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Contents

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Business Ethics

Implemented Corporate Social Responsibility (StanBed Tours Ky Case Study)

Corporate social responsibility is a self-equipped business approach that helps an organization be socially responsible to its stakeholders and the overall public. Through the practice of CSR, companies are conscious and aware of the impacts they have on all aspects of society, including economic, social, and environmental (Goel and Ramanathan, 2014, p. 51). A case study scenario, in this case, is of StanBed Tours Ky, the impact of CSR on consumer loyalty, stating that the increase of CSR has resulted in the society's satisfaction with the business (Bediako, 2017, p. 1). CSR influences the people affected by it in various intensities and means. Such as, employees, who are part of the major stakeholders, are significantly affected by the organization's corporate social responsibility activities in marketing, which shape their logic, inspiration and lead to deeper commitments to achieving organizational goals and strategic plans (Makasi et al., 2014, p. 2600). Additionally, CSR investments in marketing significantly impact external shareholders such as consumers and the organization's image (Kaman, 2015, p. 7). CSR activities carried out by StanBed include tree planting exercises to mitigate carbon dioxide emissions resulting from flying airplanes, voluntary beach cleaning services to protect marine life, and providing educational services to children in the community of tours.

An organization's brand and marketing strategies influence the perspectives that the consumers have on the business. Thus, corporate social responsibility and customer loyalty can be mutually related because an increase in more CSR activities by a company increases the likelihood of more consumer retention. Hence, the level of an organization's CSR on marketing defines its corporate perception and level in the community. CSR also promotes a positive relationship in the improvement of organizational commitment, which is influenced by its values and employee

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engagement (Prutina, 2016, p.227). Bediako (2017, p. 16) states that some positive approaches that a business might gain from applying CSR values include customer loyalty, improved products and services, a secure work environment, motivated employees, improved stakeholder trust, and access to capital.

Impact of CSR on Performance

CSR expands the company and benefits the whole supply chain by increasing competitiveness and strengthening its chain. It focuses on reducing maintenance and upkeep accruals, keeping a high tech of inventory, and providing high levels of services. Through the CSR policies of the StanBed case study, they have aimed at improving customer loyalty through catering to the environment, and the public, which improves their sustainability as a service industry. A firm must be involved in social-cultural activities and environmentally friendly practices to improve its overall financial ratings (Margolis & Walsh, 2002, p. 14). Despite CSR upgrading a firm's reputation, the costs influenced by it lead to increased losses, high product, and services pricing, and increased competitive disadvantage (Handy, 2002, p. 331). Therefore, many research studies have shown a relationship between the two approaches despite differing in their relationship. A firm's profits improve due to CSR activities, which influence the company's image and consumer perception, leading to the best marketable product pricing, leading to increased profits and gain in a better competitive advantage margin (Mbaya, 2016, p. 31).

Computing Supplies Ltd Case Study Report

Background of Ethical Approaches

Ethics is the discipline and practice of applying moral values to human tendencies resulting in morality and meaningfulness. The four ethics approaches are often called "ethical decision-making

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frameworks," i.e., practical ethics, which are mainly based on outcomes used to determine right or wrong. It is an ethical approach where the most ethical choice is the one that produced the most significant outcomes and has trouble accounting for values such as justice and individual rights (Van Staveren, 2007, p. 22). Deontological ethics regards morality as a duty that ought to be followed (Kant, 1988, p. 420). Virtue ethics are mainly related to traits and characteristics of behavior essential to individual growth and development, such as; honesty, compassion, fidelity, integrity, fairness, and courage (Annas, 2006, p. 5). Communitarian ethics emphasize the connection between the individual and the community, which aims to balance individual rights and social responsibilities.

Comparison of Absolute and Relative Ethics

Absolute ethics note that only one universal moral code is final and applied to all individuals without exceptions. Changing situations or views makes no difference whatsoever to this absolute moral code (Liddell, 1930, p. 430). At the same time, ethical relativism is the theory that holds that morality is relative to the norms of one's cultural values. Similarly, it states that a behavior is wrong or right depending on the moral values of the community in which it is mainly practiced (Velasquez et al., 1992, p. 2).

Regulatory Framework of CSR

CSR benefits organizations and communities for improved organizational performance, social influence, and opinion (Matten and Moon, 2008, p. 4). Carroll (1991, p. 40) summarizes the ethical framework of CSR and explains it as encompassing; economic responsibilities, as a duty to firms to provide quality services and products to the communities. Profit maximization is the main advantageous result for entrepreneurship. However, Barnet (2007, p. 801) argues increased

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finances and profit margins is not the primary concern of most stakeholders in organizations. Legal responsibilities stress the need for a firm to perform in a compliant manner and provide goods and services that meet the minimal legal responsibilities. Ethical responsibilities encompass activities and practices acceptable or unacceptable by society, though not codified into law, and philanthropic responsibilities entail corporate actions toward promoting human warfare or goodwill in response to society's expectations that businesses should be corporate citizens (Fadun, 2014, p. 19).

Current Ethical Issues

In regards to the case study, the primary ethical issues depicted in the company are; ethics of wages and working conditions and technology and social media. The company fails to serve its employees their living wages to maximize profits, forcing employees to join a union to negotiate on specific terms to no avail. It is an approach that has decreased employees' morale significantly since they feel unappreciated at their place of work. Additionally, the organization is also faced with bad publicity when it blinks to expanding its manufacturing products to India to cut costs, which will not necessarily benefit the locals. Bad publicity in the organization affects all the stakeholders involved in the business. It is a situation that results in events such as diminishing sales, low revenue, and financial losses.

The major stakeholders in the company include; consumers, employees, the community, and the investing clients. Customers are one of the major stakeholders in the business. The negative reviews given about the company's products affect how customers perceive its product and corporate image, losing loyalty regarding their products (Matos and Viega, 2004, p. 2). Employees are negatively affected by lowering their work morale, higher voluntary employee turnover, and a decline in sales. The community losses value and loyalty to the company and lack interest in

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buying their products. Especially after the discovery of its effects, they opt for better environmentally friendly products. As seen in the case study, the termination of four clients, investors withdraw from the negative reviewed business to avoid losing their stocks and invest in better companies. Therefore leading to a decline in sales, total revenues and losing the competitive advantage.

Implications of CSR for its stakeholders

A business should emphasize ethical considerations like the expectations of stakeholders and profitability. Some of the business objectives include; social and ethical responsibility, profitability, and meeting stakeholder's expectations. The ethical issues affecting the business in the case study are; unfair wages and treatment to employees and bad publicity. Stakeholders significantly influence every business enterprise since no organization can operate effectively and efficiently without them. The implications for a business organization and its stakeholders to operate ethically and appropriately include development; if good CSR business values operate the organization and ethics. Both the organization and stakeholders work unitedly and ensure its growth since all their needs and wants are met. Business ethics and stakeholders also influence investment and growth.

Market place advantages are achieved by its organization, followed by reputable business ethics and values that cater to all customers and consumers. The organization gains a good reputation after dominating the market, and all stakeholders will eventually be interested in doing business with an organization that relates to good business ethics. Employee performance and increased job satisfaction significantly improve and grow in an organization with business ethics and stakeholders who support the growth of the business (Viswesvaran and Deshpande, 1996, p. 1066). An organization with business ethics caters to its employees' psychological, intellectual, and

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physical well-being, making them feel secure. The ethical considerations that greatly affect a business are; serving pure products to users, showing honor to each other, avoiding unhealthy competition, confidentiality, being ethical when dealing with others. Fair treatment to all employees and staff and ensuring safe working places for employees also apply. These ethical considerations affect business objectives one way or another since a business must strive to meet certain conditions to achieve them.

Ethics Improvement

Based on the case study, there are several strategies the company can adopt to improve the ethics of their business. Engaging and communicating effectively and efficiently with the staff aids in regulating the feedback and information around the business. Through consistent communication and regular updates, the organization's management can engage better with the employees, discuss the issues affecting them, and devise better ways to solve and tackle them without causing any fracas (Stevens and Brownell, 2000, p. 42). Establishing an organizational culture that is fair, loyal, honest, and has integrity will ultimately give the employees and customers the faith and value to the business and have a good perception of its products and services. Developing a code and making ethical performance a strategic priority sets clear objectives, standards, and business expectations, influencing the best work performance. The organization can also set a tone from the top. The senior management teams show leadership and abide by the organization's ethical values, which influences the employees to follow suit and adopt a reputable organizational culture.

To ensure the effectiveness of these strategies, the organization may annually measure the effectiveness of the ethical values through appraisals and programs, which ensure best practices, measure ethical performances, and foster open discussions on how to improve on certain areas and avoid issues. These ethical strategies ultimately ensure that employees and employers are all engaged in the growth and development of the organization. In one way or another, their well-being and issues are catered to in the best possible ways. They influence good organizational performance and objectives achievement. CSR impacts the business's ability to attract top talent and affects employee's job satisfaction levels and retention rates, which improves results in the long run.

Potential Conflicts between Stakeholders

Some potential issues may arise while implementing the CSR policies in the organization between the stakeholder regarding different perspectives. First, some may decline the offer for fair pricing of products and accept the choice among consumers. In contrast, others may decline the offer and opt for a total change of the product since they gained knowledge of its effects on children and the environment due to the bad publicity. Secondly, employees may opt to have a salary raise, which is acceptable according to their work. In contrast, others may want to have the minimum wages they are supposed to have, potentially resulting in issues within the business management. Due to four clients' bad publicity and contract termination, the remaining investors may potentially change the organization's board. In contrast, the organization's shareholders may hold a different opinion on the perspectives, implying that the current board of directors is worthy enough to implement the CSR policies.

Recommended Changes to CSR Policies

CSR policies applicable in the business to benefit its organizational performance differ from the different stakeholders in the business. The recommended CSR policies for the business, suitable for the consumers, include; providing goods of standard quality, charging fair prices, and providing prompt after-sale services. Employees relate most to a company's image and perception. Therefore

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the CSR policies recommended would be good minimum wages, environmental programs, such as; reducing carbon emissions, philanthropic efforts, .i.e., fundraising for charity, ethical labor activities, e.g., refusal to exploit cheap labor, and volunteering in charity programs and investing clients' recommended CSR policies that would benefit them, primarily making the organization socially responsible, and making it more attractive to investing clients, who aim to make profits and greater returns.

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