

CH 1

Canadian society comprises of many institutions and groups that interact (gov, labour unions, minority groups, consumers, environmentalists, communications media, bus organizations, non-gov organizations)

-Meeting humanity's needs without harming future generations. MOre than economic responsibilities

-progressive/innovate responses to social, ethical, environmental responsibilities is a valuable intangible asset

Integrity: Appropriateness of corporations behaviour and adherence to moral guidelines acceptable to society ie.honesty, justice, fairness.

Ethics of business

Ethics of Business: rules, standards, codes, principles that provide guidance for morally appropriate behaviour in managerial decision making in relation with business relationship with society

Stakeholders: Individual or group who can influence or is influenced by the achievement of an organization's purpose

Corporate Social Responsibility: Way corporate achieves balance among its economic, social, environmental, responsibilities in its operations to address stakeholders expectations

Responsible corporation: Bus undertaking social, ethical, environmental responsibilities in addition to economic obligations.

Corporate Sustainability: Inclusion of social, environmental, economic responsibilities in bus operations that impact stakeholders to ensure long time survival or coop

Triple Bottom Line: Evaluation of corporations performance according to economic, social, ethical, environmental values. PEOPLE, PLANET, PROFIT

Corporate Citizenship: Corp demonstrating takes into account role on impact in society, environment and economic influence

Deontological Ethics: Moral obligations, duties, rights. Avoid responsibility by following rules/orders

Actions are ethical if done for the sake of whats good, without regard for consequences of the act. Univeral rule

Teleological Ethics: Focus on outcomes, goals or results of actions.

-Belief that decision is good if end result is good. Emphasize maximum benefits with minimum harm.

-Considers all stakeholders impacted

Virtue Ethics: emphasize character or identity of individual, focus on being rather than doing. A good person will perform ethically

-Aristotle: niomacheon: leadership create opportunity for all to realize their potential, not only to enhance leaders power

economic system- use society's resources (land, labour, capital) to meet society's needs.

Capitalism: Private ownership seeking profit

-Decentralizes decision making from central authority to many individual enterprises

Primary stakeholders for operation of Canadian business. Each have some influence on morality

Must monitor society's attitude towards business

Owners

-**Direct: shareholders, inventors, entrepreneurs**

-**Indirect: Mutual funds, pension plans,**

Board of Directors: manage bus and affairs of a corporation (corporate governance)

-Elected by stakeholders

Managers:

Legitimacy: Appropriateness of our business system to supply goods/services wanted by Canadian society. Needs trust, confidence and perception that system operates in public interest

Social licence: Operating in society with minimal formalized restrictions ie. market requirement-based on maintaining public trust by doing what is acceptable to stakeholders in bus/society relationship. Based on ethics, value, expectations, self-regulation

Crisis: Turning point, crucial time, situation that has reached a critical point (may not necessarily be bad)

Crisis management: Planning, removing much of the risk/uncertainty allowing corporation to achieve more control over events

Fink's anatomy of crisis

1. Prodromal/precrisis: corp receives some warning/some symptoms appear
2. Acute Crisis: Crisis occurred and damage resulted
3. Chronic crisis: cleanup/post mortem. Recovery, investigation, audits, self-analysis
4. Crisis resolution: recovered from damage of crisis

Augustine 6 stages crisis management

1. Avoiding crisis
2. Preparing to manage crisis
3. recognizing crisis
4. Continuing crisis
5. Resolving crisis
6. Profiting from crisis

Stakeholder relations/analysis-CH 4

Stakeholder Engagement: Any effort by corp to understand/involve relevant individuals, groups, organizations by considering their moral concerns in strategic/operational initiatives.

1. Who are our stakeholders
2. What are their stakes
3. What opportunities/challenges are presented to our firm
4. what responsibilities does firm have to its stakeholders
5. what strategies/actions should our firm take to best deal with stakeholder challenges and opportunities

Stakeholder management capability: Ability of managers to identify stakeholders and their influence, develop organizational practices to understand stakeholders, undertake direct contact with stakeholders. Freeman

1. Identify organizations stakeholders and perceived stakes
2. Determine organizational processes used to manage relationships with stakeholders
3. Understanding set of transactions/bargains between organization and stakeholders and deciding if exchanges fit map/processes

Matrix Mapping: Technique of categorizing an organization's stakeholders by their influence according to two variables: Position and importance

- Problematic Stakeholders: Oppose organizations course of action and relatively unimportant
- Antagonistic Stakeholder: Oppose organizations course of action and are very important to organization
- Low priority Stakeholders: Support organizations course of action and relatively unimportant to organization
- Supporter Stakeholders: Support organizations course of action and are important

Take into consideration stakeholders potential to threaten or cooperate with organizational

Supportive Stakeholder: Ideal stakeholder; low threat, high cooperation potential.

-Managing stakeholder: dont ignore/take for granted

Marginal stakeholder: Neither highly threatening nor cooperative

Managing: Monitor closely while recognizing that their interests are narrow and issue specific

Non Supportive stakeholder: High threat potential, low cooperation potential.

Managing: MOst difficult, Be defensive, attempt to reduce dependency on stakeholder

Mixed blessing Stakeholder: Play major role in organization as threat and cooperation

potential are high . Managing: Collaboration of some sort ex.joint venture

Stakeholder Identification: Typology

Is the stakeholder dependent on corporation? Is corp dependent on stakeholder?

Salience: Degree in which managers give priority to competing stakeholder claims

Power: Can be based on force or threat, incentives, symbolic influences

Legitimacy: Generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within a socially constructed system of norms, values, beliefs.

Urgency: Degree in which stakeholder claim or relationship calls for immediate attention. Exists when claim/relationship is time sensitive and important/critical to stakeholder.

Stakeholder Types:

Latent: Managers may not recognize the existence of these stakeholders or may not give them any attention. Dormant, discretionary, demanding

Expectant: More salient and require more attention from management. DOminant, dangerous, dependent

Definitive: Management must address claims immediately/priority. Legitimacy, urgency, power

Non-Stakeholder: Possess none of the attributes. non/potential

Stakeholder INfluence Strategies

Resource dependence: Stakeholder supply resource and exert some control over it

Withholding strategies : Stakeholder discontinues providing a resource to an organization with the intention of changing a certain behaviour

Usage strategies: Stakeholder continues to supply a resource but specifies how it will be used.

Influence Pathway: Withholding and usage strategies performed by ally of stakeholder with whom organization has a resource dependence

Collaboration: Metacapability to establish and maintain relationships that allows organization to tap into powerful source of creative energy, large pool of innovative ideas, wider network. Source of opportunity and competitive advantage mutually defined. Moves beyond stakeholder management approach

Fostering Stakeholders:

- Creating a foundation: Relationship building by incorporating it into corporate mission, values, ethics guideline
- Organizational alignment: Corp must be in state of readiness to support dev of collaboration
- Strategy development: strategy to forge new stakeholder relationships
- Trust Building: promotes cooperation/understanding
- Evaluation: relationship building effort must be assessed/improvements identified
- Repeat Process: Further repeated to improve social performance

Social Capital: Any aspect of corp organizational arrangements that creates value and facilitates understanding, cooperation, coordination.

- minimizes transaction costs (boycotts, legal action, disruption in production, negotiations)

13- Civil society stakeholders

Civil Society: Voluntary, community and social organizations/institutions that contribute to functioning of society. Usually not related/supported by gov.

NGO: Any group that holds shared values/attitudes about an issue confronting society

- Pressure corporations directly/indirectly through stakeholders by:

1. Threaten corp with significant harm
2. Corp must respond to threat by changing bus practice
3. Change must serve to advance NGO goals

- Bring transaction costs(Resistance:resource industries), brand impact(capitulation:Consumer goods), competitive position (Preemption:Competitive industries)

Social Media: Online tech used to share opinions, insight, experiences and perspectives

Libel Chill: Occurs when bus threatens legal action if particular book/article is published

Policy development institution (tank talk): Organization that researches/analyzes various important social, economic, political issues confronting society

Spirituality: Individual's sense of peace or purpose with herself and connection to others/nature that provides meaning to life and a sense of oneself

CH 7-CSR

Corporate Social Responsibility: Way corp achieves balance with economic, social, environmental responsibilities in its operation so as to address shareholders and other stakeholders. Incorporated in corps operations through its values, culture, decision making, strategy and reporting mechanisms

-5 dimensions of CSR: Environmental, social, economic, stakeholder, voluntariness (action not prescribed by law)

-Socially constructed in a specific context

-3 Levels of analysis: Institutional, organizational and individual: Legitimacy, public responsibility, Managerial discretion

-Focus on social goals

Social Responsibility Theories:

Amoral View: Highly individualized rights bearing economic entity designed for profit making and legitimized by laws incorporating businesses. No or very little social responsibility. AMoral means no moral view

Personal View: Can be held morally responsible for actions in social spheres. Between amoral and social view

Social View: Activities of corp in social context

Pyramid of CSR

-Social responsibility will be accepted by conscientious business person

-One of earliest attempts to integrate economic and social responsibility

-Philanthropic: Good corporate citizen, contribute resources to community; improve quality of life

-Ethical: Obligation to do what is right, just and fair, avoid harm

-Legal: Obey law; law is society's code of right and wrong

-Economic: Be profitable; Foundation upon which all others rest

Corporate sustainability: Corporate activities demonstrating inclusion of social and environmental, economic responsibilities in bus operations as they impact all stakeholders

-Compliance driven, profit driven, caring, synergistic(well-balanced, functional solutions), holistic

Reputation management: Any effort to enhance corp's image and good name

Social Impact Management: Inquiry of interaction of bus needs and wider societal concerns that reflex and respect the complex interdependency between the two.

-Considers and evaluates 3 aspects: Purpose, Social context(Legitimate rights./responsibilities of stakeholders considered, broader societal impacts), Metrics (how profitability, performance measured)

Triple E bottom line: Economical, Ethical, Environmental. Evaluates corporation performance by summary of economic, social , environmental value corp adds or destroys

Corporate citizenship: When corp demonstrates that it takes into account its complete impact on society, environment and economic influence

-Implies some corps have replaced some of the functions of gov as they administer citizenship

Business Citizenship: Responsibilities of corporate citizenship on local/national basis and extends to a global/universal scope. Considers universal action

Value+ Balance +Accountability = Proper role of bus in society

CH 8- Corporate responsibility in practice:

Corporate Philanthropy: Effort of bus to contribute to society socially and is manifested by donations of money, goods or services in kind, voluntarism, where corporate employees work for a social cause or sponsorship of events that contribute to a society

Charitable Foundation: Corporation or trust that is constituted and operated exclusively for charitable purposes,

Cause related Marketing: Purchase of a particular product results in donation being made by corp to a non-profit organization's program.

Strategic Giving: Attempt to rationalize shareholders interest with corporate philanthropy where corp benefits from funds given. Its in corps best interest

Corporate Voluntarism: Time/talent employees commit to community organizations with support/consent from employers who recognize value of such efforts to society. Encouraging enabling promoting

Corporate sponsorship: Partnership between bus sponsor and an event/ non-profit organizations that is established for mutual benefit questions of charity or marketing

Social Venture Philanthropy: Investment in human/financial resources by corporations in non-profit community development agencies to generate a social return instead of a financial one.

Social Enterprise: Model of bus where some or all profits are deliberately used to further social aim

Social Entrepreneurship: Activities undertaken to enhance social wealth in some innovative way

Social Entrepreneur: An innovative, visionary leader of a non profit or for profit bus with real world problem solving creativity and a high awareness for ethical, social and environmental considerations

Philanthrocapitalism: Modern day bus practices + entrepreneurial spirit to get more from corporate social responsibility

For-Benefit corporation: operates to make profit but also has a strong commitment to addressing social and environmental problems. Also known as B corp: 39 in can

Community Investment: Efforts of corp to help develop a community and create economic opportunities through a variety of means from donations to direct involvement in commercial undertakings

Community Bond: Debt instrument issues by social enterprise to a network of supporters and used to finance or advance a specific proposal

9-Measuring, Reporting and communication SCR

Social Auditing: Systematic assessment that identifies, reports, monitors effect an enterprise has on society that are not covered in traditional financial reports.

-provides info to management and various stakeholders about impact of enterprise on society

Corporate reputation: Perceptual representation of corps past actions and future prospects that describes the corps overall appeal to all its key stakeholders when compared with other leading rivals.

-Reputation builds trust with stakeholders that can enable corp to command higher prices, attract qualified peeps, minimize risk of damage from crisis

Global Reporting initiative: Non-Profit organization that works towards sustainable global economy by providing guidance in sustainable reporting

CH5

Business Ethics: Rules, standards, codes, principles that provide guidelines for morally right behaviour and truthfulness in specific situations.

Values Judgments: Subjective evaluation of what is considered important; based on managers intuitively feel about goodness/rightness of various goals

Moral Standards: Means by which individuals judge their actions/actions of others based on behaviour in society

Ethical Relativism: Belief that ethical answers depend on situation. No universal standards/rules exist to guide/evaluate morality.

Self-Interest ethic: Individuals or corps set their own standards for judging the ethical implications of their actions. Only the individual's values and standards are the basis for actions

Personal virtue ethics: An individuals or corporations behaviour is based upon being a good person or corporate citizen with traits such as courage, honesty, wisdom, temperance, courage, fidelity, integrity, generosity.

Ethic of Caring: Gives attention to specific individuals or stakeholders harmed or disadvantage and their particular circumstances

Utilitarian Ethics: Focuses on distribution of benefits and harms to all stakeholders with view of maximizing benefits

Universal rules ethics: Ensures managers or corps have same moral obligations in morally similar situations

Individual rights ethic: Relies on list of agreed upon rights for everyone that will be upheld by everyone and becomes basis for deciding what is right, just or fair(ex.freedom of speech, religion)

Ethic of Justice: Considers that moral decisions are based on justice

Moral Reasoning: Systematic approach to thinking or reasoning through an implication of a moral problem or issue.

Kohlberg's stages of moral development

Pre-Conventional: Self-interest determines right and wrong, individual focus on self and no awareness of others

Conventional: Overall welfare of society taken into account and respond to notions of fairness and justice as outlines in laws. rules, codes

Post-Conventional: Universal/humankind orientation. consciously use principles judgement

Ch6 Ethic of business: Management and Leadership

Corporate ethics program: Statement of value, code of conduct/ethics, ethic training, ethics audit consulting services, ethics officer/committees and ethics reporting system.

Statement of Values: Description of beliefs, principles, basic assumptions about what is desirable or worth striving for in an organization

Code of Conduct: Explicitly states what appropriate behaviour is by identifying what is acceptable and unacceptable.

Code of ethics: Statement of principle or values that guide behaviour by describing general system within which corp attempts to operate in a given environment

Conflict of Interest: Clash between employee and organization that employs them. Situation where individual has private or personal interest that is sufficient to appear to influence the objective exercise of that individual's duties. ex.self dealing, accepting gifts. Real, apparent, potential

Ethics Audit: Systematic effort to discover actual or potential unethical behaviour in an organization.

Ethics Officer: Independent manager reporting to the board of directors or CEO who review complaints or info from anyone in the organization or any stakeholder, studies situation and recommends action if necessary.

Ethics Committee: A group, comprising directors, managers or staff formed to monitor ethical standards and behaviour.

Whistleblowing: Act of voluntary disclosure of inappropriate behaviour or decisions to persons in position of authority in an organization

Integrity Management: Ethics program that combines compliance based and value based approach.

Formal Approach: Based on organizational norms that are written as a code of conduct. Emphasizes compliance and penalties

Monological: Allows organizational members to determine for themselves what is right and wrong.

Dialogical: Emphasizes communication before decisions are made and implemented. Social dynamic side of ethical solution. usually ethic of caring . based on process not outcome

CH 10 - Regulating Business

Self-Regulation: regulations imposed by corporation or industry. Not by gov or market forces

- Claim faster, cheaper, more efficient/effective. More likely to be accepted because it is voluntarily developed and adapted by corp.

- Improves relationships between bus/consumers. lets gov focus on other priorities

- lack adequate penalties for violating regulations ex.insufficient financing

-Private sector provides for innovation, investment, risk taking and promotes growth and employment

-Public sector provides institutions, rules, safety nets, education, research, infrastructure to empower private sector

-few socialist countries rely totally on gov regulations

Market Regulations:

- Laissez faire: Gov does not interfere with bus
- Corporate Self-discipline: CSR is most general form of self regulation. Norms/standards are developed/used/enforced by corp itself.
- Industry Self-Regulation: ex. retail council of canada, advertising standards
- Self-Regulation Involving Stakeholders: Incorporates non-industry representatives
- Negotiated self-regulation: some outside body voluntarily negotiates regulatory standards. Not common
- Mandated Self-Regulation: Gov prefers to have industry regulate itself and grants this under legislation.
- Quasi-Gov Regulation: Operates at arm's length of gov
- Gov regulation: gov extensively regulates an industry or some aspect of bus operation

Self Regulatory Organization: Industry groups that are delegated or designated a regulatory function including the development, use, enforcement of standards

-gov expenditures are 40% GNP

Tax expenditures/tax credits: Any form of incentive/relief granted through tax system rather than through gov expenditures. ex.various bus deductions

Chosen instrument: Corporation within a particular industry that receives form of special attention from gov loans, grants, purchasing policy, tax incentive. Usually to develop tech or penetrate an export market. gov chooses lead company

Mixed enterprise: Those in which gov owns equity in a private sector enterprise.

Public Private Partnership: Cooperative venture between public and private sector, built on expertise of each partner, best meets clearly defined public needs through proper allocation of resources, risks, rewards

