

# ADM 1301: Notes for Midterm

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## Ch.1

### 1.1- Complexity of Business and Society

- Goals are:
  - Increase awareness
  - Identify business' response to its rules in society
  - Learn how business corporations have responded to many challenges
  - To address above from the perspective of the owner of a corporation

### 1.2- Integrity of Business

- Integrity: Appropriateness of a corporation's behaviour and its adherence to moral guidelines ex. Honesty, fairness
- Assumptions:
  - Ethics apply to businesses same way as any other organization
  - Appropriateness of behaviour is examined in terms of ethical implications
  - Integrity results in the responsible corporation: business undertaking that responds to social, ethical and environmental responsibilities in addition to its economic obligations

### 1.3- Main Approaches to Ethical Thinking

- Deontological ethics: approach to ethics that determines goodness or rightness from examining the acts, rather than from the consequences of the acts
- Teleological ethics: approach to ethics that focuses on outcomes, or result of actions
- Virtue ethics: approach to ethics that emphasizes the individual's character or identity, and focuses on being instead of doing

### 1.4- The Canadian Business System

- Economic System: Arrangement using land, labour and capital to make, distribute and exchange goods and services to meet the needs and wants of people in society
- Capitalism: Economic system that allows for private ownership of means of production(LLC) and assumes economic decisions are in the hands of enterprises(Adam Smith)
- Free enterprise system: economic system characterized by ownership of private property by individuals, profit motive, competitive market system and limited government involvement
- Laissez-faire capitalism: economic system operating with absolute minimal gov't assistance
- Responsible enterprise system: economical system operating as a free enterprises but incorporating a level of accountability
- Stakeholder Capitalism: economical system in which corporation accept broader obligations beyond financial ones for stakeholders

- Clean Capitalism: used term to associate capitalism with social responsibility
- Canadian economy isn't laissez-faire, but is capitalistic

#### 1.5- Corporation and the Business System

- "Concession" doctrine: incorporation was incurred by a public act
- "Freedom of Association" doctrine: association of individuals coming together for some purpose is fundamental when forming an organization

#### 1.6- The people who run Canadian Businesses:

- 3 primary stakeholders:
  - Owners
  - Boards of Directors
  - Managers
- They are all aware of ethics and its resulting complications

#### 1.7- Society's Attitude towards Business

- Factors influencing attitudes towards business:
  - Standard of living
  - Decentralized decision-making
  - Allocation of resources
  - Self-interest
  - Inequities of Society
  - Business Cycle
  - Business wrongdoings
  - Globalization
  - Unemployment
  - Innovation
  - Media
  - Gov't

#### 1.8- Society's Permission of Business

- Legitimacy: Belief in the rightness of an institution
- Social Licence: Privilege of operating in society with minimal formal restrictions based on maintaining public trust and doing what is acceptable to stakeholders in the business and society relationship.

#### 1.9- Business and Academic Integrity:

- Must teach business integrity in school so business is ethical

#### 1.10- Integration of Business and Society

- Business and Society need each other to coexist

## Readings:

### **Ch.3**

#### 3.1-The Social Concept and Business

- Pluralistic society: One where influence or power is decentralized by dispersing it among a variety of institutions

#### 3.2-Defining and Identifying Stakeholders

- Stakeholder: someone or a group who can influence and/or is influenced by the achievement of an organization's purpose
- Types of Stakeholders:
  - Owners
  - Directors
  - Employees
  - Customers
  - Lenders and creditors
  - Suppliers
  - Service professionals
  - Dealers, distributors and franchises
  - Business organizations
  - Competitors
  - Joint-venture Participants
  - NGO's
  - Society at large
  - Educational institutions
  - Religious groups
  - Charities
  - S, F, C and E associations
  - Media
  - Gov't

#### 3.3- The Dynamics of Stakeholder Influence

- Some stakeholders are important to all corporations ex. Consumers
- Some are more important than others, which will vary over time and depends on an organization

#### 3.4- The Manager: A special Stakeholder

- Each stakeholder has different expectations of the corporation
- Conflicts exist among shareholders
- Overseeing shareholder interest is part of a manager's job

### 3.5- Arguing the Shareholder Concept

- Stakeholder concept is not universally accepted as legitimate
- Today, most managers believe stakeholder concept is approach to understanding various influences

### 3.6- Issues Management

- Issues Management: systematic process by which the corporation can identify, evaluate and respond to those economical, social and environmental issues that may impact significantly upon it
- Issues always involved stakeholders

### 3.7- The Purposes and Benefits of Issues

- Different perspectives
- Benefits to practising Issues Management, corporations detect issues earlier

### 3.8- Issue Life Cycles

- Life cycle of an issue; Time vs degree of awareness
  1. None or little
  2. Increasing
  3. Prominent
  4. Peak
  5. Declining

### 3.9- Issues Management Process

- 6 Steps:
  1. Identification of issues
  2. Analysis of issues
  3. Ranking or prioritizing of issues
  4. Formulating issue response
  5. Implementing issue response
  6. Monitoring and evaluating issue response

### 3.10- Crisis Management

- Crisis: A turning point, a crucial time, and a situation that has reached a critical point
- Crisis Management: Approach involving planning and removing much of the risk and uncertainty, allowing the corporation to achieve more control over events

## **Ch.4**

### 4.1-Basic Stakeholder Analysis:

- Corporations have to ask:
  1. Who are our stakeholders?
  2. What are their stakes?
  3. What opportunities and challenges are presented to our firm?
  4. What responsibilities does our firm have to all its stakeholders?
  5. What strategies/actions should our firm take to the best deal with stakeholders' challenges and opportunities?
- Check out corporation maps

#### 4.2- Freeman's Stakeholder Management Capability

- According to Freeman, process of an organization uses to manage relationships with stakeholders in 3 levels
  1. Identifying stakeholders and their perceived stake
  2. Determining the organizational process used to manage relationships with stakeholders
  3. Understanding the set of transactions of bargains between organizations and stakeholders
- Stakeholder management capability: ability to managers to identify stakeholders and their influence, to understand stakeholders and to undertake direct contact with stakeholders

#### 4.3- Stakeholder Matrix Mapping

- Matrix mapping: A technique of categorizing an organization's stakeholders by their influence according to 2 variables, usually involves plotting them on a 2by2 matrix
- 4 categories of stakeholders are made:
  - Problematic: oppose, not imp
  - Antagonistic: oppose, are imp
  - Low Priority: support, not imp
  - Supporter: support, are imp

Problematic	Antagonistic
Low Priority	Supporter

- After this, managers can develop tactics to deal with it ex. Low Priority, provide educational programs and promote involvement with supporters

#### 4.4- The Diagnostic Typology of Organizational Stakeholders

- Type 1: Supportive Stakeholder and Strategy
  - Encourage cooperative potential
- Type 2: Marginal stakeholders and strategy
  - Monitor closely while recognizing that their interest is narrow
- Type 3: Non-supportive stakeholder and strategy
  - Defensive, attempt to reduce organization's dependence on this
- Type 4: Mixed blessing
  - Collaboration of some sort, ex. joint ventures, alliance or mergers

#### 4.5- Stakeholder Identification and Saliency

- Saliency: Degree to which managers give priority to completing stakeholder claims
- 3 attributes:
  - Power: Relationship among social actors
  - Legitimacy: General assumption that actions of an entity are proper
  - Urgency: Degree to which stakeholder relationship calls to immediate attention

#### 4.6- Stakeholder Influence Strategies

- Resource dependant: When the stakeholder is supplying resource and has control over it
- Withholding strategies: Stakeholder discontinues providing a resource with intent on changing certain behaviour
- Usage strategies: Stakeholder continues giving resources, but states how they will be used
- Influence Pathway: Withholding could be done by an ally of the stakeholder

#### 4.7- Stakeholder Collaboration

- Collaboration: establishing and maintaining relationship with stakeholder
- 6 steps:
  1. Create a foundation
  2. Organization alignment
  3. Strategy development
  4. Trust building
  5. Evaluation
  6. Repeat

#### 4.8- Stakeholder and Social Capital

- Social Capital: Any aspect of a corporation's organizational arrangements that creates value and eases the actions of a stakeholder within and external to the corporation
- Social Capital is trust and goodwill between a corporation and its stakeholders

### Readings

## **Ch.13- Civil Society Stakeholders**

### 13.1- Describing NGOs

- NGO: Any group that holds shared values or attitudes about an issue confronting society
- Civil Society stakeholders are voluntary, community and social organizations that contribute to the functioning of society but are usually not related to or supported by the government

### 13.2- The Case for and Against NGOs

- NGOs are:
  - Numerous
  - Use a variety of tactics
  - Varied in their position on issues and influence on businesses
- NGOs serve a beneficial role in society and their views should be identified and analyzed by corporations
- Lots of strategies possible when responding to NGO initiative and strategies depend on the issue involved and the influence of the NGO

### 3.3- Strategies for Relationships with NGOs

- Corporations can't ignore NGOs
- Not recommended to get aggressive with them
- NGOs don't always oppose business actions and some are consistent with business views

### 13.4- Partnership Relationships with NGOs

- Recently, there have been many partnership initiatives between corporations and NGOs
- How to create a good relationship:
  - Corps and NGOs must show leadership
  - Corps must be open to change
  - Must be committed to a commitment
  - Partners must have shared goals?

### 13.5- Media Stakeholders

- Media is important in earning and keeping public trust and acceptance
- Social Media: Online technologies and practices that people use to share opinions, insights, experiences and perspectives

### 13.6- Interaction between Business and Media

- Libel Chill: Occurs when a business threatens legal action if a particular article or book is published

### 13.7- Media Ownership

- Some business enterprises own and operate media

### 13.8- Media and CSR

- Increased coverage of the ethics of business and CSR in the media
- Corporations recognize the importance of CSR

### 13.9- Policy Development Institutions (Think Tanks)

- Think Tank: An organization that researches and analyzes various social, economic and political issues confronting society

### 13.10- Religious Institutions

- Some business persons are influenced by religion and spirituality
- Corporation values can be determined by religious beliefs and it's reflected in business operations
- Spirituality: An individual's sense of peace or purpose with him/herself and the connection to others and even nature that provides meaning to life and a sense of one's self

### 13.11- Educational Institutions

- Lots of controversy surrounding relationship between business and educational institution stakeholders
- Business are increasing their presence on campus ex. research, donations, advertisements
- Some students and faculty believe that they are losing control over what is taught, business influence is too strong

## Ch 7- CSR : The concept

### 7.1- Describing CSR

- CSR : The way a corporation achieves a balance among its economic, social and environmental responsibilities in its operations so as to address shareholder and other stakeholder expectations
- Definition by ISO:
  - Contributes to sustainable development, including health and welfare of society
  - Takes into account stakeholder expectations
  - In compliance with the law
  - Is integrated throughout organization
- Buchholz' 5 key elements in CSR:
  - Corps have responsibilities beyond profit

- These responsibilities involve helping solve social problems, esp the ones they create
- Corps have a broader constituency than shareholder alone
- Corps have impact that go beyond marketplace transactions
- Corps serve a wider range of human values
- Dahlurd's 5 dimensions of CSR
  - Environmental
  - Social
  - Economic
  - Stakeholder
  - Voluntariness
- Legitimacy: Society's granting of legitimacy and power to business, and business' appropriate use of that power and the possibility of losing that power
- Public responsibility: Business is responsible for outcomes related to its areas of involvement with society
- Managerial discretion: Refers to managers as moral actors who are obliged to exercise such discretion as it is available to them to achieve socially responsible outcomes
- CSR is important because the business system is the mechanism selected by society to produce and distribute goods and services

## 7.2- The CSR Debate

- The case for CSR
  - Society and corporations are interdependent
  - Corps must be concerned with the goodwill generated by responsible social actions
  - SR is the shareholder's interest; the corporate virtue is good for profits in the long term
  - Businesses must realize that social problems can be opps, or can lead to profits, lower costs or reduced risks
  - Businesspeople are concerned citizens, and should be given the opp to solve some social problems
- The case against CSR
  - Profit maximization is primary purpose of business, and to have any other purpose is not socially responsible
  - Business corps are responsible to shareholders, and therefore have no authority to operate in the social area
  - Social policy is the jurisdiction of the gov't, not business
  - Business involvement in social matters increases costs
  - Business corps cannot be held accountable for their actions
- Critiquing CSR
  - No need to impose CSR on corps, they are responsible enough already
  - Self-interest and ethical conduct work well together
  - Role of a business is changing
  - CSR is just good business

## 7.3- Social Responsibility theories

- Amoral View

- Traditional view of corp and business; do not believe in CSR
- Personal View
  - Discusses the nature of corp and whether it can be held accountable
  - Question involves whether corps are “moral agents” or “full-fledged” moral people
- Social View
  - Corp is considered a social institution with social responsibilities

#### 7.4- The Pyramid of CSR

- Carroll’s pyramid has 4 kinds of social responsibilities:
  - Philanthropic: Be a good corporate citizen
  - Ethical: Be ethical
  - Legal: Obey the law
  - Economic: Be profitable

#### 7.5- Contemporary CSR Concepts

- Corporate Sustainability(CS): Occurs when a company demonstrates that it takes into account its complete impact on society and the environment as well as its economic influence
- Reputation management: Any effort to enhance the corp’s image and good name; in the past, the focus of these efforts was on media, public relations and crisis management
- Social impact management: Defined by the Aspen Institute as “The field of inquiry at the intersection of business needs and wider societal concerns that reflects and respects the complex interdependency between the two”
- Triple-E(economic, ethical and environmental) bottom line: Evaluates a corporation’s performance according to a summary of the economic, social and environmental value the corp adds or destroys

#### 7.6- Views on Corporate and Business Citizenship

- Corporate citizenship: Occurs when a corp demonstrates that it takes into account its complete impact on society and the environment as well as its economic influence
- Inappropriate view: Viewing the corp as a citizen
- Limited, Equivalent and Extended views: These views will form the categories of how corporate citizenship is considered #####
- Business View:
  - Business citizenship: Includes the responsibilities of corporate citizenship on a local and national basis and extends it to a global or universal scope

#### 7.7- The VBA Model: An integration of CSR Concepts

- VBA Model is an attempt to integrate and unify 5 frameworks in common usage by academics and managers:
  - CSR
  - Business ethics(BE)
  - Stakeholder management(SM)
  - Sustainability(SUS)
  - Corporate citizenship(CC)

- Value + balance + accountability=Proper role of a business in society
- FIG 7.2

## Ch. 8- CSR: In Practise

### 8.1- The Responses of CSR

- Responses (most to least accepted):
  - Social enterprise- Social return
  - Social enterprise- Mixed return
  - CSR recognition
  - Cautious CSR adaptors
  - Tokenism or green washing
  - Amoral
  - Anti-CSR
  - Unknown
- Risk of not practising CSR:
  - Damaged reputation
  - Increased spending to remedy past damages for core activities
  - Suspended operating permits

### 8.2- Corporate philanthropy

- Corporate philanthropy: The effort of business to contribute to society socially; manifested by donations of money or goods and services in kind, voluntarism(where corporate employees work for social causes), and sponsorship of events that contribute to society
- Donations
- Arguments for and against corporate giving:
  - Corps receive significant benefits
  - Not everyone thinks business should be involved with corporate giving
- Charitable foundation: A corporation or trust that is constituted and operated exclusively for charitable purposes
- Cause-related marketing: The purchase of a particular product results in a donation being made by a corporation to a non-profit organizations' program
- Strategic giving: An attempt to rationalize the shareholder interest with corporate philanthropy where the corporation benefits directly from the funds given

### 8.3- Corporate Voluntarism

- Corporate voluntarism: The time and talent employees commit to community organizations with support and/or consent from employers who recognize the value of such efforts to society
- Majority of corps support voluntary activities and encourage employees to become involved in the community
- Many corps don't allow employee voluntarism to just exist without some policies formulated to serve as guidelines in the activity, such as:
  - Providing info on employees
  - Providing recognition to employees

- Encourage volunteering
- Support programs for retirees
- Establishing formal programs

#### 8.4- Corporate Sponsorship

- Corporate sponsorship: A partnership between a business sponsor and an event or non-profit organization that is established for mutual benefit
- Charity or Marketing?

#### 8.5- Social Venture Philanthropy

- Social Venture Philanthropy: The investment of human and financial resources by corporations in non-profit community development agencies to generate a social return instead of only a financial one

#### 8.6- Social Enterprise and Social Entrepreneurship

- Social Enterprise: A model of business operation where some or all profits are deliberately used to further social aims
- Social Entrepreneurship: The activities undertaken to enhance social wealth in some innovative way
- Social Entrepreneur: An innovative, visionary leader of a non-profit or for-profit business with real-world problem-solving creativity and a high awareness for ethical, social and environmental considerations
- Philanthrocapitalism: Draws upon modern business practises and an entrepreneurial spirit to get more from CSR
- For-benefit corporation: Operates to make profits but also has a strong commitment to addressing social and environmental problems

#### 8.7- Small Business and CSR

- Community investment: The efforts of a 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: A debt instrument issued by a social enterprise to a network of supporters and used to finance or advance a specific proposal

### Ch 9- Measuring, reporting and communicating CSR

#### 9.1- Measuring and Reporting CSR

- Social Auditing: A systematic assessment that identifies, measures, evaluates, reports and monitors the effects an enterprise has on society that are not covered in the traditional financial reports
- CSR Reporting (sustainability reporting): A management function that documents the corp's economic, ethical/social, and environmental responsibilities and initiatives, and communicates this info the relevant stakeholders

#### 9.2- Corporate reputation and CSR

- Corporate reputation: As defined by Fombrun, “a perceptual representation of a corp’s past actions and future prospects that describes the corp’s overall appeal to all its stakeholders when compares to other leading rivals

### 9.3- Stakeholders Expect CSR accountability

- Stakeholders expect corps to be accountable for their CSR
- Most influential stakeholders:
  - Shareholders
  - Employees
  - Consumers
  - Society at Large
  - Service professionals
  - NGOs
  - Charities
  - Media
  - Gov’t

### 9.4- CSR and Profitability

- CSR is usually not positively correlated with business profitability
- Initiatives can result in positive impacts, and the social and environmental benefits fall into 1 of 3 categories:
  - Firm processes: Can save money ex. energy conservation
  - Firm outcomes: Cannot really be measured ex. improving employee satisfaction
  - External outcomes: Creates more positive perception of external stakeholders ex. increased consumer loyalty

### 9.5- Social Auditing and Reporting Criteria

- Global Reporting Initiative(GRI): A non-profit organization that works toward a sustainable global economy by providing guidance in sustainability reporting
- GRI are expected to include the following standard disclosures
  - Strategy and Profile
    - Strategy and Analysis
    - Organizational Profile
    - Report Parameters
    - Governance, Commitments and Engagement
    - Management Approach and Performance Indicators
  - Economic
  - Environmental
  - Social
    - Labour Practises
    - Human rights
    - Society
    - Product responsibility

### 9.6- Evaluating Canadian CSR Reporting

- What makes a good report:
  - Transparency

- Well explained measures
- Improved data should be used
- Financial performance measurement
- What corps should consider when preparing a CSR report:
  - Identify stakeholders
  - Describe trends, risks, challenges ect
  - Identify and prioritize issues
  - Identify major stakeholders and the approach used to engage them
  - Describe standards used
  - Include objectives for the future
  - Use visuals ex. photos
  - Identify managers responsible for CSR in the corporation

#### 9.7- Communicating CSR and Sustainability Results

- It is necessary to communicate results of the CSR report to stakeholders in various formats and delivery modes

#### 9.8- Business Schools and Sustainability Reporting

- Business schools are now being evaluated on their response to the ethics of business and CSR

#### 9.9- The Future of CSR and Social Reporting

- Future of CSR and reporting is not certain
- It will become a required management function with a minimum baseline standard being established
- What happens in CSR will determine the changes in social measuring, reporting and communicating approaches

## **Ch.5 - Ethics of Business: The Theoretical Basis**

### 5.1- Introducing the ethics of business

- Business Ethics: The rules, standards, codes or principles that provide guidelines for morally right behaviour and truthfulness in specific situations
- We examine ethical behaviour not only to how it relates to the business and corp, but also how it impacts various relationships among business, society and stakeholders
- The operations of any business involve the potential that decisions will have ethical implications for managers and stakeholders

### 5.2- Assessment of Ethical Implications in Business Decisions

- Levels of Ethical Assessment:
  - Level 1: Awareness of moral or ethical complications
  - Level 2: Assessment based upon influences
  - Level 3: Assessment based upon ethical principles

- Value judgments: Subjective evaluations of what is considered important; based on how managers intuitively feel about the goodness or rightness of various goals
- Moral Standards: The means by which individuals judge their actions and the actions of others based upon accepted behaviour in society

### 5.3- Influences on Ethical Behaviour

- Several influences can provide understanding of behaviour, yet no definitive factor can explain ethical behaviour
- The influences on ethical behaviour are summarized in 5 categories:
  - Influences on Individuals
  - Corporate or Organizational Influences
  - Economic Efficiency Influences
  - Gov and the Legal System Influences
  - Societal Influences
    - Ethical relativism: Belief that the ethical answers depend on the situation and no universal standards or rules exist or evaluate morality

### 5.4- The Theoretical Basis for Ethical Conduct

- 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 virtues ethic: Individuals or corps base their behaviour on being a good person ex. courage, honesty etc.
- Ethics of caring: Gives attention to specific stakeholders harmed or disadvantaged and their particular circumstances
- Utilitarian ethic: Focuses on the distribution of benefits and harms to all stakeholders with the view to maximize benefits
- Universal rules ethic: Ensures managers and corp have the same moral obligation in similar situations
- Individual rights ethic: Relies on a list of agreed-upon rights that are rules for everyone
- Ethic of justice: Moral decisions are based on one prime value; justice

### 5.5- Moral Reasoning

- Moral reasoning: Reasoning through the implications of a moral problem or issue
- Kohlberg's stages of moral development
  - Preconventional Level
    - Obedience
    - Exchange orientation
  - Conventional level
    - Mutual interpersonal relationships, expectations
    - Law and order
  - Post-conventional level
    - Social contract
    - Universal ethical principles

## 5.6- Ethics in Business: Some Challenges

- Corps must consider ethical implications
- Theoretical basis for ethics has been outlined and sets the stage for further examination of the ethics and responsibility of business
- There is no right way to be ethical, which poses many challenges

## Ch. 6- Ethics of Business: Management and Leadership

### 6.1- Statement of Values

- Statement of values: A description of the values about what is desirable or worth striving for in an org
- Corps must take action to reinforce considering ethical implications when making decisions
- Value statement may contain
  - Emphasis on quality
  - Efficiency (low cost, high productivity)
  - Atmosphere of enterprise
  - Observance of code of conduct to enhance integrity

### 6.2- Codes of Conduct and Codes of Ethics

- Code of conduct: States appropriate behaviour by dictating what is and isn't acceptable
- Code of ethics: Guides behaviour by describing the general value system
- Content:
  - Many diff resolutions solved, ex bribery and corruption
- Criticism:
  - Made for those without any ethics, and they will have a tough time following rules

### 6.3- Ethics Training

- Corps are not leaving understanding of morality to chance
- Have questionnaires and tests to help make ethical decisions
- Conflict of Interest: Individual has a personal interest that influences the objective of his/her duties

### 6.4- Ethics Audits and Consultants

- Ethics audit: To audit actual or potential unethical behaviour in an org

### 6.5- Role of Ethics Officers and Ethics committees

- Ethics Officer: Manager independent from the corp who reviews complaints or info, studies them and recommends action if necessary
- Ethics committee: Group formed to monitor ethical standards or behaviour

### 6.6- Ethic Reporting Systems and Whistleblowing

- Whistleblowing: Act of voluntary disclosure of inappropriate behaviour or decisions to people in positions of authority in the corp

#### 6.7- Ethics- Who is Responsible?

- Everyone is responsible for ethics
- Board of directors and managers are responsible for instating and following through ethical programs
- Need “moral” leaders

#### 6.8- Ethics Programs: Approaches

- Classification of Programs
  - Formal approach: Code of conduct, organizational norms
  - Monological Approach: Allows members to determine what is right and wrong
  - Dialogical Approach: Emphasizes communication before decisions are made and implemented
- Integrity management: Combines compliance-based and values-based approach

#### 6.9- Ethics Programs: Evaluation and Benefits

- Ethical programs should be evaluated on a regular basis and benefits be clearly identifies
- Program can be justified on several bases from economics to just doing the right thing
- Components are either
  - Compliance based: following rules
  - Value based: emphasizing values as a way to influence behaviour
- In most corps, a combination of these two is used

#### 6.10- Why Ethical Leadership and Programs Fail

- Managers are morally imperfect
- Self-interest
- Threat of formal sanctions
- Threat of informal sanctions
- Tolerance to risk-taking behaviour
- Pressure in particular situations