conduct the code particularly categorizes the issues, for instance, contradictory interests, submitting or accepting bribe, based favors and gifts as an alternate to bribe, etc.; the rules and codes regarding the knowledge, for instance, confession, maintenance of the data, the trading conducted indoor and onwards. Special behavior, unfairness and inter-linked relations that include sexually harassing the opposite gender, solving the issues related to the conflict among quality and cost of the goods, and endless potential problems. The codes of ethical conduct that are well executed are supposed to be to the point and as informative as possible, although it consists of vibrant instances to clarify each and every point in the rules of conduct.

#### Implementation, Reporting, and Sanctions

The concluding segment of a code of conduct will manage the organizational accomplishment of the code of ethical conduct and distinctive segments adjacent to the infringement of the code. The most uncomplicated code of ethical conduct needs exposure for the breach of the code followed by the management of a corporation; this involves the selection of an action to consider if the code implemented in the other level is unsuccessful to perform the relevant action. In huge corporations, the work place or the

operations conducted is particularly charged along with the purpose to deal and handle the breaches of a code. The different segments will be enchanted along with the managers as described; it involves a crystal clear process for developing the knowledge, to consider the warnings that are issued, the counseling that is needed, outcomes from the offenses that occur frequently, capable to get released or either, if suitable, the proceedings would go on.

For the reasons that are obvious, a code of an ethical conduct, encompassing no segments and a balanced procedure to get implemented will be considered by the stakeholders, only as a gesticulation with no ‘teeth’. On the contrary, the owner of the corporation must be aware of the fact that ethical breaches are not fundamental, be it authentic violations, thus, segments that include announcing the dismissal of an employee can result problematic in anticipation of the fact, if the corporation follows the policy of ‘employment at will’ the policy of appointing and terminating an employee is implemented and supported by the federal and the state law underneath certain conditions.