Ethics and Social Responsibility

St Nicholas Burrus

University of Maine at Presque Isle

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Introduction

Comp Core, Inc. is a business well known for 60 years in construction and homebuilding. The business center is in the USA and has more than 400 employees in the main office. The company is well known for its philanthropic work as building houses for poor people. The dilemma at hand is one of the employees found out that the leading wood supplier is cutting the rainforest for low-priced wood. The cutting of rain forest is hurting the ecosystem and the environment, causing floods and damaging crops in an excitatory way. The employee John told the upper management about this situation. The upper management, including the CEO, told John not to talk about it because they have no other supplier that can provide the same wood at that lower price. Without that, cheaper wood Comp Core, Inc. will not be able to do its humanitarian work.

Stakeholder Analysis

Stakeholders are all those people who are directly or indirectly affected by the organization's decisions and performance. There are two stakeholders in this given case: the individuals and the corporate stakeholders.

The individual stakeholders are the people who are currently doing business with Comp Core, Inc. The people who are waiting for the philanthropic work of the company for building their houses. The people of South America face rivers overflow, floods in surrounding villages, damaging their crops and livelihoods.

Individual Stakeholders are waiting for their house to be built by the company as a welfare affair. They know the situation of the people suffering due to the cutting of rain forest for the wood. The primary response should be of a high moral person, for example: to reject the

house. Stakeholders in business with the company and working side by side with Comp Core, Inc. will be very upset. When they get to know that, they are working with an organization that is hurting the ecosystem. The effect of global warming is apparent. We see the effects of global warming each day. The summers are getting hotter, and the winters are getting colder. Last year we saw recorded highest snow in some cities. These all are the effects of cutting the trees that are binding this ecosystem together. The laws are very strict about cutting the rain forests, and many big firms are in court for hurting these forests. It can go by either cutting them or dumping the toxic wastes in the lakes. People and companies are very cautious about working with organizations that are not careful about hurting the ecosystem. Customers thinking of themselves as part of a company or organization felt responsibility for constructive change. Constructive change is a healthy emotional state that keeps customers and employees liable and answerable for their work; highlighted a client will act as a fractional worker and feels responsible for an organization. He would also like to help with constructive extra-positional modifications, like advocacy and prohibition. It is a self-concept of an individual perceiving his obligation towards work as a company's successful operation.

Thus, it shows supportive behavior for the company or organization and increases work motivation and work quality. This feeling of obligation binds the person not only in problem-solving and development-related activities, making them accountable for their job. Felt obligation is commonly related to the person's personality and his relationship with his culture and society. If a company has a bad reputation, people tend not to work with them because it hurt their image. The morally high people also avoid the companies who are hurting the environment. Stakeholders that are living in an environment that is getting hit by the company will be very upset. The big corporate giants already have a bad image that they do not care about the common

people. The perception will be focused when they see the direct effect cutting the rain forest by Comp Core, Inc. Protests and voice behavior can be expected from the people living in the surrounding area. Eventually, the people will know the damage done by Comp Core, Inc.

Rules for ethical decision-making

According to the leader's choice, there are five steps of ethical decision-making. The five steps are

1. Assessment:

This step involves the observation of the whole scenario where ethical decisions have to be made. Understanding all the data from the past and the prediction of the future is made in this step. In the case of Comp Core, we have analyzed all the direct and indirect stakeholders. The effects on their perception and life about the company if they know about the damaging of the rain forest by the company's vendor. The past and the efforts the company made to create an image. And the future, if the company did not take any serious step to change the vendor.

2. Alternatives:

This step involves all the options the company has. The company has two options: staying quiet and keeping the same vendor, and enjoying the cheap wood for the time being. The other option is to change the vendor and protect its future. Both the options have consequences for the long run and the short run. The first option is feasible for the short run. The company will keep getting the cheaper wood, and the philanthropic work will be the same as before. John will be given a promotion to keep his mouth close and to bind him in some legal suit to keep his mouth close.

Nevertheless, the company whose core value is the people's welfare will be demolished by doing this. We have seen companies that are not aligned with their core values do not last

long. Option one is good for the short run but has severe threats for the future. On the other hand, the second option of changing the vendor and buying wood from the supplies selling it for a high price will hurt its philanthropic work. Nevertheless, by addressing that they are not hurting the rainforest and are eco-friendly, people will trust the company more. The company can ask for donations for the building of shelters for homeless people. Organizations that have a positive image get many donations around the world to do the right thing.

3. Analysis:

This step involves the analysis of the decision that is to be taken in a situation. The alternate options are as discussed above, are very simple. The best option for the company's future is to change the vendor and find a trustworthy and eco-friendly vendor. The hard decisions make more substantial organizations. Leaders have to be firm on their core values and which they stand for. Companies do not stand on a product; they stand on the core principles that the company thinks are right or wrong. Companies that are loyal to their core values are the ones that are the most successful in the market.

4. Application:

The application step analyzes the applicability of the decision made in a situation. The decision's application will be challenging for the company but will eventually help in the long run. The idea here is to apply a beneficial decision for the organization and all the stakeholders. As the company's core value is not just profit, the company stands on the core value of the people's welfare. A decision that contradicts this value will become the reason for the company's downfall. The opportunity cost of changing the vendor and switching to metal or cement structures for a building will be the best option. It translates the company's vision to create social benefits with profit. Changing the vendor and the primary raw material might be difficult, but it

will become the company's key success area. Not every company in the market is ready to make such a decision. Suppose Comp Core decides to change the vendor even when it is hurtful for the organization. The knowledge will help the company create a more loyal customer base because it will have an example that tells the people that the company prefers the people's benefit instead of the profit when it comes to profit.

5. Action:

For John, Susan, and CEO of Comp Core, the advice is the stop working with the vendor who is damaging the rainforest of South America. The philanthropic work that is based on hurting something has no value. The cost-cutting should not be on the cost of anyone else having a hard time. The wood procurement cost from other vendors will be higher, but the company can use multiple other cost-cutting tools. Technological up-gradation is the most common tool used these days to decrease production and labor costs. Other tools like agile management, six sigmas can be utilized to generate more output in less input. The company can shift to iron and cement structures, which will be stronger and will last longer. There are many ways in the value chain where cost-cutting can be done. Having a vendor that provides you a shady product is a danger to the image of the organization.

The images take years and thousands of dollars of marketing expenses to build. Moreover, one small mistake like that destroys that image (Widest & Irfani, 2019). John was feeling obligation for constructive change. The literature exhibits this kind of behavior as a felt obligation for constructive change. Felt obligation for constructive change plays a vital role in voice behavior in an organization. Individuals' moral identity propels them to feel that they must bring about some change in their environment. They voice their beliefs to maintain their persona of a moral person. Their study further indicates that the felt responsibility for constructive change mediates the

relationship between individuals' moral identity and their will to express their promoting or prohibiting views. Another aspect of individuals' personalities that affects this relationship is their proactive nature. John should pressure the upper management with the CEO to decide for the company and the people. The CEO and upper management should take this matter seriously and learn from many case studies in the past that information like that always floats eventually. We have seen many big organizations spending millions to recover the damaged image and doing more CSR word and are still struggling for the trust of the people like PepsiCo, Coca-Cola, Nestle, P&G, etc.

Value and ROI through sustainability efforts

According to stakeholder theory, the profit of all the parties involved should be considered while making a decision. The theory advises that value creation for all the stakeholders should be considered for a successful business, not only shareholders. Keeping because of this phenomenon, the company should switch the vendor and find other cost-cutting routes. The administration of technology, lean and agile management can become a keystone for success.

Creating an Ethical Culture

In this competency, we learned a lot about the dangers of corruption and why it is essential to know what ethics is. In return, this can cause a significant ROI by remaining an ethical organization. But, the important thing about being ethical organization rules and ideas only go so far. One would need to instill an ethical culture into the workplace culture. Creating an ethical culture would create pillars of an ethical culture where one would think about ethics, not as a belief problem but a design problem (Epley and Kumar, 2019). Epley and Kumar, in their 2019 article for the Harvard Business Review, have found that holding explicit values with strategies and practices should be anchored to clearly stated principles that can be widely shared.

This demonstrates that the ethical guidelines should be in clear writing for all to understand and share, including where leaders would refer to this guide as creating any new rules.

In addition to supervisors and management's clarity and congruency, it is essential for there to be complete transparency and sanction ability of the guidelines (Kaptein, 2008). With full transparency and levels of use throughout the organization, sanctioning employees not following the ethics guidelines can instill the ethical guidelines into the company's culture. Core Comp, Inc will be well geared to start instilling a culture based around ethics by creating guidelines for ethical practices.

Civic Reflection and Corporate Social Responsibility

In this modern world, everyone is aware of the socio-ecological effect of manufacturing. People are getting more and more aware of their responsibility in the hurting of our environment and people. No corporate giant can exist in the market without doing CSR work and providing clear information about their waste management and human management techniques (Thomas et al., 2012). The government is taking a serious interest in these matters too. Civic reflection is a must in all the steps of the value chain of the company. Voice behavior is becoming more common for anything unjust. Social media is a source where information cannot be censored, which is an important tool where negative word of mouth is generated against the organizations that are not considering humans and the planet over their profit. To protect the company, it is must to be protective against the environment and the public.

According to self-consistency, theory people with high moral identity do not indulge in the practices of hurting anyone. Moral identity encompasses the personal feeling of being generous, honest, and being considerate. Moral identity is influenced by individuals' judgment and fosters self-complacency and honesty. Moral identity also strengthens feelings like guilt or

self-check feelings resulting in the moral offense. By the theory, we get to know that the people who think of themselves as good do not like hurting anyone or anything. Most of the people are morally high at this time, or they consider themselves as morally high. In this regard, organizations that are in alignment with their beliefs will follow those organizations. This is being observed throughout the western world (Bhatti et al., 2020).

With self-consistency theory, there is another phenomenon affecting the topic is the felt obligation of constructive change. Felt obligation for constructive change is defined as "an individual's belief that he or she is personally obligated to bring about constructive change." People experiencing constructive change have to deal with unique and complex patterns of behavior. This behavior forced them to bring some positive and productive change. Discussion about the role of moral identity in expressing their opinions and frustrations on social media would be incomplete without discussing the actors and motivators that underlie this behavior. Most of the time, moral individuals feel that they must act per their beliefs and feel morally obliged to express their views to change their surroundings. This phenomenon was termed as "Felt obligation for constructive change" by Liang J. Farh (2012). They defined this element as the internal compulsion that an individual feels to bring forth a positive and constructive change in their environment. Employees who usually voiced their opinions and criticism were the ones with higher motivation or compulsion for bringing about positive change. Another study felt an obligation for constructive change is explained as the internal psychological state of employees that compels them to go out of their way to implement some positive change that they believe is essential.

Customers thinking of themselves as part of a company or organization felt responsibility for constructive change. Constructive change is a healthy emotional state that keeps customers

and employees liable and answerable for their work. A client will act as a fractional worker and feels responsible for an organization, and he would also like to help with constructive extra-positional modifications, like advocacy and prohibition. It is a self-concept of an individual perceiving his obligation towards work as a company's successful operation.

Thus, it shows supportive behavior for the company or organization and increases work motivation and work quality. This feeling of obligation binds the person in problem-solving and development-related activities, making them accountable for their job. Felt obligation is commonly related to the person's personality and his relationship with his culture and society.

Civic engagement activities are advised to the organization where any worker can raise his/her voice against anything that he or she considers wrong. This can give the employees a sense that their voice means something, and the correction of many moral and ethical wrongs can be done.

Personal Civic Activity

I have had plenty of civic duty activities for the most part through my work. I work with a business that regularly deals with very public-leaning companies, universities, governments, and more. The most notable ones are bound by NDA and gag orders, but there are a few I can low-key discuss. For example, with the Superior Courts of California, I have dealt with very confidential paperwork dealing with infamous criminals. I have personally worked with hospitals that needed to find connections in a patient chart with over 20 years of history and thousands of pages. I was able to push these into an artificial intelligence database and extract hits of the handwriting and print the doctors were looking to find mentions of.

I learned a lot about the civic duties we have. I learned why time is of importance to a lot of our civic duties. For example, the industry I work in requires time to be of the essence. These

are medical records where life is literally at stake in those hours. These can be criminal records the courts are trying to get someone off the streets by making all the files easily accessible. I apologize for not going into deeper details about the actual civic activities involved with my business and my work due to NDAs and gag orders. Outside of my work, I volunteered very little due to being terminally ill for most of my life.

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