Many people felt Toyota was not honest about its accelerator problem – a problem leading to a massive recall and a public relations nightmare.

A later investigation by the National Highway Traffic Safety Administration blamed most of the crashes on driver error.

It can be difficult to recognize specific ethical issues and people often need years of experience to accurately recognize and react to ethical situations.

Are there any potential legal restrictions or violations that could result from the action?  
Does your company have a specific code of ethics or policy on the action?  
Is this activity customary in your industry?  
Would this activity be accepted by your co-workers?  
How does this activity fit with your own beliefs and values?

Improving Ethical Behavior in Business

Three factors that influence business ethics:

1. Individual Standards and values – Many employees use different ethical standards at work than they do at home.
2. Managers and Co-workers influence – The activities set and examples set by managers and co-workers are critical in gaining consistent ethical compliance.
3. Company Codes and Compliance – If a company fails to provide good examples and direction, confusion and conflict will develop.

= ethical/unethical choices in business

Employers must have established ethics policies if employees are to determine what conduct is acceptable.

Code of ethics

Formalized rules and standards that describe what a company expects of its employees.

Whistleblowing

The act of an employee exposing an employer’s wrongdoing to outsiders, such as the media or government regulatory agencies.

The nature of social responsibility:

Corporate citizenship – the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their stakeholders.
- Involves action and measurement of how deeply the firm embraces the corporate citizenship philosophy.