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APS1012 Management of Innovation – Final Team Projects, Spring 2013 (online class)

## **The Role of Ethics and Corporate Social Responsibility in an Age of Industrial Innovation**

Recent history witnessed technological advancements by quantum leaps and bounds courtesy a strong culture of innovation entrenched in the industrial enterprise. The statement, however, beckons the question if this progression was reflected in the overall advancement of the environment, community, society and/or other stakeholders depending upon the specific industry. Some of the findings uncovered during the course of this research were contrary to the aforementioned. More often than not, new ideas are adopted without assessing full well the impact of misuses, abuses or unethical motivations and/or the risks posed to the environment and society at large.

In present day and age where innovation is paramount in order to thrive in an ever competitive industry, the analysis is meant to educate companies about the concept of Corporate Ethics and propose a set of corrective and preventive measures to mitigate the rampant issue.

The first half of the Report elucidated and defined the very Problem Statement. This was achieved by discussing in great length the following specific areas

- Given the title of the research (i.e. The Role of Ethics & Corporate Social Responsibility in an Age of Industrial Innovation), the context was set forth by discussing the historical background via the industrialization lens.
- The Report defined Corporate Social Responsibility in light of 4 broad categories – Economic, Legal, Ethical & Philanthropic.
- Ethical Breach which was the root issue of the research was mechanized in light of the research findings.

The second half of the Report delved into the impacts of unethical behavior directly attributable to innovation. These were supplemented by corrective measurements aimed at extirpating non-compliances in a reasonable time frame - both external e.g. Regulations, External Audits & Media utilization as well as internal i.e. company policies.

Although there are many dimensions to the issue of Corporate Ethical Breach, there is a need for increased awareness across the board. Multinational companies, governments and citizens all must play a role in holding the business community accountable for ethical wrongdoings and poor social and environmental performance. Ultimately, Customers will have the greatest impact on companies as there will always be greedy individuals out there but if a majority of citizens stop buying a company's stock and product, executives will think twice about stepping out of line.

### Conclusion

Although the core principle of CSR has long historical roots, it was only in the late 1960s and early 1970s that CSR principles started to be formally conceptualized. In response to the realm of globalization, the concept of CSR mainly falls into four categories: economics, law, ethics, and philanthropy.

Usually, companies are caught in the dilemma of choosing between its own interests and CSR, and the breach of CSR occurs in two forms: intentional and unintentional. In either way, unethical behavior has a negative effect on the bottom line of a company and thus negatively affects the ability of a corporation to execute innovations due to reduced resources. Also, consumers have been found to more likely boycott an unethical company than to increase support for responsible companies. In that sense, corrective measures are necessary to help the implementation of CSR and are as well beneficial to companies.