

Unit 16

A Socially Responsible Corporation—Business Ethics

企业的社会责任—商业伦理

Comprehension questions:

1. Why was Andersen indicted by the US Department of Justice?
2. What did DOJ's investigation reveal?
3. Why was it impossible for Andersen to reach out of court settlement with DOJ?
4. What might be the subsequences Andersen needed to face because of the indictment by DOJ?

Part A Exercises

1) **Directions:** *Listen to the first news item carefully and choose the best answer to each question.*

(1) What policy did Toshiba announce to introduce?

- (A) Procurement policy.
- (B) Human rights policy
- (C) Environment policy
- (D) Expansion policy.

(2) In addition to Japan, Toshiba Corp's new policy will cover the following areas except

- (A) the United States
- (B) Europe
- (C) Australia
- (D) the rest of Asia

(3) What does Toshiba ask suppliers to give full consideration to?

- (A) Human rights and labor standards.
- (B) Human rights and child and forced labor.
- (C) Human rights and discrimination.
- (D) Human rights and working environment.

(4) Which is not one of the regulations suppliers will be required to abide by under the policy?

- (A) antitrust laws
- (B) ethical codes
- (C) foreign exchange control laws

(D) copyright laws

(5) ISO 14001 by the International Organization for Standardization is _____.

(A) quality management standard

(B) social responsibility standard

(C) safety standard

(D) environment management standard

2) Directions: *Listen to the second news item carefully and decide whether the following statements are “T” (true) or “F” (false).*

(1) () According to Freeman, directors have a critical role to play in restoring the public trust.

(2) () The first step is encouraging and inspiring a culture where employees are empowered to push back against the organization, so executives and directors get good news early.

(3) () Leaders need to respond immediately when employees risk speaking out.

(4) () Another step directors can take is to actively engage in broad boardroom conversations about ethics.

(5) () A third step directors can take is to work with employees to develop a clear understanding of the firm's ethical aspirations.

Part B Exercises

1) Directions: *Listen to the interview and fill in the following table to make a summary of the talk.*

Companies are realizing that a strong sustainable development and corporate social responsibility strategy makes good business sense.	Companies are Companies also
Much of the progress made by industry toward sustainable development since the Rio Earth Summit in 1992 can be attributed to voluntary initiatives.	Voluntary initiatives help Voluntary agreements encourage
WBCSD has been making some efforts to	First results of our project on

ensure progress in the social pillar.	We have also started a project on
Progress in trade liberalization within the WTO must go hand in hand with more social rights and environmental protection.	Sustainable development is best achieved And it can only be achieved
The WBCSD supports the notion that the prices of goods must reflect all the costs—financial, environmental and social—involved in making them, using them, disposing of them or recycling them.	Many of nature's resources and services are Establishing such prices could Proper valuation would It is the role of governments to

2) Directions: *Listen to the interview again and answer the following questions.*

(1) Is there a universal definition of CSR? Why?

(2) What is sustainable development?

(3) What are the three pillars of sustainable development?

(4) What is Björn Stigson's view on today's global marketplace?

Part C Exercises

1) Directions: Listen to the news coverage and fill in the blanks with the appropriate words you hear.

(1) Despite the renewed emphasis recent corporate scandals have placed on the need for businesses to be squeaky clean, the number of workplace _____ observed by employees throughout America is on the rise.

(2) "Regulation resulting from Enron and other corporate scandals spurred a _____ emphasis on corporate ethics and new laws and regulations related to compliance," said Patricia Harned, president of the ERC.

(3) ERC defined misconduct as any behavior that _____ the law or organizational ethics standards. Employees reported witnessing an array of violations, including _____ behavior, lying, discrimination, stealing and sexual harassment.

2) Directions: Listen to the news coverage and complete the following table with figures.

Survey Result	Percent of employees (2005)	Percent of employees (2003)
They took note of ethical lapses.	_____ %	_____ %
Their organizations have ethics training.	_____ %	_____ %
They reported misdeeds of their colleagues.	_____ %	_____ %

Acting out

1. Debate: Which side do you take? Robert Nardelli, chief executive of Home Depot, who is spearheading a push for big companies to boost their community volunteer work. Milton Friedman, Nobel prize-winning economist and proponent of the view that companies have one, and only one, responsibility: to make money for shareholders.

Ask students to debate on the following questions:

---Do companies need to take some social responsibilities?

---Do you think corporate social responsibility is contradictory to pursuing maximum profit?

2. Group work: Students form into groups of 4 and discuss issues of business ethics.

---Make a list of both ethical and unethical business behavior.

---Discuss how to confront and combat unethical business practices.

Key to Exercises

Part A

News item 1

1. A 2. C 3. A 4. B 5. D

News item 2

1. T 2. F 3. F 4. T 5. F

Part B

1)

companies are realizing that a strong sustainable development and corporate social responsibility strategy makes good business sense.	<p>Companies are <u>an integral part of the societies and communities in which they operate, and they cannot succeed if the society around them fails.</u></p> <p>Companies also <u>have come to recognize that CSR goes beyond philanthropy and is a matter for strategic debate.</u></p>
Much of the progress made by industry toward sustainable development since the Rio Earth Summit in 1992 can be attributed to voluntary initiatives.	<p>Voluntary initiatives help <u>build partnership and trust between government and the private sector.</u></p> <p>voluntary agreements encourage <u>business, both in developing and developed countries, to unleash its creative talents and move forward.</u></p>
WBCSD has been making some efforts to ensure progress in the social pillar.	<p>First results of our project on <u>Accountability & Reporting show that a commitment to enhanced accountability can lead to a major shift in how a company looks upon itself and its wider role in society.</u></p> <p>We have also started a project on <u>Sustainable Livelihoods, which examines the role of business in poverty alleviation.</u></p>
Progress in trade liberalization within the WTO must go hand in hand with more social rights and environmental protection	<p>Sustainable development is best achieved <u>through the market, and that we need to make the market work for all if we want to bridge the unsustainable divides between the rich and the poor.</u></p> <p>And it can only be achieved <u>by taking into account all three pillars of sustainable development: ecological and social, as well as economic.</u></p>
The WBCSD supports the notion that the prices of goods must reflect all the costs—financial, environmental and social—involved in making them, using them, disposing of them or recycling them.	<p>Many of nature's resources and services are <u>currently not monetized.</u></p> <p>Establishing such prices could <u>reduce resource waste and pollution.</u></p> <p>Proper valuation <u>would help us maintain the diversity of species, habitats, and ecosystems, conserve natural resources and prevent the buildup of toxic resources in the environment.</u> It is the role of governments to <u>establish the right framework conditions, whether through environmental taxes or other incentives.</u></p>

2)

(1) Is there a universal definition of CSR? Why?

There is no universal definition of CSR because the concept is always being redefined to serve changing needs and times. It is up to each company individually to define the values and principles it stands for.

(2) What is sustainable development?

Sustainable development is about ensuring a better quality of life for everyone, now and for generations to come.

(3) What are the three pillars of sustainable development?

They are ecological, social and economic pillars.

(4) What is Björn Stigson's view on today's global marketplace?

Today's global marketplace is not too open—it is still too closed. The failure of the WTO meeting in Cancun is a case in point. Trade barriers like the agricultural subsidies in the European Union and the United States are creating major obstacles for developing countries to sell their products.

Part C

1)

1. Despite the renewed emphasis recent corporate scandals have placed on the need for businesses to be squeaky clean, the number of workplace misdeeds observed by employees throughout America is on the rise.

2. "Regulation resulting from Enron and other corporate scandals spurred a renewed emphasis on corporate ethics and new laws and regulations related to compliance," said Patricia Harned, president of the ERC.

3. ERC defined misconduct as any behavior that violates the law or organizational ethics standards. Employees reported witnessing an array of violations, including abusive behavior, lying, discrimination, stealing and sexual harassment.

2)

Survey Result	percent of employees (2005)	percent of employees (2003)
They took note of ethical lapses.	<u>52</u> %	<u>46</u> %
Their organizations have ethics training.	<u>69</u> %	<u>55</u> %
They reported misdeeds of their colleagues.	<u>55</u> %	<u>65</u> %