
Ethical Dilemmas of the International Corporation in the Relation Headquarters and Subsidiaries in Different Countries

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Team



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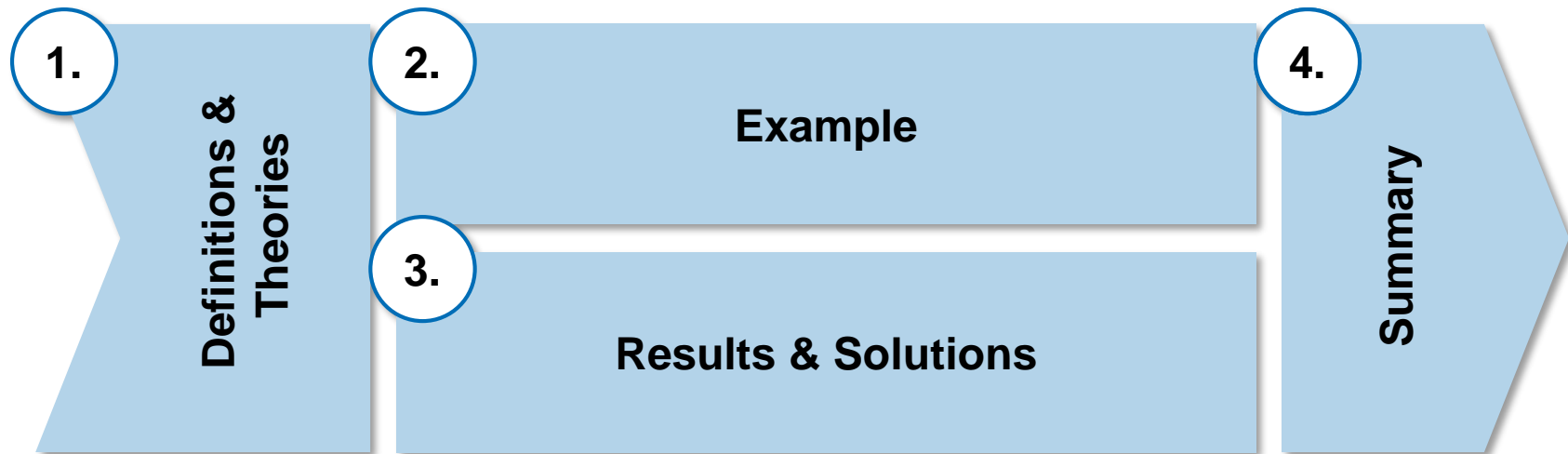


Dominik Jäger

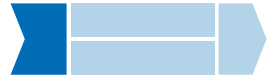


Constantin Klein

Agenda



Differences between problems, dilemma and risk



Ethical problem

- A problem or situation that requires a person or organization to choose between alternatives that must be evaluated as right (ethical) or wrong (unethical)¹

Ethical dilemma

- An ethical dilemma is a moral situation in which a choice has to be made between two equally undesirable alternatives²

Ethical risk

- Refers to unexpected negative consequences of unethical actions³
- Measures to mitigate risk



Ethical problem

- Bad working conditions

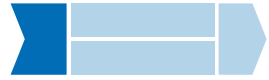
Ethical dilemma

- Closing a manufacturing site –people will lose their jobs
- Which one should be closed?

Ethical risk

- Image scandal

Triple Bottom Line



Definition



Balance between economic, social and environmental responsibilities⁴

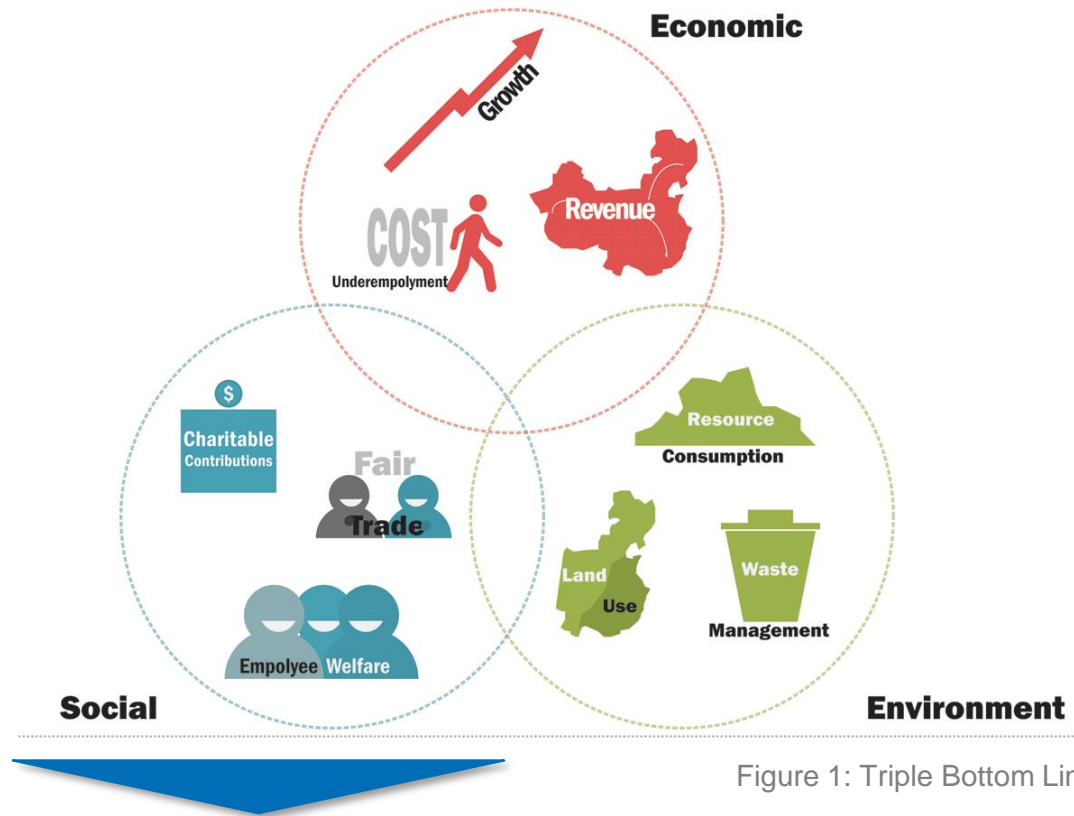


Figure 1: Triple Bottom Line⁵

Ethical problems can occur in each dimension
Also referred to as the 3 Ps: **PROFIT-PEOPLE-PLANET**⁶

Ethical Dilemma typology of stakeholder groups

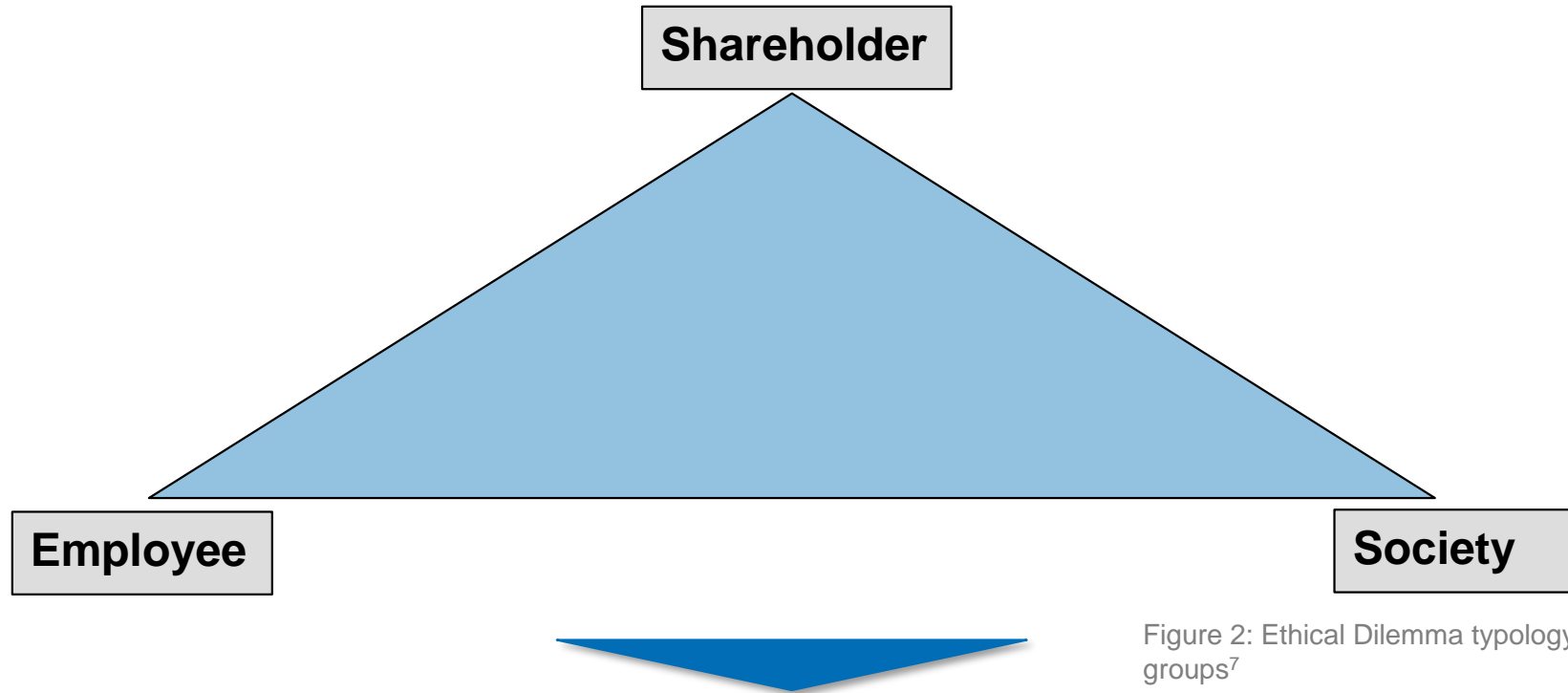
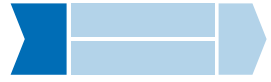


Figure 2: Ethical Dilemma typology of stakeholder groups⁷

**Ethical dilemmas in business can best be explained by the above triangle with the stakeholders as its vertices.
The Stakeholders in this case can be broadly classified into shareholders, employees and the society.**

Example 3M



Ethical Dilemma: Should 3M do business in Russia?



Potential solutions (internal)

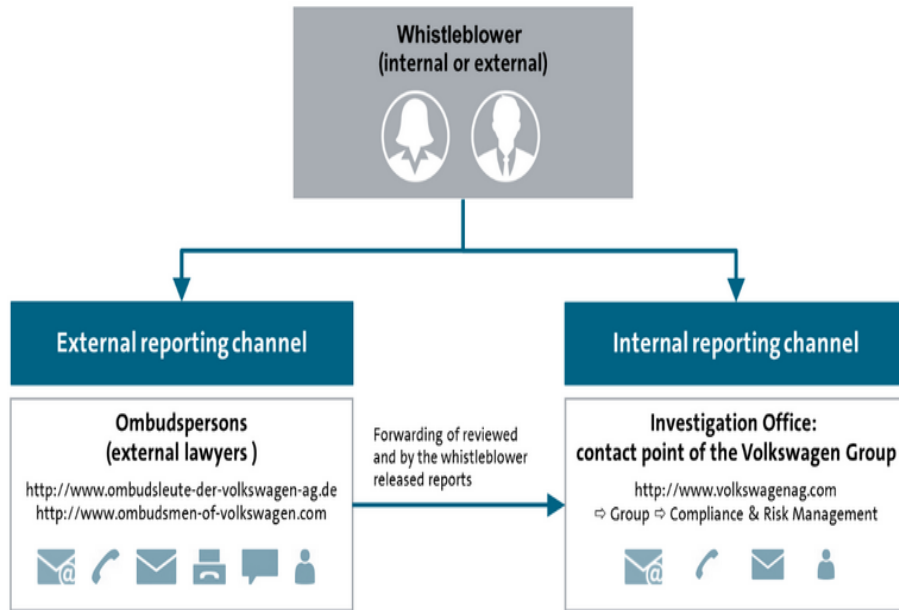


Figure 3: Volkswagen Group Whistleblower-System⁸

3M Compliance & Business Conduct Ethics Reporting Service

العربية | 汉语[S] | 汉语 | English | Español | Deutsch | Français | Indonesia | Italiano | 日本語 | 한글 | Polski | Português | Русский | ไทย | Türkçe

Attention! This webpage is hosted on EthicsPoint's secured servers and is not part of the 3M website or intranet.

The screenshot shows two reporting options. The first is "Report/Ask Question Online" with a dropdown menu to "Select the country in which you are located." The second is "Report/Ask Question by Phone*" with a similar dropdown menu. A note below the phone option states: "* Calling restrictions may apply in some countries when using mobile phones, pay phones or hotel phones. Alternative methods for reporting include use of a landline phone or reporting online."

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Figure 4: 3M Compliance & Business Conduct Ethics Reporting Service⁹

Hotline for communication about ethical problems

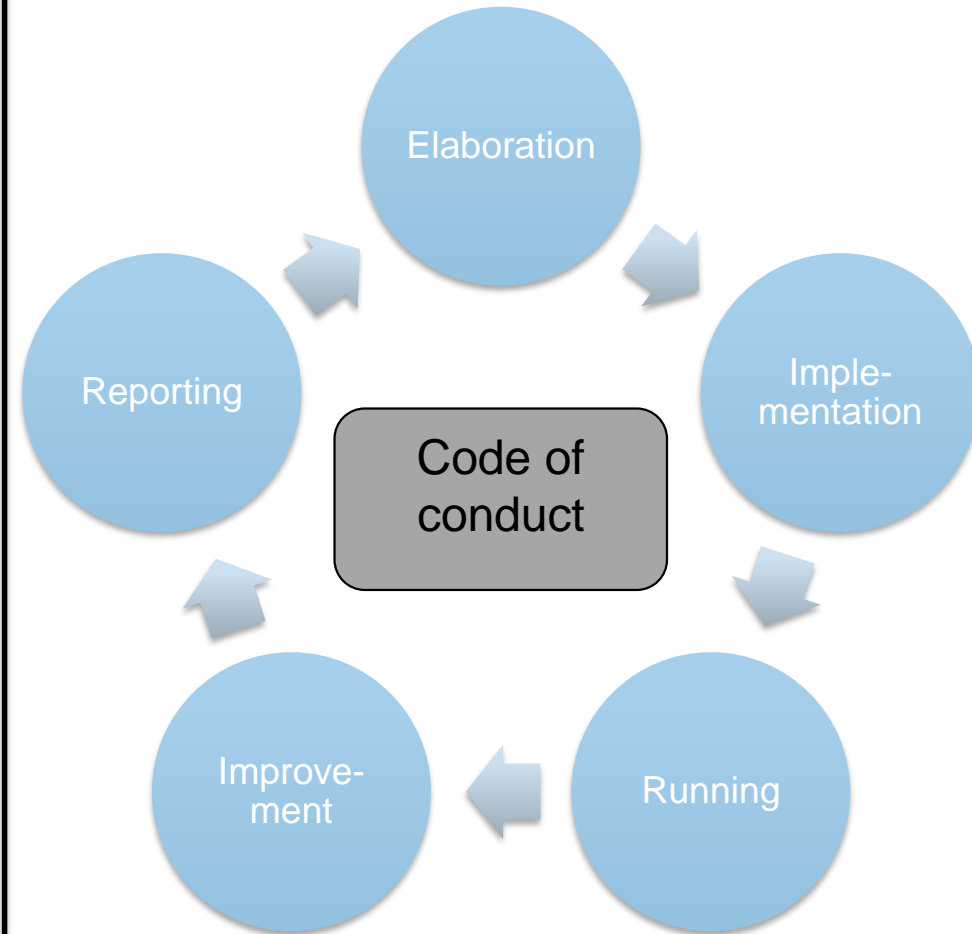
Potential solutions (internal)



Ethics committee¹⁰



- Organizing regular meetings to discuss ethical issues
- Identifying possible violations of the code
- Rewarding ethical behavior and punishing those who violate the organization's code of ethics
- Reporting the activities of the committee to the board of directors





International
Organization for
Standardization



THE BENEFITS OF SCC* / SCC** / SCCP / SCP CERTIFICATION



Reduce and prevent accidents



Establish trust between you and your clients



Provide training for your employees
and managerial staff



Save costs of providing individual
verification to your clients



Potential solutions (external)-Membership in Organisations



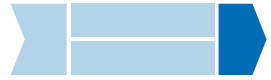
Potential solutions (external)-Sustainability reporting



Sustainability reporting

- Global Reporting Initiative (GRI) -Standards
 - Reporting principles including topic-specific standards
- Sustainable Development Goals (SDG)
 - Can be included in report
- Integrated Reporting (IR)
 - IR = Sustainability Reporting + Financial Reporting





1. Ethical dilemmas are part of the Business world

2. Ethical behavior is a key factor for business success

3. Code of conduct, ethical committee, reporting channels as internal instruments

4. Various standards which companies can adapt and organizations in which companies can enter

5. Consumer awareness requires more transparency
->sustainability reporting



To be a successful company it is necessary to implement ethical behavior into the decision process

References

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- [10]: <https://www.ncbi.nlm.nih.gov/pubmed/18682460>

Thank you for your attention