

Unit 7

Business



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BUSINESS ETHICS, SOCIAL RESPONSIBILITY, AND SUSTAINABILITY In the age of rapid changes, innovations and new technologies, modern corporations are called to take their responsibility for the way they perform their operations, which influence both the society and the environment. Nowadays businesses should act more ethically toward their employees, communities and the world around, sustaining the balance of everything. The aim of the following paper is to identify how business ethics, social responsibility and sustainability are interrelated. Further, it will explain what is meant by a sustainability report and make a certain analysis and comparison of the code of ethics of two large companies. Business ethics, social responsibility and sustainability Social responsibility means that the activities, which the organizations perform, are enlarged by the responsibilities to society. This does not mean that an organization have any obligation over the society. In fact, social responsibility of any business starts from the certain level of profit that covers the costs of an organization. If such profit is not obtained, the organization cannot meet any social needs. That is why strategists should examine the social problems in terms of profit of a certain business. This may be achieved by implementing social policies, which concern the responsibilities of a concrete organization that has to its employees, customers, environment and community. Sustainability refers more to the environmental sides that the organizations may touch while performing their activities. In order to preserve the world resources and avoid harming and destroying of natural environment, modern business pay much more attention on question of sustainability. A large number of business schools conduct training session in environmental management. Companies conduct monitoring of their products in terms of environmental practices. Employees

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and consumers as well as society respect and trust those firms that protect the natural environment and are resentful of those companies, which harm the ecology. Governments require modern businesses to behave eco-friendly and this improves businesses and the way they implement their policies and principles. This is how business ethics is born. Firm's owners and CEOs are responsible for ensuring the abiding of ethical principles by their employees, but they are also responsible for the way they perform their activities. Recent ethics issues related to safety of products, acid rains, waste disposal as well as employee privacy and health have called the need for strategists to develop and implement the code of business ethics. It would help to resolve issues within the organizations and would affect the changes in the society in general. The most vivid example of the company, which connected its business ethics with the social needs and sustainability, is the Walt Disney Company. Having assets in movies, music, television and publishing and theme parks, the company represents itself as the most eco-friendly company, cutting carbon emissions from fuels by half at its office and theme parks. The company finds it important to communicate a sense of commitment and sets serious targets in taking emissions to zero by implementing their environmental plan. A sustainability report and its purpose

Such as Walt Disney Company released its corporate responsibility report with the ideas how to improve their activities in terms of environment, other companies prepare the sustainability reports as well. This is a published report about the economic, social and environmental impacts that are caused by the organizations' everyday activities. It demonstrates the connection between the strategy of the company and its commitment to a sustainable global economy. It measures the impact the organization makes,

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the experience it has, the goals it sets and manages changes. Analysis and comparison of Starbucks' and McDonald's code of ethics For such a huge company as McDonald it is vital to be open to the community. Thus, the company welcomes questions and appreciates issues, which its consumers may raise. This is how the company may achieve its business goals in a manner consistent with its ethics and values. While McDonald provides its customers with the high quality food and superior service, the Starbucks is more about human connection. It engages people; the company connects itself with them even if it is just for a few moments. The McDonald's provides an opportunity for its staff, developing leaders and rewarding the achievement. They find it essential for the continued success to have a team of well- trained people with experiences who work together for the common goal. The Starbuck should also pay more attention on the way they treat employees, so the customers could evaluate their contribution to the common business. In the modern world, the companies are often challenged and face rivalry in their everyday activities. That is why it is important to keep the dignity in all conditions. The way businesses bring their products and services to the customers should be conducted in compliance with the societal and environmental needs. However, these rules or the principles of the code of business ethics do not guarantee the ethical behavior within the organization. Only the desire to achieve common goals and passion for the certain business will help to understand the main ethical considerations.

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