

Corporate Citizenship: Integrity, Stakeholders & Exemplars

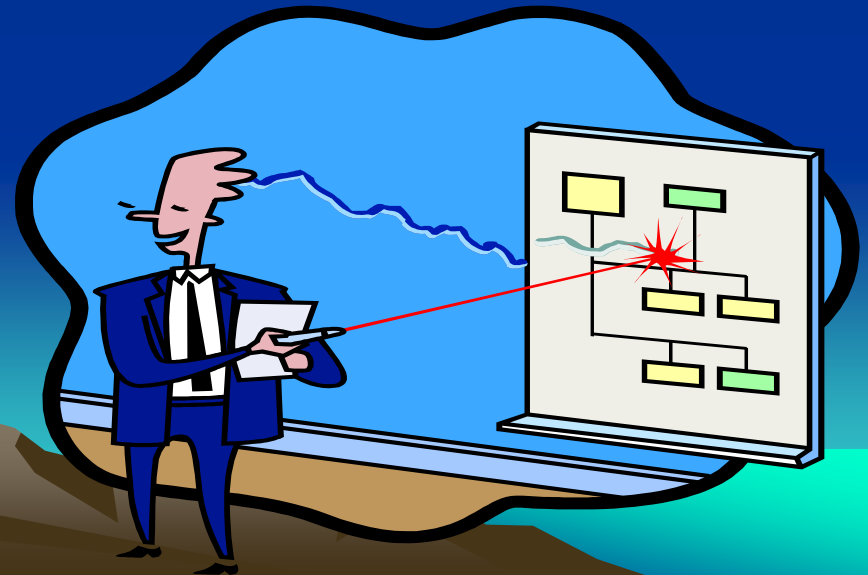
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Corporate Citizenship requires a stakeholder orientation...

- customers
- employees
- investors
- stockholders
- suppliers
- government
- communities



Corporate Citizenship is...

- the adoption by business of a strategic focus for fulfilling the economic, legal, ethical & philanthropic social responsibilities expected of it by its stakeholders, including:
 - business ethics
 - social responsibility
 - corporate volunteerism
 - compliance
 - reputation management



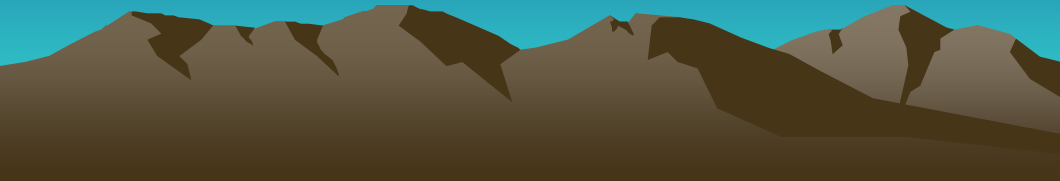
Corporate Citizenship operates with a strategic focus...

- a formal commitment from top management
 - mission & vision statements, annual reports, websites, & PR
- requires action & results
- depends on collaboration & coordination across business & among constituencies
- large companies often create specific positions & departments to support citizenship programs
- requires values & compliance standards



Herman Miller: What we believe in...

- making a meaningful contribution to our customers
- cultivating community, participation & people development
- creating economic value for shareholders & employee owners
- responding to change through design & innovation
- living with integrity & respecting the environment



Corporate Citizenship Model

Corporate Citizenship

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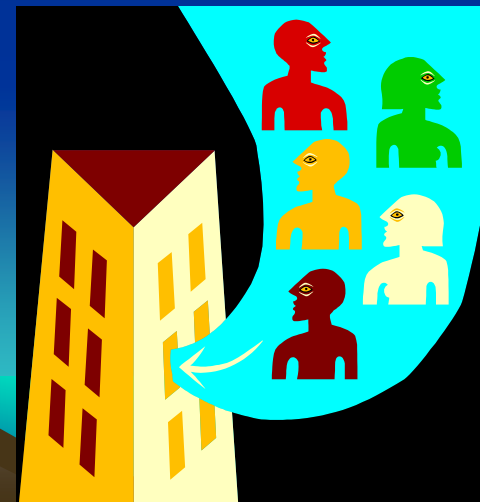
Stakeholder Orientation-
employees, investors, customers,
partners, community, government,
environment, & suppliers

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Positive Outcomes-
financial performance, commitment, trust & reputation

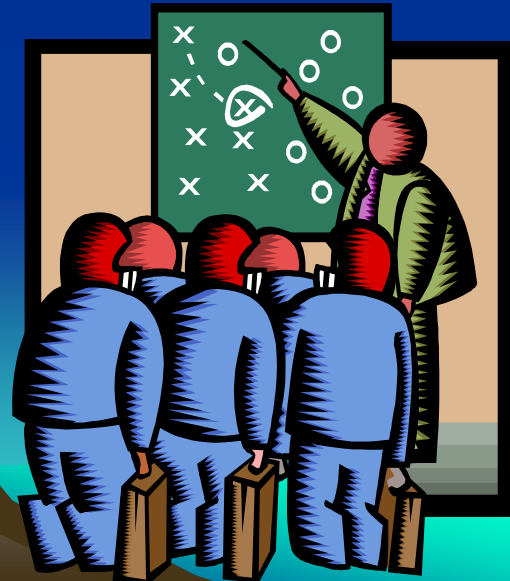
Stakeholder Orientation...

- A strategic set of organizational behaviors that recognizes the importance of stakeholder groups
 - both inside & outside the organization
- Organization-wide process includes:
 - intelligence
 - dissemination of information
 - responsiveness



Stakeholder Orientation...

- Norms = Behavioral Expectations & Requirements
- Hypernorms
- Stakeholder Norms
- Organizational Norms



Norms...

- **Hypernorms**
 - universal principles defining which behaviors are right or wrong
 - principles fundamental to human existence
- **Stakeholder Norms**
 - common set of rules & behavioral expectations shared by a majority of members
- **Organizational Norms**
 - a web of relationships among a group of individuals that reinforce shared values



Corporate Responsibility to Stakeholders-2002 Initiatives...

- 2002 Government Initiatives
 - Sarbanes-Oxley Act of 2002
 - President Bush's July Address on Corporate Responsibility
- Required revision of the Federal Sentencing Guidelines for Organizations
- Publicly traded firms must comply with many new financial mandates



Sarbanes-Oxley Act (2002)

- Creates public accounting oversight board
- Strengthens the independence of auditors
- Increases penalties for wrongdoing
- Protects objectivity & transparency
- Increases corporate responsibility & usefulness of financial disclosure
- Corporate officials have same rules as employees



E-Center for Business Ethics

- www.e-businessethics.com
- Business ethics certificate program
- Organizational ethics resources
 - books, exercises, Power Points
- Cases & training materials
- Links to additional resources

