# Czech University of Life Sciences Prague Faculty of Economics and Management

### **Department of Humanities**



# **Diploma Thesis**

# Diversity and Inclusion in Business Ethics: BioMérieux Case Study

Lucie Gajdošová

#### CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

# **DIPLOMA THESIS ASSIGNMENT**

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Thesis title

Diversity and Inclusion in Business Ethics: BioMérieux Case Study

#### **Objectives of thesis**

The thesis will examine issues of Business Ethics with a specific focus on Diversity and Inclusion through a case study of BioMérieux, a multinational biotechnology company founded and headquartered in France. Business ethics is seen as an important part of contemporary business practice. Ethical questions arise in the relationship between businesses and their customers (e.g. advertising, safety information), between businesses and their employees (e.g. issues of exploitative pay and conditions), and between businesses and wider society (e.g. duties to the community, or the environment). Issues of diversity and inclusion touch on all these relationships since they concern hiring and employment practices and broader issues of the representation of minority and marginalized groups.

The aim of this thesis then is to provide solutions and recommendations to broaden the BioMérieux already existing practices in the area of Diversity and Inclusion in order to make them more precise and reliable.

#### Methodology

The thesis will develop a literature review on the concept of contemporary business ethics, focusing especially on issues of diversity and inclusion.

Secondly, the aim is to conduct a case study of BioMérieux based on personal observation, analysis of their existing policies, practices and on the statements of aims and principles. Another way of obtaining useful information and reliable source for possible innovation and re-structuralization is benchmarking the well-working practices from other international companies.

Lastly, to propose solutions and recommendations for further development concerning Diversity and Inclusion based on both the literature review and practical results, as well as formulate an overall conclusion.

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#### The Diploma Thesis Supervisor

Daniel Rosenhaft Swain, Ph.D., MA

#### **Supervising department**

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prof. PhDr. Michal Lošťák, Ph.D.

Head of department

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Ing. Martin Pelikán, Ph.D.

Dean

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Declaration
I declare that I have worked on my diploma thesis titled "Diversity and Inclusion in Business Ethics: BioMérieux Case Study" by myself and I have used only the sources
mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.
In Prague on 6.4.2020

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## Diversity and Inclusion in Business Ethics: BioMérieux Case Study

#### Abstract

This Diploma Thesis, entitled "Diversity and Inclusion in Business Ethics: BioMérieux Case Study" is mainly focused on further development and provision of recommendations in the area of Business Ethics, especially those concerning Diversity and Inclusion. BioMérieux is an international company with its headquarters located in Lyon, France. This company already has its Code of Conduct which also includes already formulated basic norms, standards and values by which the employees shall get guided. Yet, this field and the supporting statements are on its starting level and the company itself sees the potential in its development.

This thesis is divided into two part – Theoretical and Practical. In the theoretical section, all the terms necessary for understanding the subject of this work and subsequently formulated issues are explained. The research is supported by credible sources, such as vocational literature, verified websites and several Codes. The knowledge gained while forming this first part is then applied into the practical part.

The second section is interested in pointing out the facts about BioMérieux. More specifically, what does BioMérieux well and where there still is a gap which needs to be filled – the practices which needs to be improved, reformed or newly implemented. This part does not aim to ask the question whether is Diversity and Inclusion important or not since the firm by itself sees the importance and potential in this field's and thus, has as its goal to improve.

The formulated results of this work is to provide BioMérieux with the recommendations which could significantly improve the firms internal and external environment as well as the company's reputation.

**Keywords:** Diversity and Inclusion, Business Ethics, Corporate Social Responsibility, Morals, Values, Discrimination

# Etika podnikání se zaměřením na Diversitu a Inkluzi: Případová studie - BioMérieux

#### **Abstrakt**

Tato diplomová práce s názvem "Etika podnikání se zaměřením na Diversitu a Inkluzi: Případová studie – BioMérieux" je zaměřena na rozvoj již existujícího plánu zaštiťujícího problematiku Diversity a Inkluze na interní i vnější úrovni společnosti BioMérieux.

BioMérieux je mezinárodní korporace s hlavním sídlem ve francouzském Lyonu. Jak již bylo řečeno, tato společnost má sepsaný kodex chování, který by v ideálním případě platil napříč všemy pobočkami, a tudíž mezinárodně. Tento kodex představuje určitou standardizaci a obsahuje normy, kterými by se společnost a její zaměstnanci měli řídit. Tento kodex je ale bohužel teprve takříkajíc "v plenkách", a tudíž se v něm nachází spousta nepřesností, nejasností a především mezer v podobě témat, o kterých se lokálně nehovoří, a nebo jsou tyto normy a standardy v rozporu s lokálním právem. Z toho důvodu sama BioMérieux vidí potenciál v rozvoji tohoto kodexu a celkově oblasti diversity a inkluze.

Tato práce je rozdělena do dvou částí – Praktické a Teoretické. Teoretická část má za úkol vysvětlit veškeré pojmy důležité k pochopení tématiky práce. Veškerý text je podložený věrohodnotnými zdroji, jako je odborná literatura, ověřené internetové stránky a také českými či francouzskými zákoníky.

Ve druhé, tedy praktické, části této práce je nejprve představena společnost BioMérieux a poté se zabývá implementací daného téma, tedy diversity a inkluze, v prostředí této firmy. Vzhledem k tomu, že by tato firma sama chtěla tuto tématiku dotáhnout k dokonalosti, soustředí se tak práce spíše na principy a kroky, které již byly implementované, namísto zaměření se na otázku, zda je to vůbec nutné.

Výsledkem celé práce je pak osobní pohled na situaci v BioMérieux a návrh na případné vylepšení, které by zlepšilo jak situaci ve firmě, tak by mohlo mít i positivní vliv na externí prostředí, ve kterém se společnost nachází.

#### Klíčová slova:

Diversity and Inclusion, Business Ethics, Corporate Social Responsibility, Morals, Values, Discrimination

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#### 2 Introduction

BioMérieux is an international corporation witch its origin and headquarters in Lyon, France. The aim of BioMérieux is to remain the leader on the field of clinical microbiology and that is not only by the peoples' consideration of the pharmaceutical and microbiological results. The company also wants to be measured by its renomé connected to the company's behavior and overall, by the footprints they leave. For that reason, the company has already developed many significant documentations such as the Global Code of Conduct which includes basic Charters which consider various fields of interests within and outside the firm.

Business Ethics are then very important to the BioMérieux management and because they see such a huge potential in further development of this area, they have asked a few students from the Catholic University of Lyon, more specifically, a few students from the ESDES, the Business School of UCLy to come in and spend some time in their company. Get the experience of how the firm operates, what it values and how does it feel to be part of its processes and working environment.

This thesis is, due to this experience, highly based on personal observation and might get sometimes a little personal. Yet, in honest words, the observation was as objective as it could get while stating subjective opinions and recommendations. The time spent in the company was about a month. During that time, the observers had a chance to look into several internal documents, ask questions the regular employees as well as talk to the top managers. Unfortunately, not many of those document and/or statements is permitted to be published.

As mentioned before, this company already has its Code of Conduct which also includes already formulated basic norms, standards and values by which the employees and the firm in general, should be guided. On top of that, in the best-case scenario, this Code of Conduct should play its role globally. However, there is not yet the best-case scenario nor is a well-working scenario. Many of those ethical norms and standards are in contrast to local laws and many have gaps which need to be filled. Furthermore, some issues which may occur sooner or later, are not even considered hence, need to be discussed, formed and implemented.

Because BioMérieux sees the potential and bright future in this field's development, this work does not really talk about whether or not is the Ethical behavior needed, important and mainly worth it. The firm already think it is important and wants to be better in it in order to make its employees happier and more satisfied and its external surrounding a better place. Not only wants the company what is best for their reputation and economic situation, it also wants the best for the society as a whole.

It is well-known fact that the topic of Diversity and Inclusion, more specifically, the topics of equal rights, discrimination, harassment and many others, are very controversial. It is also well-known fact that there is no right statements and/or approach. Many of the standards and norms related to this area are based on historical ways of behavior and social values which are constantly changing. Some stay the same and some are being changed or modified by each generation. For that reason, it is hard to get everyone involved and even harder or impossible even, to be on the same page with everyone.

Consequently, the recommendations provided in this thesis are not meant to be followed step by step. They provide only a simple guidance of what may people from different countries, social classes, from outside or inside the company see. What could get better and how to get even better reputation in the conscious minds of potential employees, shareholders or customers.

#### 3 Objectives and Methodology

#### 3.1 **Objectives**

The thesis will examine issues of Business Ethics with a specific focus on Diversity and Inclusion through a case study of BioMérieux, a multinational biotechnology company founded and headquartered in France. Business ethics is seen as an important part of contemporary business practice. Ethical questions arise in the relationship between businesses and their customers (e.g. advertising, safety information), between businesses and their employees (e.g. issues of exploitative pay and conditions), and between businesses and wider society (e.g. duties to the community, or the environment). Issues of diversity and inclusion touch on all these relationships since they concern hiring and employment practices and broader issues of the representation of minority and marginalized groups.

The aim of this thesis then is to provide solutions and recommendations to broaden the BioMérieux already existing practices in the area of Diversity and Inclusion in order to make them more precise and reliable.

#### 3.2 **Methodology**

The thesis will develop a literature review on the concept of contemporary business ethics, focusing especially on issues of diversity and inclusion.

Secondly, the aim is to conduct a case study of BioMérieux based on personal observation, analysis of their existing policies, practices and on the statements of aims and principles. Another way of obtaining useful information and reliable source for possible innovation and re-structuralization is benchmarking the well-working practices from other international companies.

Lastly, to propose solutions and recommendations for further development concerning Diversity and Inclusion based on both the literature review and practical results, as well as formulate an overall conclusion.

#### 4 Literature Review

#### 4.1 **Terminology**

In the area of ethical science, some terms are used in common interpersonal speech relatively often. But to avoid misunderstandings, the key words and the origin of such phrase "Business Ethics" need to be explained.

#### **4.1.1 Ethics**

The word is derived from the Greek word "éthos", denoting the original place of grazing or animal housing, later the place of habitation of man (Anzenbacher, 1994), as well as custom, habit or morality. There are two incompatible concepts of ethics. According to the more important one for the research, ethics is understood as a measure of humanity. The second option perceives ethics as a set of all disciplines among the humanity disciplines. Ethics is part of a philosophy examining human actions and behavior in terms of its moral nature. (Anzenbacher, 2004)

Generally, philosophical ethics is divided into:

- Descriptive ethics
  - an empirical science examining, describing and explaining the different moral behavior, attitudes and opinions according to specific social structures
- Normative ethics
  - defines criteria for distinguishing from the moral point of view of good and bad behavior → formulates norms in the form of prohibition, command or taboo
- Metaethics (Analytical ethics)
  - the subject of its understanding are the lawfully set moral norms and verdicts of a court and its logical correctness (Blecha, 1995)
- Applied ethics
  - ethical thinking concerning a specific area of practice
  - addresses specific problems that may encounter in a particular area

#### 4.1.2 **Business ethics**

Business ethics is then a specific kind of ethics concerning economy, management, marketing, investment, relation to employees and other participating groups and so on. (Anzenbacher, Úvod do etiky, 1994) Other area of applied ethics might be the work ethics – The Code of Ethics (the medical oath of Hippocratic, legal, journalist) which determine what behavior is desirable in a professional life and which is no longer acceptable. Yet another different area of ethics deals with a variety of issues of modern society, for example sexuality, environment and sustainability, genetic engineering, globalization, unequal distribution of wealth, authoritarian regimes, etc.

#### 4.1.3 **Morality**

The word morality evolved through the words "moralis" from the Latin word "mos", which means a will, trait or a way of life. It is the ability of a person to manage his/her behavior by conscience, that is, to individually recognize the general terms in ethics - the good and the bad. In a broader sense, it means a set of individual rules, attitudes, values and beliefs that a particular person should be considering while making a decision. (Seknička & Bohatá, 1997)

#### 4.1.4 Conscience

The word conscience comes from the Latin word "conscientia", meaning common leadership. It is the mediator between the external moral norms and our actions. The conscience decides whether our actions are good or bad, depending on whether the actions are harmony with the conscience or not. Conscience is often influenced by the beliefs, principles and moral norms of a given culture and/or society, as well as the prevailing attitudes of individual human consciences co-determine the prevailing morality and moral norms.

In terms of psychology, conscience contributes to the functioning of the super-ego. According to some research, the sense of what is right or wrong is inherent. (Thompson, An Introduction to Philosophy and Ethics, 2019) However, ethical values have a major impact on conscience processes.

#### 4.1.5 Ethical values

Ethical values are a key term for ethics and morality. These are the standards by which individuals measure what is important and good. Ethical values form the basis on which moral conduct and actions are built, and values represent the ethos of a given culture or a system. The fundamental elements of the value system of classical European philosophy are the distinguishing between the good and the bad, justice and freedom. Today's philosophy values freedom the most. Historically, the base of philosophical thinking was the term virtue instead of values. (Anzenbacher, 1994)

#### 4.1.6 Normative system

Normative system is a regulatory system consisted of social norms in a form of commands, prohibitions and/or permissions. (Maďar, 2002) As the classical normative systems could be considered law, moral principles, moral norms, religious rules, and even the technical standards or international ISO standards.

The values and morals prevailing in society create a certain regulatory idea. This regulatory idea is dependent, among other things, on the historical and cultural context of a particular society.

#### 4.2 Evolution

In order to follow nowadays ethics, there is a need for understanding its origins. Within the history of philosophy there two basic approaches by which the motivations of human behavior where justified and/or clarified and which are, even now, often discussed and used, especially in the field of business ethics.

One of the classifications of ethical theories is the division into teleological and deontological theories. Broadly differentiated, in teleological theories, the value of an action depends only on the value of the consequences of such action, whereas in deontological theories, the value of an action depends solely on the value of the manner of the action. (Anzenbacher, Úvod do etiky, 1994) The main approach of teleological theories is the empirical approach to ethics, in particular Utilitarismus which will be mentioned later on. An example of deontological theories is I. Kant and his teachings about categorical imperative.

#### 4.2.1 Empirical Approach

The crucial term of empirical theories is so-called sensory experience, in other words – empiricism, which is considered to be the only source of human knowledge. This approach explains the acting of people as a result of a reaction between external stimulus activity and the counteracting of a person. To explain this more nicely, everything depends on the attributes and characteristics of the environment and the person and in case of complete, detailed and accurate information about the two components, it would be possible to predict the outcome of an action. (Anzenbacher, Úvod do etiky, 1994)

The most important theories which aimed to categorize external stimuli are Hédonism, David Hume and Utilitarism.

#### Hédonism → Epicureans

Comes from antient Greece and is derived from the word "hédoné" which means pleasure. Thus, the only motive for human action is the pursuit of pleasure and an avoidance of distress. The most famous representative of ancient hedonism is Epicuros who after the hedonistic evolution does not seek only the present positive delight, but more likely a life full of mental peace, health and harmony, while avoiding distress and trouble. The achievement of such status of mind and physical body is called Ataraxia.

Epicuros further divided pleasure into:

- higher lasting, related to the soul, and
- lower ephemeral, related to the body.

Hedonism is egoistically oriented since all the pleasures that determine the subject's conduct relate directly to himself/herself. (Anzenbacher, Úvod do etiky, 1994)

#### • Ethical thinking of David Hume

Theory formulated on the remark of people admiring altruistic actions and react negatively towards selfish behavior. Further notice of Hume is that people like if the qualities they like about themselves the most are appreciated by others as well as they tend to behave in a way which leads to being admired by others. Because of such longing for popularity, people try to understand instincts, feelings and passion of others and hence, take over and absorb other's pattern of behavior. This way, the motivation stimuli are not purely the person's own and what is more, do not consider only his/her own well-being and pleasure, but more likely the welfare of another person(s) or the whole society. Because of this, the Hume theory is called the Theory of Sympathy and Moral Feeling. (Anzenbacher, Úvod do etiky, 1994)

#### Utilitarism

- Its name is derived from the latin word "*utilis*" which means utility which became its base-stone.

Utilitarianist theories relate to several areas which could be distinguish into the utilitarianism of action, of rules, of preferences and utilitarianism of motivation. In present times, utilitarianism is characterized by four principles:

- 1. The concern about the importance of the consequences for the moral evaluation of behavior
  - The only criterion by which the action is judged is what are the causes. In other words, the means by which the act was directed towards a particular goal are irrelevant.
- 2. The explanation of how to assess the individual consequences
  - The criterion is so-called utility, that is, doing good in general.
- 3. The fulfillment of human beings needs and interest
  - The quality of happiness is not important as much as is its quantity. Happiness is measured according to its duration, intensity, degree accessibility, immediacy and security.
     Another important factor is whether the happiness relieved of pain and whether it is likely to last and lead to even further happiness.

#### 4. Social

The actions are oriented towards the good of all people.
 This highly values, for example, self-sacrifice, but only if it increases the sum the ultimate bliss.

(Thompson, Ethical theory, 2004)

#### 4.2.2 **Deontological Approach**

The term deontology is based on the Greek word "deon", meaning obligation or commitment and with that said, the approach and guides and assesses people's choices of what they ought to do. (Alexander & Moore, 2016)

While Utilitarian approach overcomes the egoistic hedonism by thinking of the happiness of other people, it does so only on the conditions, that the elementary needs related to the happiness of the individual are satisfied as well. Another disadvantage is that the process of reasoning completely neglects the appreciation ways of reaching the goal or decision. For that reason, this approach aims to explain the theory of human behavior on a different base-stone.

#### • Theory of Virtue

- Life is considered to bet the most valuable because to achieve any pleasure, the existence of a living subject is necessary since a dead person cannot act in any way and so nor can reach its goals.

Yet, the desire to maintain life may not be always the strongest motivation for human action. A historical event of Socrates giving up on his life by rather drinking the goblet of poison than cowardly fleeing even though he was given the chance to. By escaping, he would have unwillingly admitted that his actions of not recognizing the state-recognized gods and introducing new ones were wrong. (Kadeřávek & Chlubný, 2004)

This pattern of behavior was later developed more by Plato, Aristotle and Thomas Aquinas into the form of Theory of virtue. A man is not influenced only by hedonists principle of emphasizing the achievement of pleasure, but this attainment of pleasure is always in a relationship to human reasoning, which decides what is good and what is not and expresses this decision by acting with its own the will. The most pleased a person is when satisfying its needs based on its own will in a way which is considered right.

Plato compares human passions to horses (the car's driving force) and people to carters who control and tame them and determine which path is taken. (Anzenbacher, Úvod do etiky, 1994) If one learns to control its passion, then it may be stated that he/she had earned a certain virtue.

Virtue is a lasting moral quality of person that makes him/her capable of an act, without having to make a particular effort to do so. It is an acquired skill or disposition to some activity which allows a person to act morally. Thanks to the virtues people act morally automatically, naturally even. And this kind of behavior does not them cause any difficulty and what is more, brings them satisfaction. The opposite of virtue is vice, the habit of acting in certain situations repeatedly in a way that is considered wrong. (Anzenbacher, Úvod do etiky, 1994) Aristotle's system of virtues then goes even further and brings a division into dianoetic (theoretical) and ethical (moral, practical) virtues. Dianoetic virtues are divided by whether they can be changed as a result of human activity. Moral virtues relate to one's own formation and education to human reasoning. They occur in different areas of the human life such as money and property handling, perceiving of honor, relationships with other people, political life, etc. (Anzenbacher, Úvod do etiky, 1994)

#### • Ethics of Duty

- Within the deontological approach the best-known it Immanuel Kant and his theory of moral obligations. Kant's philosophy is based on socalled categorical imperative which is a fundamental moral law that contains a certain principle of action and creates the obligation to act in accordance with it.
- The principles generally include a general determination of willpower which can be expressed in different ways. If they are subjective, they are valid only for one individual (maxima). Maxims are the most common as they are different and own to every person and as they may apply to different objects differently. Another type is the imperative which apply objectively and may be recognized in two types. Either they are bound to certain effects and thus are conditional hypothetical imperatives, or they are independent of any effect categorical imperatives and only these imperatives can form laws. (Kant, 1996)

#### 4.3 Ethics and the Law

Ethics and law are closely related. Both are normative systems that regulate ideas and attitudes in society. However, while the law has the means of power and well-defined sanctions, morality acts informally, affects human reasoning, conscience and social relations.

In essence, the law focuses only on the most important elements, importance of which is so high that it requires formal protection. Morality then only regulates a wide area of actions and relationships. If everything was based only on definitions, it would mean that there was no legal norm in contrary to morality. In practice, however, one can encounter situations in which human behavior can be described as moral but also illegal. Similarly, there are acts that are lawful but still appear immoral or extremely immoral. To give an example of both, it some countries euthanasia might be considered moral but strictly forbidden by the law, on the other hand, immoral but legal are the scams with pensioners offering them "great deals" concerning energy. Another example might be when a person buys land from the city, but the city has expropriated this land in back in time, during socialism. Hence, the land should be or/and could be restituted back to the ownership of the original owner, while the city resold it already. If such situation happens, the new owner loses everything with no chance of getting his/her money back.

There are several types of standards in the applicable law. Some of the standards are purely technical in its nature and regulate the well-being and "peaceful running" of society. Thus, are purely practical. The examples might be found in every country but in this case, the examples from the Czech law are: public holiday (Zákon č. 245/2000 Sb., 2020), the obligation for pedestrians to cross the road using crosswalks (Zákon č. 361/2000 Sb., 2019), or Cash Restrictions Act which limits cash payments to prevent money laundering, illegal financing, etc. (Zákon č. 254/2004 Sb., 2017) Other kinds of technical norms contain technical specifications or other determining criteria used as rules, guidelines or characteristics definitions to ensure that materials, products, processes and services are fit for purpose. (Verner, 2003)

However, other legal norms have a relationship with morality and underline the importance of some society's moral values and thus create values protected by law. Among the most important ethical values, that are protected by law, falls for example freedom.

Green argues that law and morality have common goals, manifesting themselves, in the respect and protection of property or human life itself and the preservation of humankind/tribe. (Green, 2008)

#### 4.3.1 Freedom

In general, freedom is the ability and possibility to decide and act at its own discretion. In certain branches (mainly in empirical) philosophy, all actions are understood as results of natural causalities, and each phenomenon is only a consequence of its causes thus, everything is predictable. With that said, it seems as if there is no freedom. (Anzenbacher, 2004) But people are capable of reasoning and consequently, their decisions and actions are not only influenced by external factors. They are also influenced by opinions, statements or religious beliefs. (Sokol, 2001)

Freedom is basically described as the absence of external coercion. (Anzenbacher, Úvod do filosofie, 2004)

In terms of philosophy, freedom is divided into:

- Internal freedom freedom of decisions
  - the ability to set goals and to rationally find ways to achieve them
  - based on the reasons, motives and origins of the goals themselves
- External freedom unlimited physical being
  - absence of obstacles such as handcuffs or prison
  - includes the absence of psychological pressure or mental disorder
    - provides the opportunity to achieve the goals set on the basis of internal freedom

Freedom from, a legal point of view, is one of the most important values to be rightly protected and promoted. Together with human rights it forms an inseparable base stone for a foundation of a democratic state.

Human rights and freedom are enshrined in the norms of the highest legal power - in constitutions, charters of human rights and freedoms, and in international documents. As such, the United Nations Universal Declaration of Human Rights (UDHR) or the European Convention for the Protection of Human Rights and Fundamental Freedoms. (Sdělení č. 209/1992 Sb., 2010)

#### 4.3.1.1 Ethics and Civil Law

Some of the legal standards refer to non-legal standards. In the basics of Code of Private law, the Civil Code, exist the so-called general provisions. These provisions state that the exercise of rights and obligations must not be contrary to good morals. (Zákon č. 89/2012 Sb., 2018) An example of the exercise of a law contrary to good morals is the abuse of law explained as exercising of a law done in a particular case not for the purpose of achieving an economic objective but intentionally solely or principally for harming or disadvantaging another. The same explanation may cover also the contrast of law and morals in case of misusing law in order to favor someone or someone's business.

Frequent reasoning with good morals would increase legal uncertainty, but good morals can affect the validity of a legal act. Absolutely invalid is such a legal act which goes against good manners ("Contra bonom mores"). The content of good manners, however, is not stable and is constantly changing with the development of the whole society. Therefore, the court must always examine the actual content of good manners, taking into account the time and position of the participants. (Zákon č. 89/2012 Sb., 2018)

Violation of good morals can result in legal liability for damage and the obligation to compensate for damage. It must, however, be the most serious conduct against legal morals and deliberate conduct, fulfilling the signs of abuse of law.

#### 4.3.1.2 Ethics and Labor Law

The employer is obliged to take care of the creation and development of labor relations in accordance with good morals and, in particular, in accordance with the Civil Code. (Zákon č. 262/2006 Sb., 2020)

#### 4.4 Business Ethics

To start with this chapter about Business ethics, it is important to mention that in today's business-world the question of whether to be worried about ethics or not, does not really exist. Later on, this topic will be discussed more.

With that said, in order to follow the ethical behavior and implement it to the firm's daily life and processes, an effective leadership and management need to be set up and strictly follow the given norms. With that, they are then able to ensure that the employees do not commit unethical acts and are aware of how to deal with ethical issues. As mentioned

above, ethics go a long way back to the history yet, they are now more important than ever before. In the past decade more and more there is more weight on social values, morals and overall ethics. Consequently, businesses have to be able to respond and raise not only the awareness within their work environment, but also implement broader and stricter regulations. Even the employees themselves can effectively respond to the public's new expectations by trying to understand what it means for the organization to be socially (and environmentally) responsible, why is the commitment to the high ethical standards good and advantageous to the firm and how it may subsequently affect the employee himself/herself.

As it has been said, the definition of ethics germane to effective leadership in organizations which leads to implementing moral integrity and values in service to the society. Some companies will only inherit the basic and most valued standards of ethics without its greater meaning, other, on the other hand, will force them with the vision of its greater value and usefulness and will continue to consistently enhance them.

Ethical behavior is that which is perceived as "good" or bad" and it may be different among all, based on personal values and opinions. But the ethical behavior and approaches of an organization need to be held according to commonly assumed values, norms, standards and customs. On top of that, the concepts of what is right and wrong are often interpreted differently among cultures and different types of society hence, it is possible to broadly refer ethics to the questions of fairness, justice and equity. (Sims, 2003)

Lastly, it has to be mentioned, the Business ethics are not followed only by businesses. They need to be considered by the governmental officials, business leaders and managers, workers in general as well.

Ethical and moral issues in the area of business might be from 4different points of view, depending on the center of interest and attention:

#### 1) Individual

Personal problematic situations workers face but let them remain outside the workplace

#### 2) Organizational level

- problems might be similar to the individual ones, but this time might carry consequences either for the company's name or its success or for the work environment

#### 3) Industry level

- an organization or a single manager might influence the whole industry level with an ethics issue
- related to the industry level might be the sectoral (professional) level a person is
   member of Law, Medicine, Accounting
- happens because of the conflicts of interest or inner fight between common sense,
   conviction and/or norms, guidelines or law

#### 4) Societal and International levels

- at these levels, morally acceptable behavior is led by norms, law, custom and traditions which vary from region to region, nation to nation → something legal in Czech Republic might be illegal in Iran and vice versa
- it is more than appropriate to study customs, traditions and local values before visiting or managing deals with different cultures
- issue solving based on the law and its structure depending on the issue (Sims, 2003)

#### 4.4.1 Why it matters to be ethical

Everything that happens around should matter and should be the concern of a society and thus, doing the right thing matters to organizations, their employees and even the stakeholders. Not only it highlights and raises companies' reputation, it may also save money which would have been spent on lawsuits and/or settlements. It is not very surprising that organizations which are well-known for their unethical behavior towards their employees, society or environment not only spend billions after visiting courts but on top of that, have hard times with hiring and recruiting valuable employees (Weiss, 2014) as well as keeping, not to mention earning new customers. It is then important to know, that there not only moral but many other benefits to ethical business approach.

Commitment to ethics forms strong, productive and valuable teamwork which is a crucial aspect of today's successful business. Such ethical programs ensure that the employees behave according to the vision preferred by organization's top management and forms openness, integrity, community and trustworthy workplace which leads back to the strong team building. The employees feel strong, valued, empower, confident and committed

to the same values as the company has and respond with higher motivation and overall performance.

The most important ethical values are stated within the policies and procedures of a firm to ensure the policies are forcible. It might be expensive at the beginning, but it is definitely worth to ensure ethical practices and treatment due to the increasing number of lawsuits against Human Resource Management, single Stakeholders or firms as a whole. Usually, the unethical behavior leads only to litigation with subsequent financial settlement. However, it is not that rare to witness that even the awareness of potential violation which has not been reported may lead to considering such failure as a criminal act. (Sims, 2003)

The ethical programs define preferred values and state what its good and bad according to the company by having all the norms and values recorded within developed policies and procedures. Furthermore, organization shall include individual or group trainings about such framework of behavior. Once everyone follows the program, it all suddenly become very useful to more areas of work, including the strategic planning and diversity management. Diversity programs require understanding the very specific issue and recognizing and applying diverse values and perspectives, in order to build inclusive and respectful environment.

Generally speaking, it is known that being ethical promotes a strong public image but that does not necessarily mean that the prime concern of why to be ethical comes down to it. People tend to see the organization as one which values honesty, people and environment more than they value profit. But it is more likely exactly the other way around because aligning with values and socially acceptable norms is critical to effective marketing and public relations programs, thus higher revenues. Moreover, it strengthens the coherence and balance of firm's culture and improves the employee – employee, and employee - management relationships and trust.

#### 4.4.2 To be or not to be

As mention above, the question could be: "Should a company behave ethically even though the act itself does not bring them anything more than just a good feeling?", that means, even if the act does not bring them any other benefit than just a good feeling.

The thing is, many perceive the ethical issues to be a part of a company's integral business activity due to the fact, that each and every firm somehow affects its surrounding and environment and thus the moral commitment towards the influenced factors cannot be

left-out. Throughout the times, many researchers came up with results which show that firms which have a goal which applies beyond only the profitability of a firm and which that way integrated some ethical principles into their internal system of management, are more likely to be long-termly successful and more respected on the market within which they perform. (Collins, 2004)

Another studies might bring the results of having a good reputation and firm-image leads towards the lead position among job applicants, consistency in keeping present workers within the company and overall, good position in the field of personal management. (International Business Ethics Institute, 2008) It is unarguable that right next to the objective attributes such as salary and the position itself, the branding and the firm's image in general, is one of the key criteria which brings new potential employees and/or customers and cooperatives. Socially responsible behavior of a firm is then one of the factors which significantly reduces the employee fluctuation and on the opposite side, increase the employees' loyalty towards the employer. From the customers' point of view, customers — now more than ever before - take into account not only the price and quality of a product, but also the conditions (ex., pollution) under which it was produced and the background behind its production (ex., child labor). A good reputation attracts new investors and the company then has sufficient funds for further growth. (Putnová & Seknička, 2007)

Most importantly though, the image, mottos and statements cannot be only plain words present on their websites or vaguely mentioned in a life-stream discussion. The actions have to be seen and possible to declare by every day's actions of the firm as well as of its each employee – the most seen ethical or unethical segment is then the mid-level management. (Strobel, Tumasjan, & Welpe, 2012) Scandals and unethical behavior of the firm and worse, its top management – if publicly known, may have harmful, destructive even, consequences. Lost goodwill is then hard to earn back, moreover, the information remains available on the internet even a long time after the incidence. Such behavior has negative influence on the interested parties and the result might be noticed on the decreased revenues, employees' loyalty and increased attention from the side of government bodies and society. (Bohatá, 2001) Of course, persons' characteristics play lead role in perceiving an employer or firms in general, attractiveness (Judge & Cable, 2006) but related to this fact, it has been stated, that corporate social performance has positive effect on the quality of the firm's organizational attractiveness for potential employees. By all its means, promoting ethical leadership and behavior is highly seeked by those who have their standards high alongside

with their qualities and thus, with their possibilities and number of choices among other companies. As opposed to that, those who are less qualified and valuable to the market and hence, have lower level of job choices, tend to desire the employer branding measures less. (Albinger & Freeman, 2000)

To answer the main question if it is crucial to be ethical and socially responsible even though it looks as if it does not bring any economical or prosperity aspects – using the utilitarian approach of profit maximization, ethical and responsible behavior implementation has its place within the company dues to its influence on macro-level within the whole market system, as well as on the economic results of a particular company.

Full-scale business effects include increased business transparency, resulting in lower levels of corruption, reduced transaction costs, increased productivity, and improved competitiveness. Furthermore, higher attractiveness for investors, reduction of economic crime and related costs of possible criminal proceedings. (Čaník & Čaníková, 2006)

On the other hand, according to some other authors, ethical principle should not be implemented into the business management procedures if their application leads to lower than maximum profit. (Dhan & Mohan, 2008) For instance, Milton Friedman argued the purpose of Corporate Social Responsibility with his statements about managers having the responsibility to act according to a long-term vision about the best interest of the shareholders. According to him, that is the moral responsibility. In his article from the year 1970 "The Social Responsibility of Business Is to Increase Its Profits" which was published in the New York Times, he went even further, and mentioned that corporations have the responsibility to behave in a way which increases social welfare, regardless the law connected to the actions. A few years later, he had improved his statements by not arguing that businesses should never engage in improving social welfare because even free-market capitalism itself helps to improve it. Thus, in a way, businesses will somehow be always engaged in activities increasing social welfare. But to get back to where he started, he has never changed his mind about the fact that manager's core motivation remains to be the longterm increase in shareholders wealth, which means the business economic prosperity in general. (Friedman, 1970) Basically, his investigation into the businesses' life means that firms should not step away from their path towards its profitability and not even for the purpose of being socially responsible. They should be rather focused on maximizing their profit within the law and norms formed by the governmental power. According to him, to act differently and mainly, to behave the complete opposite way, means wasting and spending the money of customer, employees and not less importantly, money of its shareholders.

However, the thoughts and statements of Milton Friedman has been accurately summed up by Eddie Ferrara who said that Milton Friedman's arguments are compelling but yet they do not apply in today's world since Corporate Social Responsibility and overall ethical behavior represents and thus drives the business. (Ferrara, 2018) A good reason and source for this criticism is the report of Edelman "Earned Brand 2018 – Brands Take a Stand" which says that today's society believes in brands taking a stand on political and social issues. In today's world, brand which do not speak up their "mind" risk to lose potential customers. Although is statement might be a little controversial since to one part of society this may be a good marketing move and to some other group of people it might be the reason to forget about the product, brand or the whole company. (Earned Brand 2018 - Brands Take a Stand, 2018) In other words, the firms are lately forced into being socially responsible. Into forming diversity and non-discrimination programs, into being transparent as much as possible, into reducing the environmental impact and others. Especially the bigger companies are now forced by investors or/and government to publish their reports concerning their non-business responsibilities and actions. Thanks to such publicly visible reports, it is possible to notice that socially responsible companies rate higher positions among peoples' concerns. This has been proven by the study by the Stanford Graduate School of Business which came up with the results of 90% of the graduating MBA students being interested in working for an organization which is committed to the social objectives. (Montgomery & Ramus, 2003)

To sum things up, due to all of these reasons why to think and behave ethically, it is hard to find a reason why not to other than the one of Milton Friedman who also has slight doubts in a certain way.

#### 4.4.3 The Influence of Unethical Behavior

Some organizations make ethics an internal part of its culture although that does not mean it completely reflects the behavior and actions of all managers and the organization itself. Behaving ethically, means consistently working on and following the commonly set values of the organization and society as well as accept the individual values. Unethical behavior by employees may affect all – the individual workers, teams and even the whole organization. Briefly said, organizations depend on individuals to be ethical.

Another thing is the behavior of managers and supervisors who should have the leading role, and somehow be the role model to his/her team. Thus, they have the strongest influence on employees, and one may follow-up with his/her unethical or ethical behavior, actions and decisions.

Being unethical does not have to be necessarily connected only to one's decision. People who tend to believe that things happen for a reason; that ends justify means; that their actions are predetermined by destiny or that a luck had something to do with what had happened but also people who believe that there exists something called "greater good" as well as in high importance of politics and economics – these all are far more likely to proceed towards unethical behavior, and what is more, not to feel bad about it and without foreseeing the outcomes and consequences. Other personality factors which can cause unethical behavior might be low conscientiousness, too low or even too high self-confidence and high competitiveness.

Among the most useful and powerful determinants fall down rewards and punishments. It is yet again based on the managers' or organizations' decision of how reward or punish. In case of wage increase even after or worse, for doing something wrong to someone which led to something good for the company, then of course, such person is highly motivated to continue with his/her socially unethical and immoral behavior while those, who are punished, next time prefer not to do the same mistake. As it is with children and animals, and generally, with all people, rewards increase the likelihood of behaving ethically and punishments lower the chances of its repetition. (Sims, 2003)

#### 4.4.4 Ethical Standards

Broad and commonly set standards which an organization should and could adopt do not exist since they are specific for each and every society and thus companies need to propose their own based on the values and ethical standards of the society within which they operate. Later on, in case of the employees' facing a difficult, dilemmatic situation, they should consider exactly the same society and how their standards apply to that situation or how this situation could affect them. Based on that, the most relevant procedure should be implemented. Besides the norms of the local society and overall environment, employees may use for their decision making many theories to guide them. For example, in the area of business, the most common is usage of the utilitarian theory. Utilitarianism counts on the idea of the most ethical choices producing the greatest good to the largest number of people.

To a certain extent, to some, it may seem as a way of how to justify inconvenient and sometimes even one's immoral decision, but from a point of view of those who make such decision, it is not immoral at all. Hence, it is often used during wars. To business it does not serve this well because of the possible excuse of unethical behavior but for the drive towards benefits. On the other hand, the idea of "greater good" does not always serve right and definitely is not the most ethical due to its limitation of its reasoning and lack of valuing justice and individual rights. (Utilitarianism)

Theory of Justice is another way based on which to coordinate an organization's behavior. Such organizations value fairness and consequently, engage solely in acts which demonstrate it. Behaving in a way which affect one in a good way but results in wrong-doing and injustice to others is simply not a journey to pick. Under this theory, managers aim to set the definition of expectations clear to all employees and reward anyone who meets or exceeds them. The rewards might not be financial or great enough but yet, it lets them know they are valued for their actions and thus, it forms justice in the workplace. (Sims, 2003)

#### 4.4.5 The Relationship between Ethics and CSR

The connection of ethics and corporate social responsibility comes in five waves. On contrary, it is important to say, that every decision about which direction in the area of ethics and CSR to take, is based only beliefs, ambitions, norms' understanding and attitude of the individual head of a firm or its top management. The managers' personal values, experiences and emotions might have conscious or unconscious effect and cannot be always predicted. (The Concept of Corporate Strategy)

Firstly, there is the ethical duty towards the symbioses with stakeholders – the company and its position on a market affects the stakeholders, and the stakeholders affect the company in a way of having a word in what to do or not to do. With that said, the firm has a moral duty to pursue profitability in order to return the stakeholders' investments.

Secondly, there is the moral duty of company towards its employees which is at its basics based on a respectful and equal environment. In order to form that, employees need to feel valued and need to have the opportunity to grow in a form of promotions, having a voice, job security, career opportunities and others. Furthermore, the job environment should definitely not disadvantage anyone. Even during a crisis situation, the performance of a harmful or discriminative behavior shall not be forced on an individual.

Not less importantly, the duty towards the customers, needs to be mentioned. This kind of a duty arises from the expectation customers have and their subsequent purchase of goods and services. Although, in this area the ethical and unethical – or socially responsible or irresponsible, approach crosses their paths pretty often due to the fact that the tastes and preferences varies person to person, society to society, generation to generation etc.

Speaking of customers, very similar is the duty to suppliers which is also in another way very similar to the relationship with stakeholders. In this case, the product or a raw material of a supplier has its direct effect on the company's product and reputation as well as since the company forms a relationship with the supplier, it also has an indirect influence on the suppliers themselves. The problem here occurs, when the interests collide. It makes sense that the company wants the best quality product for a lowest price possible while the supplier wants to sell the material for the highest price and with that, earn a great profit. These wants then lead companies to buy from suppliers who employ children or let their manufacturers work under terrible work conditions.

Lastly, the community duties cannot be forgotten. The company is part of a community and thus, shall demonstrate some actions in order to support its surrounding, respect health and safety standards and accept responsibilities which relate to the local regulations.

#### 4.5 Corporate Social Responsibility

The term of Social Corporate Responsibility is well-known since the second half of 20th Century and basically determines the way of company's management and its relationships development towards other companies and/or its potential partners which is connected with the firm's reputation, trustworthiness and overall, its name.

As of to the definition of what Corporate Social Responsibility really mean, there are very many definitions but according to European Commission in a so called "Green Book" published in the year 2001, it is stated that "Corporate social responsibility voluntarily integrates social and environmental considerations into the business activities of the company, in collaboration with business stakeholders or stakeholders".

Socially responsible companies put first the fulfillment of legislative requirements and then voluntarily apply responsible behavior, beyond their scope. The result is a positive social impact as well as a benefit and competitive advantage for the company.

By stakeholders it is understood any person or a group of people who are internally or externally interested in well-being of a corporation. Under the stakeholders then fall down customers and suppliers, shareholders, business-partners, employees, etc. (Společenská odpovědnost firem, 2008)

#### 4.5.1 Characteristics of CSR

Basic characteristics of CSR are volunteering, stakeholders' opinions consideration, long-term nature-concern and credibility. As of to the volunteering – it has been already mentioned that the company is involved in all the responsibility-activities voluntarily, in addition to its legal obligations. The second aspect covers the stakeholders and that is because of their involvement which significantly influence the company and lastly the credibility needs to explain. CSR contributes to strengthening trust in the company however, activities must be transparent, durable and not exaggerated.

#### 4.5.2 Theories of Corporate Social Responsibility

The voluntary application of CSR occurs in 3 pillars of responsibility but that does not mean that there exists only one applicable theory of CSR. For instance, in France, the companies which receive funds from the European Union, have to follow the given "3 Priority Horizontal Principle".

The aim of each company, considering the 3 pillars of responsibility, shall be to follow all three of them but that does not necessarily mean that the company needs to follow every single activity of each aspect. A firm chooses the most important according to its focus and also, based on the preferences of its stakeholders.

#### 1) Economic pillar (market)

- In the economic area, the company is expected to have transparent business and positive relationships with investors, customers, suppliers and other business partners. It also monitors its effects on the economy at local, regional, national and global levels, for example through employment development or the fight against corruption. (Kam směřuje společenská odpovědnost firem?, 2012)

An economically responsible company is also not the one does not pay its obligations to suppliers on time, and thus exposes its business partner to risk. Responsible company does not cheat and strictly refuses corruption but respects basic moral rules and always acts transparently and plays fair.

#### 2) Social pillar (workplace, community)

- In the social area, responsible corporate behavior focuses on its behavior towards employees and support for regional development and local community. The company thus positively affects the standard of living, health, safety, education and cultural development of citizens.
- Might be divided into two areas of its influence:

#### a) Internal

 employment policy, employee health and safety restriction and interest, investment into education, refusal of child labor, gender equality (no "glass-ceiling")

#### b) External

 employment of minority and vulnerable population groups, support to the non-profit sector, volunteering and support of local educational, community, or sporting events → in the end it may be great indirect advertising

(Trojí zodpovědnost, 2015)

#### 3) Environmental pillar

In the environmental field, the company is aware of its environmental impacts, including the ecosystem, soil, air and water. It is expected that it will carry out its business activities in such a way as to protect natural resources and to minimize its contribution to the environmental burden as much as possible. By its mean, to investing in green technologies, to have eco-friendly corporate culture (recycling, energy saving). It can also include the construction of playgrounds, planting trees or support non-profit organizations that focus on environmental protection.

(Co znamená CSR neboli společensky odpovědná firma?, 2015), (Společenská odpovědnost firem, 2011).

The theory of 3 Prior Horizontal Principle is, in this case, more accurate. This Principle has been defined by the European Commission to ensure that every company which receives European funds behaves according to european standards and norms and respects fundamental priorities. Hence, every single research, investment, project or company related to or dependent on the European funds have to contribute to the principles which are as follows:

### 1) Sustainable development

- An aim to improve the well-being of people while considering the present time as well as the future.
- Economic, Social, Environmental, Global governance issues
- In France specifically, the concerns go even further and contain also the Climate change, Biodiversity, Resource Scarcity and Health Risks

### 2) Equal opportunities

- To combat all forms of discrimination: direct, indirect and systematic.
- It covers the principle of going beyond simply following the path and take into account the implementation of projects which support and encourage leaders to carry out specific actions in this area.

#### - Three dimensions:

### • Non-discrimination:

- The must for the employers is to base their decisions solely on the criterion of professional competence.

### • Professional Equality & Senio Employment

Companies formed by more than 50 workers are listed to pay a penalty of 1% of their yearly profit if they are not engaged and active participants in this approach.

### • The Employment of Handicaped

Companies wichi employ more than 20 workers must hire at least 6% of disabled workers, form and apply a group agreements concerning the implementation of programs for handicaped people or annually contribute financially to the state funds according to the French Law.

### 3) Equality between women and men

- The aim is to erase the glass ceiling and with that connected gap between women and men in the labor market by being neutral in giring, promoting and by forming a better work-life balance. This has been given the priority in the European Pact formed by European Council which is applicable from 2011 2020 and states the need to asses the equality in promoting women.
- On a more national level the French level, a program called "A third generation of women's rights: towards a society of real equality" constitutes
   French commitment in the area of strengthening women's rights.

(Les principes horizontaux)

# 4.5.3 Usage of CSR

Might be explained by such concept which is set to have its goal voluntary application of the social and ecological aspects into firm's daily operations and interactions with stakeholders but as opposed to it, it strongly applies to the business ethics as well as to the working and living environment. (Společenská odpovědnost firem, 2015)

### 4.5.4 CSR values in Business

Why to be responsible?

The question remains always the same: "Why to be socially responsible?". Many companies already know the answer why to do the "good" things and that is because such manner brings advantages even to the company itself. Additionally, in recent years, there is also the existence of pressure from the side of customers, government, banks or creditors themselves.

Being socially responsible means doing business with a respect to the society and the environment and with that, to integrate the social and environmental aspects into profit-making activities. A responsible business satisfies the needs of not only customers but also with whom a firm works (employees, suppliers, and local communities). It positively affects the whole society and directs its influence on the environment. This all leads to both - direct and indirect welfare and it ensures a long-term competitive advantage over the companies that do not behave in this way. (Společenská odpovědnost firem, 2008)

### 4.5.4.1 CSR to the Firm's Long-term Success

Influence of corporate values on the long-term success of the company. Most of small businesses already "do the right things". The behavior of SMEs (small-to-medium enterprise) usually reflects the moral values and principles of the owner. However, only few of them formulate them in a code of conduct, a statement of good business practice or in a set of rules that express the company's vision, values, ambitions and goals.

To implement everything in practice a business needs to have clearly defined corporate values and has to make sure that the company's behavior corresponds. Not less important is to positively approach the interests and concerns of employees, customers, suppliers and the community and communicate business' values internally and externally.

### 4.5.5 Local community relationship

In order to even better relationship and reputation within the local environment, a firm has many ways of how to be included pro beneficial. Between profitable business and community satisfaction occurs to be a pretty clear equation and so the business shall be actively participating in local activities. As to give some examples, a firm might be helping-out the community via financial or material donations or offering its know-how. Basically, anything which is somehow related the firm and its goals in order to entertain or even engage potential customers alongside with the employees.

As an outcome to such effort, new market opportunities and connections may lead to boosted up customer recognition and respect and overall better reputation. (Initiative, 2015)

To ensure that stakeholders can fully trust and take your report seriously, firms need to render direct and specific description of activities, using qualitative and quantitative indicators. Such system of indicators to produce reliable CSR reports has been developed by The Dutch Global Reporting Initiative. It also published ten basic principles that help a company determine the content and scope of a report and ensure its quality:

#### • Relevance of information

- each aspect, indicator or information is assigned a degree of importance

# Cooperation with stakeholders

- the company identifies all stakeholders in the report and explains how the firm responds to their expectations and legitimate interests

#### Sustainable context

 the company reports on its activities in the context of economic, environmental and social phenomena and in the context of the impact of its activities on the environment

# • Completeness of information

- the report should contain all the information needed to assess the economic, social and environmental performance of the firm over a certain period of time

#### Balance

 the report describes both, the positive and negative aspects of the firm's business in order to objectively assess its overall performance

# Comparability

 information is communicated in a way that allows individual reports of a particular company to be compared over time, to evaluate changes achieved, and to compare them with reports from other organizations

#### Accuracy

- the information published is accurate and detailed

### • Correct timing

- reports are published regularly and in way which allows stakeholders to make appropriate timely decisions, such as investment

### Clarity

- the information is published in a form that is understandable to all stakeholders

# Reliability

 information is collected, recorded, summarized, analyzed and published in a way that allows for follow-up controlling and ensures its quality

(Initiative, 2015)

Nowadays, the importance of CSR is rapidly increasing and that so because of the existence of multinational companies that have a sophisticated corporate strategy and value-system, and which transfer the concept of CSR to each individual sector. But such strategy the company aims to differentiated from other competitors. Based on a recent evolution of principles and values, people are not satisfied with only the fulfillment of their needs anymore. This basically means that customers want products that not only meet their needs, but do not do so at the expense of the environment or decent working conditions. They seek the general efforts to improve the adverse state of the environment (for example, global warming and acid rains) and society (corruption, working conditions).

### 4.5.6 Social development in the name of employees

As of to the firm's attention towards its employees – it has a significant impact on its long-term success since a successfully ran business depends on many aspects of the employees' behavior within which the knowledge and know-how, proficiency, talent, creativity and other may be found. But unless the firm motivates its employees to show and use such values, not very many employees will do so based on their own will.

The base-stone is, of course, to follow the legislatively given norms about the employment, safety and healthcare nevertheless, the actual motivation lies far away from the lawfully enforced matters. The business needs to show it cares about its employees' work-progress and contentment as well as about their personal life. Because of this approach, the individuals are able to notice that they are valued and that a firm notices their participation in the company's development.

The right way to motivate it then not only about the salary but also about the interpersonal relationships. The way to earn someone's loyalty is by building a trustworthy environment. An environment in which the employer is interested in the new ideas and opinions of its employees, an environment which seeks everyone's cooperation in tough situations, an environment which seeks the firm's development as importantly as it is keen on each worker's professional progress and is aware of these to being linked tightly and lastly, an environment which has within its best interest to grant the balance between employees' personal and professional life.

As a reward the company gains more than just commitment and loyalty. The business thus gains increasing efficiency alongside with the employees being truly interested in the firm's well-being. They work harder and are willing to apply their own ideas which benefits both sides: the employees feel valued and the company prospers. Consequently, a stable and satisfied workforce helps to build a good reputation for the entire business.

# 4.6 Diversity and Inclusion

Although the two terms are often connected, there is a significant difference between the two of them. One thing is to employ a diverse team, but it takes a whole lot more effort to include everyone and/or make them feel that way. An inclusive diverse workforce respects and values the differences of employees because they can learn from and/or get inspired by each other. By talking, brainstorming or working within a group consisted of people with different attitudes and lifestyles makes everyone to look at things from a new perspective.

Diversity brings very many advantages as well as challenges, such as the person's feeling of lack of inclusion or the tendency of others to dislike people because of their differences. But from the business' point of view, hiring people with different ethnicity, genders, sexual orientation, age or backgrounds have begun due to anti-discrimination laws, but it does not change the fact that it has become one of the most valuable hiring and working policies. Broadly speaking, understanding the value of a diverse workplace positively influences the business' position on the market.

### 4.6.1 **Diversity**

Diversity within a workplace equals acceptance and if not friendly approach, then at least respect towards each other despite the diversity among the coworkers. Out having a diverse environment, a firm can highly benefit rather than trying to see it as a problem.

Firstly, the diversity within a team may lead to more creative and innovative environment with wide range of ideas towards reaching a common goal, only with different

approaches. However, with becoming more and more diverse, even more issues are connectedly brought up. For that reason, there are the HR Managers who shall aware of how diverse the workplace actually is and be prepared, acknowledged and trained to be able to support, solve any issue arisen out of the diversity.

### a) Cognitive Diversity

- Education
- Functional Expertise
- Job position/ role
- Physical and Mental Disabilities

### b) Demographic Diversity

- Social class
- Age
- Language
- Religion
- Political beliefs
- Sexual orientation
- Gender and connected gender equality and family statute
- Race
- Ethnics

### 4.6.2 Inclusion

According to Cambridge Dictionary, inclusion with regards to CSR is defined as: "the act of allowing many different types of people to do something and treating them fairly and equally". (Cambridge Dictionary) Moreover, to be inclusive means letting all the people actively participate in something, be part of a group, let them use the same facilities, include them in all activities, value their knowledge, perspectives, approaches and so on, no matter their rase, disability, age, gender, belief etc. With businesses being more and more globally oriented, it all matters and the differences among people within the workplace when getting together, surely will maximize business success. This all is due to the reality of customers' rapid and mainly constant changing, which means that their taste and preferences change as

well. Similarly, since no one is the same, the similar group, which is changing outside the firm, needs to be formed internally in order to follow the external changes.

Inclusive organizations tend to thrive higher because of their ability to cultivate cultures which are then more productive, engaged in the work given, more moral and loyal, more creative and not less importantly, happier. (Engelmeier, 2012) This has been proven by Martin Ruef who had analyzed social and business relations among 766 Stanford Business School graduates and found out that diverse cooperation and valued ideas, drives innovation. (Ruef, Aldrich, & Carter, 2003)

If looked into the details into which differences form better results and thus why being inclusive matters, let's point some out. The variance in age starting from the generation Z to X. Generation Z grew in the time when their voice, ideas and their true self and selfconfidence matter the most. Moreover, this generation never knew times without mobile phones, laptops and internet and hence, are more than familiar with such devices which are now the core of every industry. Generation Y is the gold middle way – they know how to use and operate with electronics pretty well and heavily lean on it. Furthermore, they are well educated and taught to think rationally because of their parents and the trend of forcing them to aim higher with education because they can while still be realistic because of the history and the knowledge that everything might be taken away from us in a no time. Generation X is then the wisest, more pessimistic and the most experienced and hence, should be listened to as well. When all of them put together, the manager gets a variation of many different perspectives, from very many angles. Now it sounds terribly wrong and of course, it may as well proceed into a conflict but if managed well, it may also lead to something valuable. The same situation might occur among people with different cultures, backgrounds etc. Significant weight also lays on the way of firms' management. It is important that every employee in a firm knows his/her role but on the other hand, the management should know that some practices tend to set more burdens rather than prosperity. In an environment when all decisions are made by the top management, the regular employees might feel as if their ideas and opinions are controlled rather than heard and valued. The creation of an environment where everyone has a freedom to word out their opinion and approach problems in their own way is crucial and can bring a sense of belonging which undoubtably leads to better creativity and loyalty across the company. (Engelmeier, How Companies Can Benefit From Inclusion, 2012)

# 4.6.3 The Principle of Discrimination

The Principle of Discrimination may be rather known as the Principle of Non-Discrimination. In the European Union, this Principle earned its position as an essential part of the European law which guarantees all individuals an equal and fair treatment and opportunities. In other words, this Principle warrants to all individuals who appear to be in similar situations to receive similar treatment. Not to be treated less or more favorably only because of their indifference or particular characteristics.

There are several documents covered by this Principle of Non-Discrimination. For instance, The Treaty on the Functioning of the European Union forbids discrimination concerning nationality. Moreover, it enables the European Council to take actions related to discrimination based on gender, race, ethnic origin, religion or belief, disability, political preference, sexual orientation and age. Some of these topics such as nationality and discrimination based on sex (only in the area of employment) have always been forbidden by the EU treaties and the others have been added in the Amsterdam Treaty.

Another more specific directives were added in recent years. In 2000 were added the directive about the prohibition of discrimination based on sexual orientation, religious belief, age and disability – concerning the are of employment. Another added section is also related to employment and that deals with discrimination based on race. But, this statements about race or ethnicity does also concern accessing the welfare system and social security, goods and services. In 2009, the Lisbon Treaty adopted a horizontal clause about integration of these standards into all EU policies and actions. (The Principle of Non-Dicrimination)

Another important fact to mention is that not talking about a certain issue is a kind of discrimination as well. To be discriminated or harassed does not necessarily have to be by being forced to do something, to be physically or mentally abused, to be excluded, or else. If a firm does not take into account the needs of disabled or religious people, if the firm does not talk about the issue of trans-sexuality and so on and thus, does not operate certain actions to help those concerned, that might be called discrimination as well.

#### 4.6.4 **Positive Discrimination**

All the good intentions, on the other hand, may lead to something called "positive discrimination" which at the end might be as harmful as discrimination itself. To start with an explanation, there is a difference between positive action and positive discrimination.

While positive action is a good thing, positive discrimination not so much. Acting positively happens when there is the recruiting or promotional process and a firm has to decide between two candidates who are equally qualified. This time, the employer decided to hire or promote the individual who comes from the underrepresented group or a minority as long as they fit the role equally well or decided for the one who could fill the characteristic imbalance within the company better. Positive discrimination happens when, if given the same example of promotion or hiring, a manager hires or promotes a person from minority group which is known to be discriminated and/or undervalued only because of that even though the other candidate is better fit to the business and/or is more qualified. To hire or promote an individual purely based on their background or protected characteristic is then discriminative as well as any other act of discrimination. Sadly, special measures are nowadays very common due to the social force of setting quotas and equality measures, witnessing strikes and so on. (Sayers, 2019) Important to say, positive discrimination does not always have to be bad, immoral and/or illegal. Providing seniors with certain advantages or discounts, forming women-only fitness centers because otherwise they feel too ashamed or vulnerable and many other cases prove that there is a thin line between what is right and what is wrong. (Positive Discrimination)

# 5 Practical Part

# 5.1 Case Study - BioMérieux

Before proceeding towards the Case Study of BioMérieux, it needs to be clarified, that this firms has asked to receive personal opinion of selected students on their already existing Diversity and Inclusion program.

BioMérieux has already formed basic Global Code of Conduct which covers many specific areas of interest. Yet, this Codex has many gaps which are mainly in connection to the French state of mind and also to the fact that the field of business Ethics is somewhat a new-born baby in France.

This section is going to discover the already existing standards and norms within the company and by finding issues in gaps in them, continuously proceed towards providing recommendations and proposing new steps and solution.

#### 5.1.1 About BioMérieux

BioMérieux is a corporation which aims to improve public health situation by diagnostics on a global level. In order to maintain this goal, it is situated in more than 40 countries, reaching towards 120 more with their support and for that, they need a large network of distributors. The main focus is set on the "in vitro" reagents, instruments, software and services which diagnoses infections with receiving the results from blood, urine, stool or saliva. With such results, the company is able to provide solutions, or even prevent the major health issues such sepsis, antimicrobial resistance and the control and surveillance of pandemics. The have 3 areas of focus: Medical and technological innovation, a global footprint and targeting acquisitions and partnerships.

Their main aim and preferred approach is leaning on the usage of 4P medical strategy which means predictive, preventive, participatory and personalized. The objectives may also cover the aim of staying committed (since there is family resemblance involved) and proceeding towards a long-term vision. Alongside with that, the BioMérieux want to remain the leader on the fields of clinical microbiology and as well as having the position of a leader in others such as the industrial microbiological control and syndromic molecular diagnosis and most importantly, to be internationally valued.

As of to December 2018 they have earned € 2.4 billion in sales by selling in two dimensions: Clinical Diagnostics which makes 80% of sales and Industrial Microbiology

which makes the remaining 20% of sales. The have given the opportunity to work for this company to over 11 thousand full-time employees within 43 countries which serve more than 160 countries with the support of a great number of distributors.

As said, the company has its family background and history. BioMérieux has been created back in early 60's with the vision of providing expertise and full commitment to expand the frontiers of knowledge in biology. But before that, in 1897, biochemist Marcel Mérieux studied with one of the most outstanding scientists of the 19th century, Mr. Louise Pasteur. Alongside with him, Mr. Mérieux founded a laboratory in Lyon where he developed the anti-tetanus sera. This was the base stone of developing such a huge bio-industry which will have a significant impact on vaccinology and the diagnosis of infectious diseases worldwide. The company continued inherited by a son to son to more present years. In 1994, Alain Mérieux switched the direction to diagnostics and immunotherapy businesses and so it is today.

The main focus of the employers is to ensure its employees' work satisfaction in professional segments as much as the environmental. Adapting work areas towards specific needs, implementing technologies that ease the information flow and encourage teamwork. Support the staff to cooperate and communicate and trying to provide sufficient work-life balance to all its employees. Consequently, according to many talks within the company, the employees trust their managers, feel proud to be working this particular company and enjoy the work on daily basis.

From what we can see at a first sight, the company is diverse in terms worldwide operations which lead to openness towards nationalities, religion, race, social class, language and many more. Although it is stated that the company wants to have the word/social dialogue equality and that everyone has the same career development opportunities, we can see that among the managerial positions, there are 11 men and only one woman seated as an Executive Vice President in her probably 50s and "only" (without underestimating) at the position of HR manager.

On the other hand, the BioMérieux offers the internships and dissertation thesis supervision in all the majors (R&D, Logistics and Manufacturing, Sales and Marketing, etc.) to minority students no matter the gender and also thinks about the possibilities for disabled people. They cover wide range of specializations which makes the place even more diverse.

(BioMérieux)

# 5.1.2 **Benchmarking**

Benchmarking is a valuable discipline with which assistance firms are able to evaluate their performance with regards to their competitors. In this case, three companies have been selected to provide this thesis with broader perspective, new or innovative ideas, and also comparison to the exercise of BioMérieux and were or towards what they could be reaching. All three are huge global working corporations operating in different industries. Yet, from each of them, BioMérieux could pick some points, learn something, get motivated by their international success and fenomenal reputation and improve in their internal processes.

BenchMarking Tool used it the TIDE - Talent Inclusion & Diversity Evaluation which is a self-assessment evaluation and benchmarking tool, measuring an organization's approach and progress on diversity and inclusion. TIDE supports flexible and inclusive management of diversity and inclusion, moving away from strand-specific language and approach, allowing organizations to focus on the areas that will make the most difference. It evaluates Diversity and Inclusion activities and outcomes with geographic and legislative differences. This represents how important models and processes are to measure progress and effectively set up reasonable objectives within an organization.

#### 5.1.2.1 L'Oreal

According to L'Oréal's websites and publicly shared employee' statements and reviews, this firms could be a very good example of the diversity and inclusion in a company and it could be easily proven by the video posted on their website to present the brand and mainly to entertain the potential future employees and/or customers and also by the already mentioned published review and interviews. L'Oréal has adopted as its missions to value differences, aiming to form a diverse workspace and set up trainings for its employees to learn how to work together. BioMérieux then could get inspired at least in the little detail of having promotional video on their websites which could form interest in those who stroll through them while looking for the reason to join in or invest in their product or research. Furthermore, it would be an easy way for consumers and future employees to peak in and understand the level of diversity in the firm.

The great thing about L'Oréal is that its management creates specific charters for every subsidiary they have. That way, it is easier for the employees to value and follow the given norms because they do not contradict the law and social norms in the given country. For example, not so long ago, the managers of L'Oréal and a few other companies, have signed

a diversity charter written in alignment with Moroccoan law and traditions. The subsidiary in Morocco was the rarest and hardest to establish and thus works as an example of good work. Under this Charter, the signatory companies undertake to:

- 1. Integrate diversity as one of the company's priorities.
- 2. Raise awareness and train managers and employees involved in recruitment, training and career management on the challenges of non-discrimination and diversity.
- 3. Respect and promote the application of the principle of non-discrimination in all its forms and in all stages of human resources management, including the hiring, training, promotion or professional promotion of employees.
- 4. Seeks to reflect the diversity in a society in all its forms at different levels of qualification and responsibility.
- 5. Communicate with all employees and encourage their support and commitment to non-discrimination and diversity.
- 6. Make the development and implementation of the diversity policy and object of dialogue with employee representatives.
- 7. Include in the annual report or, where applicable, in a social balance sheet description of their commitment to non-discrimination and diversity: actions implemented, practices and results.

The video above was named to be only a detail which could help a little to BioMérieux with being interesting to those who already think of joining in. But to take into account the importance of different cultures, rules, norms, values, morals, ethical standards and so on of the individual subsidiaries is a whole new story. BioMérieux shall follow such example and adopt and more importantly adapt charters for each subsidiary.

At the beginning of the L'Oréal Ethics Charter, the objectives are fairly and clearly introduced. There is a part where information concerning respect for local laws and customs may be found. For L'Oréal, it is very important to manage cultural diversity and especially where local law or customs impose higher standards than those set out in the Code, local law and customs should always apply. If, by contrast, the Code provides for a higher standard, it should prevail, unless this results in illegal activity.

As any other, the Charter has many sections such as Product & Safety, Advertising & Marketing, Supplier selection & Fair treatment of supplier and so on. For this thesis, the

important is, that each of these sections includes also the "We must do" and "We must not do" headlines so it is easier to understand the main concerns. At the end of each section is an information who to contact in case of any problems.

To finish, the Charter is translated into 45 different languages and on top of that, into Braille in English and French version and that is yet another concern to put on BioMérieux "To-Do list" since the only existing Charter in French and considers only French laws and norms while being considered as Global.

As a plus, and last thing to mention - as it is gigantic international corporation which aims to continuously improve its practices, L'Oréal closely cooperates with associations and institutes recognized for their expertise:

- Anti-corruption Commission of the International Chamber of Commerce
- Global Council on Business Conduct, The Conference Board
- Ethics and Compliance Initiative
- International Business Ethics Institute
- Institute of Business Ethics
- Business Ethics Circle
- European Business Ethics Network
- French Institute of Directors

(Code of Ethics: The way we work), (L'Oréal)

### 5.1.2.2 Google

First of all, Google is well-known for its diverse and open culture among all of its subsidiaries and as a proof, the management puts Diversity and Inclusion Report at the same level as Financial Reports and Investors Reports. This shows how important the diversity is to the organization.

The greatest and most interesting facts about Google's processes in the field of diversity and inclusion can be easily found in the Diversity Annual Report 2019. In the Report it is stated that Google has developed a detailed and thorough leadership program and succession plan which can be a vital tool when recruiting diverse people from within the firm. Google has also programs where female employees are recognized and sponsored which is a good way to help their work growth and career progression and thus, earning more women into the leadership positions. There are many other approaches and statements which

have been adopted but they are similar to the ones of L'Oréal. But to give an example of supporting the inclusion step-by-step, once being a new employee, a person receives its personal card where he/she himself/herself is supposed to fill in the name and the pronoun by which he or she wants to be called so that they avoid possible misunderstandings. What is more, Google believes in transparency about all their actions and most of their decisions. Consequently, the Google's Employee Resource Groups (ERGs), which allow Googlers to connect with a network of people who share their values of supporting diversity in the firm, has been invented. (Klein, 2018), (Google)

#### 5.2 D&I in BioMérieux

From what can be seen within the BioMérieux platform, the "Diversity and Inclusion" approach is at its beginning, especially in specific areas concerning gender and sexual orientation. Other areas, such as the inclusion of people with disabilities is supported by French national law and thus is implemented more than well. (Code du travail, 2020) On the other hand, this is fact mainly in the BioMérieux institution in Lyon, France. Due to lack of international information, it cannot be confirmed nor declined that the same situation is at the other subsidiaries which are situated across the whole world.

Figure 1: Business Ethics in BioMérieux

4. Business Ethics / Integrity		
4.1	Offering gifts and entertainments	
	Bribery	
4.3	Intermediaries	
4.4	Competitors	
	Discounts, rebates, allowance	
	Purchasing policies and supplier relationship	
	Scientific information, marketing and advertising integrity	

Source: (Global Code of Conduct)

Figure 2: Corporate Social Responsibilities

# 

Source: (Global Code of Conduct)

The topic of Diversity in BioMérieux has been only touched by the two paragraphs 6.1 and 6.2, in the Code of Conduct. What is more, these two sections do not even fall under the standards and norms of Business Ethics and rather they are formulated within the Corporate Social Responsibilities section. Although this topic officially falls under CSR, some procedures should be also mentioned in Integrity section. That is because CSR is usually mainly formulated as the way of the firm's aimed behavior and is written mainly for the external eyes, while the norms and rules apply more to the inner environment, which means to the employees and their rights, sanctions, punishments and so on. While having them written only under the CSR section, the employees might see it only as the way to behave because of the external environment of the firm rather than as internal standardization and requirement. Other questions which may arise out of this are: "How is the unethical behavior going to be handled and solved if occurred?", and "How to avoid it and/or what actions will be taken in order to raise awareness about certain issues if it has not been mentioned in the written Code of Conduct?".

As said, many issues which really need to have guidelines and towards which there really need to be set norms and procedures, are not even mentioned. More specifically, the topic are as follows: Transgender and Non-specified (etc.) gender, Employees with higher degree of disability, Ethnics, Religion, and others. For those, an awareness programs and specialized information about employees', managers' and overall company behavior within the its environment shall be provided.

Figure 3: BioMérieux Code of Conduct citation

#### 6.1 Nondiscrimination

BioMérieux is committed to an environment of equal employment and advancement opportunities for all qualified individuals. Only when each individual is treated in a nondiscriminatory manner, solely on the basis of merit, can his or her full potential and that of the Company be realized.

Respecting diversity means making reasonable accommodations to assist those with disabilities and social needs. It also means respecting the differences in cultures.

The diversity of our employees is a strength that will continue to be promoted and supported throughout the Company.

#### **6.2** Harassment and other workplace violence

BioMérieux is committed to providing a work environment that is free of harassment in any form. The Company will not tolerate harassment of an individual for any reason. BioMérieux policy specifically prohibits sexual harassment, including unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct that is sexually discriminatory.

Any act or threat of violence in the workplace by or against an employee is forbidden. BioMérieux strictly prohibits employees from making threats or engaging in violent acts against fellow employees or any individual conducting business with the Company. Employees must not bring any item or substance into the workplace that could be considered harmful or a weapon of any kind.

Source: (Global Code of Conduct)

Of course, the topic of Gender equality exists and so it is not that it does not consider the differences. But according to their statements, it is only about the equality of men and women. This leads to a complete unpreparedness towards situations which will probably, sooner or later, occur.

The firm's internal aim is to continuously support each employee's future and his/her work-development. With that, the company's global external goal is to target minority students through recruitment, promote and maintain gender balance within the organization, and to make appropriate efforts to include employees with disabilities.

The organization operates within a framework of principles, directives, procedures, and standards that reflect ethical standards. Moreover, the firm aims to take measures to improve gender balance within the organizations and increase the percentage of women in

top management positions. The managerial gender equality is highly essential to them and is based on 3 indicators: diversity, compensation, and promotion. Another company initiative for the future is the agreement concerning employees with disabilities which assesses actions to hiring procedures, integration and training of people with disabilities, raising awareness and training of employees involved in the integration of workers with handicap. (Code du travail, 2020)

Lastly and very importantly, BioMérieux has its own Ethical Line where anyone from inside or outside the firm may anonymously call and report witnessed discriminative, unethical, illegal, immoral behavior or harassment as well as anyone who has been the victim of it.

# 5.2.1 The firm's Diversity and Inclusion Statements

• Diversity & Inclusion Vision:

"At BioMérieux, we value the differences of our team members, our partners and our customers. We are committed to creating a culture of belonging and acceptance where all feel respected, supported and included."

• Diversity & Inclusion Mission:

"At BioMérieux, we are convinced that the diversity of our team fosters innovation along with competitive differentiation and supports our ability to achieve our public health mission. We believe in the richness of difference to support the Company's ability to grow and evolve."

(A. Sergeant, 2019)

#### 5.2.2 Charter of BioMérieux

BioMérieux has an existing Charter which is part of their Code of Conduct. Yet, a few things could be stated better and into details.

To give a few examples, this Charter nicely speaks about respecting the law in general but does not mention the fact that the activities should be in accordance with local and global ethics and with regards and respect to existing supranational, national and local laws, regulations and restrictions. Furthermore, there should be a paragraph explaining which law is more relevant if in contrast.

Secondly, this Charter is possible to be seen only on the firm's intranet which, however, should be posted publicly in every language of their subsidiaries across the world, so everyone can see them, relate to them and lean on them if in need or if on a cross-road with the firm. In addition, the Charter itself as well as the whole Code of Conduct should be signed by every employee so that there is a proof they have read it and agree to behave in accordance with the documents. Including the top management which shall take the responsibilities even more significantly and lead the team, encourage and promote the important of such compliance by making it a key consideration in decision-making processes. All managers should be also responsible for the supervision of the employees and of reporting them if the rules are not recognized among them.

To include every section of possible disadvantageous or discriminative behavior, as many as possible potential factors shall be named. For instance, age, gender, culture, ethnics, social background, rase, sexual orientation, disability, religion, family status, philosophic or political opinions and many others.

Finally, the Code (Charter) has to be more than just words which means it must guide the firm's and employees' actions and therefore, avoiding or violating its core values shall bring consequences. Illegal or unethical behavior by just one employee, not to mention the whole firm and its management, can cause significant damage to the inner environment, workers and BioMérieux in general. In many areas, the impact of non-compliance could result in costly fines, criminal prosecutions and destroy on of the BioMérieux's most valuable assets: its reputation.

## 5.3 Actions and Practices

According to the existing Global Code of Conduct, BioMérieux aims to be socially and environmentally friendly, welcoming, inclusive and diverse company but that does not mean, there is no space for improvement. As said before, there are topics which have not been covered at all or only broadly. That way, it is quite easy to overcome them and/or to find a loophole and flee the consequences. It can be said, that the company already does a great job and what is more, works towards even better future.

However, further practices to be adopted and actions to be taken lay mainly on the back of HR managers. But the negotiation and implementation need to be held with regards

to law and hence, with the cooperation with BioMérieux legal staff and the heads of BioMérieux.

The aim of BioMérieux is to make the BioMérieux employee's overall experience the most attractive and engaging in the health sector.

ESSENTIALS

The sense of purpose coming from bioMerieux' public health mission

PROMISE MESSAGE

"Diagnostics is power. Together, we help save lives"

Authentic

Embody our mindset BELONG.DARE. IMPACT. that guides our actions everyday.

Federative

Human

COMMUNITY

A dedicated hashtag

#WeArebloMérieux

Figure 4: The BioMérieux Mission

Source: (A. Sergeant, 2019)

The picture above shows the path BioMérieux decided to go. The first two steps are already proven to be very well done managed. BioMérieux is known to be a leader in the field of bio-diagnostics and the message about its successes and discoveries are spread by news, journals, reports as well as in a way of word-of-mouth awareness.

Now the firm decided to take another huge step towards the "tone" of their communication and proceed towards community participation and their ambition fulfillment.

## 5.3.1 The firm's communicated goals

The goals BioMérieux communicated and explained to the observers were as follow:

- To develop better Diversity & Inclusion platform,
- To develop better local and international reputation,
- Globally strengthen firm's visibility,
- To increase its attractiveness and improve the employee's experience,
- To build an employee advocacy program, and
- To contribute to retaining talent.
  - (A. Sergeant, 2019)

# 5.3.2 **SWOT Analysis**

To provide a peek into the BioMérieux situation, the SWOT analysis has been formed by the obeservant. These stated facts and many other will serve as a base.

Figure 5: SWOT Analysis

Strength	Opportunities	
<ul> <li>Gender equality: almost the same salaries (2% of difference) and actions to compensate for the inequality which can resist (thanks to promotions).</li> <li>Disability: they almost reach the 6% of RQTH workers and they give certain budget for their disabled employees directly</li> <li>Work-adjustments (1 more per disabled and pregnant)</li> <li>Code of Conduct (working in France only)</li> <li>Partnership with universities across France → associations for young people</li> <li>Initiatives towards those from less privileged backgrounds (South Africa)</li> </ul>	<ul> <li>Fresh start → experience from other companies</li> <li>Long-term/short-term "visiting" employees across the subsidiaries (sharing experience, a new point of view, learning/teaching)</li> <li>Universities, fairs, conferences attendance</li> <li>Internships → becoming a regular employee</li> </ul>	
Weaknesses	Threats	
<ul> <li>Not enough communication on the policy and the actions that are in place - within countries.</li> <li>Lack of promotion - weak content (promotion on social media via testimonials only is not really promotive)</li> <li>The goal of diversity policy non-explicit</li> <li>Gender equality: even if BioMérieux broke the glass ceiling effect for the salaries but not for positions. In fact, BioMérieux the executive committee is composed of 11 men, and only 1 woman.</li> <li>Not thinking ahead: LGBT, religion, disagreement disabled vs. regular employee, age diversity, education, origin (expatriates)</li> <li>Code of Conduct but not very precise in terms of bindings among other countries → globally what they are saying are mostly plain words (for now)</li> </ul>	Local/state law + restrictions/regulations     Concerning mainly gender equality and (LGB)T Community: state of mind/perception - especially among third-world countries (based on religion, norms, etc.)     Global perspective yet not being aware of the situation at the other subsidiaries     Wrong terminology     Strictly following quotas on diversity mean positive discrimination as well	

Source: Own Creation

Strengths of the firm are mainly the willingness and effort to form a better and mainly equal work environment. The strengths sum up the almost equal salaries among men and women at the same positions and further actions which are about to be taken in order to erase the remaining 2% indifference. Another area in which BioMérieux is good at, is the inclusion and opportunity giving to the disabled people. According to the French law, a firm is obliged to do so in a certain way to a certain extent. At BioMérieux, 6% of all employees are workers with handicap. Furthermore, each employee with handicap is given a specific budget which helps to establish an adequate work-space according to the person's needs. The formation of basic Code of Conduct which should serve as a guidance to all to behave in a way that follows the set norms and values is definitely a good start but to make it perfect, BioMérieux needs to take into account more details and factors. This is going to be explained further among the Weaknesses. The best step taken by the firm is the connection they form with local universities and the developing initiatives towards those from less privileged social

backgrounds. The cooperation with for example, Catholic University of Lyon, is an important one. They have installed such program for two reasons: first is the idea of introducing almost-graduating students from variation of the majors to the firm and what the firm does. That way, the students might get the idea of becoming of them and try to get in for an internship of as a regular employee. Second reason is to gain new perspective and ideas by getting "new young hearts" involved.

There are many factors among Weaknesses such as the lack of communication among subsidiaries. Within the headquarters in Lyon, the situation is well handled, and the communication is on a good level, as witnessed. Yet, between the French station and the other worldwide ones, it is not so good. An example will be provided in the section of recommended improvements. Although among the strengths of BioMérieux is the equality in salaries, it cannot be said about the equality in the percentage of men and women at the managerial positions. To provide an example, there 11 men sitting on high-chairs and only one woman who is a head of Human Resource Management. However, a good thing related to this fact is, that the firm knows this weak point of theirs and aims to break the glassceiling. Third weakness to be considered is the lack of promotion of the firm. BioMérieux definitely has a good name on the biological and chemical market but is not very well-known among regular people which subsequently means the lack of potential job applicants. Lastly, there remain two things which are connected one the other. The Code of Conduct which has been conducted by the firm's management is not very precise in terms of bindings among countries and is definitely not accurate in terms of detecting every, or at least most of the issues which might occur. Another weak point of the Condex lays in its terminology which is also going to be explained later – in the section of recommendations. But most importantly, in the theoretical part it has been explained that the avoidance of certain situation, issues, needs and differences is a kind of discrimination as well. According to this stated fact, the most important and worst weakness comes right to this. BioMérieux is a typical French environment a hence, considers inappropriate to talk about religion or sexual orientation. As a result, there are issues which would be hard to solve due to the lack of preparedness, openness and precedence. The situations to appear may be for instance, religious people not having the time and space needed for their prayers or being talked out of it or picked-on because of their belief, or people could get mistreated because of their age and with that connected slower pace in work. The LGBT+ community is then the toughest one since French people think about this issue as it does not exist. They believe, that because it is still

quite rare in their country, that is does not affect them and thus, they do not have to pay much attention to such issue and with that for-leading problematic situation.

To use the "sandwich criticism" and end with the good, let's look at the Threats. This section is tightly connected to the weaknesses of BioMérieux. Here it could be spoken about the threats of the collision between the Global Code of Conduct and local, state or even supranational law or specific restrictions and/or regulations. Not less importantly, once more, the standards and values are not the same in every single country, not even regions among one country. Second threat is connected to lack of communication, wrong terminology, the lack of interest in issues which have not been experienced yet. Lastly, the threat might be hidden even the trying too much, for instance, in trying to reach the equality among women and men in the executive positions not considering the aspects of earlier explained positive discrimination.

To finish the SWOT analysis, the remaining part talks about the Opportunities for the firm. Firstly, as there are existing threats in not-knowing and in not being prepared, BioMérieux could annual (or else) conferences, meetings and trainings to educate themselves and erase the threat itself. Moreover, there could be fairs and conferences to do for the universities they have the agreements with and erase the weakness of not being well promoted and similarly, could offer some guidance, mentorship or offer internships for those interested. Many firms have already started their approaches towards better and more ethical and unified society which means they have already experienced where it could lead, the wrongs and the goods. Thanks to this, BioMérieux is able to research the situation on the market, do a simple benchmark, learn from the mistakes from others, get motivated and inspired and simply, start from the bottom and use the knowledge and advice from others and become a leader in the field of Diversity and Inclusion. Because, as stated before, being ethical matters to today's society and with that, it could bring at least a little advantage either in the area of BioMérieux reputation just like that or even some economic benefit.

### 6 Results and Discussion

The results based on the observation show that BioMérieux is not far away from reaching its goals. They are taking all the necessary steps towards what they aim to achieve. The first step in a form of the Global Code of Conduct development and second, in wanting to achieve more and third, in trying its best on approaching others and listening to their opinions and suggestions. BioMérieux has and shows concerns about its employees, customers and partners. They step out the line and went even further by approaching a few selected international students from the local business school and invited them to join in, experience their work-environment and mission and give a feedback on what they have witnessed, what they liked or/and disliked.

### 6.1 **Recommendations**

Based on the documents and information provided, the proposition of few ideas which could help BioMérieux to be more diverse and inclusive in the closest future possible sounds as follows. For this thesis, the recommendations are solely for the original French subsidiary.

### a) Formation of Human Resource subsector → D&I manager

It would have been highly underestimated to think that the Human Resource managers have the capacity to make this all happen by themselves by keeping the number of them. To make things easier for their sector, an invention of a new position of a "Diversity and Inclusion" manager is a must. More specifically, the situation asks for a whole new team of the D&I at least temporally, or long-term, based on the need and urgency. That way, the whole process of integration and implementation could receive all the attention needed without being stopped or rain checked due to other urgent issues.

#### b) The Global Code of Conduct improvement and actualization

- Firstly, the BioMérieux Code of Conduct is intentionally called "Global" but in contrary, the French subsidiary has almost no idea what is going on at the other stations. This has been witnessed by asking on of the top managers about the situation in other subsidiaries and receiving an answer: "Sadly, I am not really sure". Not to mention yet another problem with the importance of local laws and

regulations due to which the globalization appears to be almost impossible. For these and many more reasons, it is very important to go through the whole Agreement, make new decisions, statements and procedures in order to make them more suitable globally as well we regionally, and "up-to-date".

### c) Creation and Implementation of Charter of Diversity and Inclusion

The Code of Conduct does not consider the importance of having something called "The Charter of Diversity and Inclusion". For that reason, a completely new one has to be created and negotiated through, yet again, based on the values, norms and standards of local society. Unfortunately, this Charter cannot be developed globally due to very many ethnical and religious boundaries, restrictions, requirements and beliefs since every country has its national law and standards. Luckily, the supranational (European Treaties) law exists at least within the European Union countries and help to unify the laws to avoid contradictions. Moreover, once created, it must be more oriented in terms of employees rather than in terms of the firm's clients. Ideally, it should be in favor of both while up until now, BioMérieux's Code of Conduct is mainly customer oriented.

The already existing document definitely covers some very interesting and important topics yet the re-arrangement of it needs to be done in order contain more. For example, the background for religion and most importantly, the inclusion of LGBT+ Community, even more accurately than only the transgender or un-identified people. The thing about BioMérieux, and about French people in general, is that they do not consider these topics to be worth mentioning. As experienced by foreign people living in France and while mentioned by Valérie Leyldé, the Executive Vice President (Human Resources and Communication) of BioMérieux to the observer. Religion is taboo to all and they do not speak openly about such thing, and anything gender or sexual orientation related is completely out of bounds. Not because they do not like to witness it, or that they homophobic – they simply think these things are not an issue in France. They do not understand the fact that it is not about: "It is not happening in France." But it is more likely about: "It is not that common in France yet.". Hence, with a lack of set guidelines, the company, neither its

employees, will know how to "call" the transgender or un-identified people if in direct contact, what is going to happen while transitioning of their transgender colleague, while cross-dressing, or what happens if a man feels to be a woman and thus wants to be using women's toilette. They should make sure that every employee gets, reads, understands and lastly, signs the newly created Charter of Diversity and Inclusion.

#### d) Cooperation with AutreCercle

The AutreCercle.org is a French external association which provides the formation of written charters for companies and helps with the informative and training sessions as well as problem-solving and the provision of legal background. Their main interest lays in the waters of LGBT+ Community but they do not discard any other suggestions circling around gender and sexual orientation issues. (L'Autre Cercle) Consequently, it would have been an easy ride to create the Charter with a help of professionals in such area of interest.

### e) Existing documents' translation

As it commonly happens, especially in France, all the administrative, legal and procedural documents are written only in the local language, French. Only a few, most significant ones, are translated to English. While it is a good move to have the Code of Conduct written in the international and wildly used language, it is important to provide an access to the other documents for foreign, non-French speaking, workers and/or customers and suppliers as well. Since it is an international company, BioMérieux has to take into account that the chances of having international employees who do not speak French are pretty high. Translation of all the existing documents to English versions is a step forward and even bigger step would be for the newly written Charters and the Code of Conduct to be available in more languages according to the coverage. Another recommendation is to better and wiser usage of English vocabulary, to get rid of the use of stereotypes.

To give an example, during the time spent in the company, the witnessed division of people into "black, white, yellow and colorful" caught and scratched

many ears and thus, appears to be very unwise and a little bit out of bounds and unethical.

- f) Better communication performance within the company and among subsidiaries
  - If promoted an international company, to know what is going on among the subsidiaries in other countries, what are their regulations and how does the firm doing in general is crucial and what is more, it is not so hard to implement at least semiannual conferences calls among the leaders in order to spread not only the basic information, goals, successes and failures but also, to get to "know" each other and be aware who they actually deal with in case of international cooperation. On top of that, there could be some communicational platform for businesses, such as Slack Channel, Cisco Jabber, Skype or Microsoft Teams, introduced for better, easier and quicker communication and for creation of a cultural feedback.

# g) The introduction of conferences, talks, sessions, training

- The conferences and information spreading needs to be done even within the company itself. Not only the employees shall we aware of how company situation on the market but also, this might serve to the business ethics on two levels. Firstly, know what is going on will make the employees feel included, important, valued and thus, more motivated and loyal. Secondly, the conferences, trainings and other educational activities which are held with regards to the business ethics will provide the "hands-on" experience as it is for example with CPR. These internal training should be compulsory and could be held by external sources or, if demanded and possible, voluntarily by someone within the company who represents the token or suffers in another way.
- Examples of issues which could be targeted of the mentioned sessions:
  - A transgender person who undergone or is undergoing transitioning gives an insight into the process and consequences. Gives advice of how to behave around them according to their needs and what advantages/support, in terms of special needs due to their condition, to offer and so on.

 A person with cystic fibrosis talks about his/her necessities and struggles and provides to his/her listeners the information about what to do if the person gets into a critical condition.

#### h) The invention of Guidelines in accordance with the new Charter

The creation of Charter of Diversity and Inclusion is one thing. Another thing is to formulate specific guidelines to avoid and/or prevent possible confrontations and shall also provide guidelines aligned with key milestone of regularly reviewing policy: ensuring all existing policies are inclusive of same-sex couples and diverse gender identity and expression, including non-binary identities as well as supporting the development of specific policies and supporting material including "Transitioning at Work" guidelines. Not less important are then guidelines which specify the procedures and actions to be taken by the managers if monitored, and by employees if witnessed or experienced if confrontation with the Charter or disrespect to the standards set happens.

### i) Adoption of an effective hiring algorithm or a platform

Having a diverse work environment is undoubtably advantageous and aligns with the today's business ethics. Yet, a firm cannot decide who to hire only to fill the company's diversity gaps within its workers. That way it could be summed under the name of "Positive discrimination" which, sometimes, might be also very unethical, but it is an easy situation to get into. An effective hiring algorithm could prevent BioMérieux of hitting the discomforting grounds of deciding between what is needed and what is right. One of the few firms, mentioned in the section of benchmark, approached recruiting scientifically and developed an algorithm for predicting which candidates had the highest probability of succeeding if hired. And as if that was not enough, this algorithm does not consider the ethnicity or age, it simply works on the information provided by the candidate and aligns it with the requirements and skills set by the company. And what is more, the algorithm dramatically shortens time spent on the hiring process and hence, money.

Since some bias can unconscious while some precise and conscious, technology might help to avoid any of those and hence, create a fair and accurate hiring model.

- j) Open office: long-term/short-term "visiting" employees across the subsidiaries
  - Giving the employees the opportunity of going abroad to another subsidiary to work and by that to gain and share the cross-cultural experience starts to be very common approach among corporations and can be seen more and more. This is exactly, what BioMérieux needs to understand other cultures, implement diversity and learn how to work in a diverse environment and to follow the other proposition of better communication among all the subsidiaries.

Open positions also form the possibility of an internal source of recruitment, internal referrals and can lead to adverse impacts and diversity.

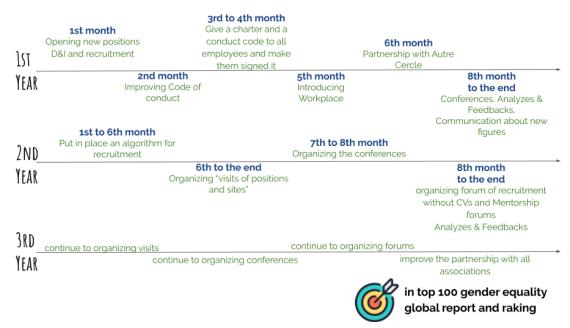
Furthermore, as the of BioMérieux is to be perceived as diverse and transparent, every hiring and promotional action and/or decision should be communicated via intranet to its employees in order to be open about the reasons for that certain decision, avoid speculations and vindicate a possible accusation of discrimination. Beyond that, BioMérieux should give visibility of its diversity policy to the public to improve their employer image and in addition to it, create an internet reference or provide an annual report which has a detailed outlook of BioMérieux diversity representation of its process and steps that outline their actions of diversity and inclusion.

From another point of view, BioMérieux participates in many activities concerning mentorships and the provision of internships. The highly seated employees provide guidance to those on junior positions or to students with potential from parent universities.

### 6.1.1 Roadmap

To show, in practice, how to process may go and when the individual steps come to the spotlight, the BioMérieux Diversity and Inclusion Roadmap has been created. Even though it only covers the most significant innovations and approaches, it might provide a vision to the future and how it could look like.

Figure 6: BioMérieux D&I Roadmap



Source: Own Creation

# • First year:

#### o 1st month:

 Opening new position of D&I Manager and subsequent recruitment processes and diversification.

#### o 2nd month:

- Improvement of the Code of Conduct and rewriting the Charter
- Translation of all documents about D&I into English and all the languages of subsidiaries and into Braille.
- Public posting of the formed Charter and reformed Code of Conduct
- Rebuilding of the website to be also more oriented in terms of employees rather than in terms of consumers.

#### o 3 to 4th months:

- Signing of the Charter and the Code of Conduct by all employees
- Introduction of programs that provide an opportunity for leaders to meet and learn from their peers across the organization (internationally), and to gain diverse perspectives and build relationships.

#### o 5th month:

 Analyze all opened positions that can be held by expatriates in all subsidiaries and communicate the list to other sites and by introducing Workplace design which will drive collaboration which focuses on increasing collaboration between employees from different functions and backgrounds.

#### o 6th month:

- Launch of the partnership with Autre Cercle

# o 8th month to 2nd year:

- Organizing conferences to familiarize all the employees with what diversity and how to behave according to it with regards to the community and co-workers.
- The employees should assist and participate at least at one conference per year.

# o End of the first year:

- Analyses of results and achievements from the year.

## • 2nd year:

#### o 1-6th month:

- The hiring algorithm implementation.
- Predictive modeling to analyze internal recruiting processes and to continually improve their forecasts of upcoming people management problems and opportunities. It also uses analytics to produce more effective workforce planning.

### o 6-end of the year:

 "Visits of positions and sites" around all the word: several per year to increase the appealing in some subsidiaries.

#### o 7-8th month:

- Forum of recruitment without CVs (once per year).
- Mentorship forums.

# o End of the second year:

- Analyses and feedback of the year.
- Communication about new figures (for example the number of women in executive committee) and achievements internally and also externally.

# • 3rd year:

- Continuous organization of visits, conferences, forums, improvement of the partnership with all associations.
- Broadcast and communication on all the actions, policies, achievements.
- Creation of the new action plan.

At the end of the 3d year, BioMérieux will hopefully be in top 100 gender equality global report and raking in the means of perfect equality between men and women in their salaries and not (only) the positions. The aim of improvement goes also towards the increase of expatriates in all subsidiaries, better and clearer communication in both internal and external channels and mainly, towards becoming the top employer in Europe.

# 7 Conclusion

The purpose of this work was to examine the issues of Business Ethics. In theory, there are many angles and possible point of views on this topic. However, whether to be socially responsible or not has never been the question in this Thesis. It has no significant meaning to since BioMérieux has already decided, that being ethical is the road they want to choose. A specific focus of this work is dedicated to the Diversity and Inclusion processes of the firm because of the BioMérieux decision to improve them. This following chapter is going to present the conclusion.

In the first place, BioMérieux is a multinational biotechnology company which makes it hard to keep on track and behave ethically in every subsidiary, based solely on the Global Code of Conduct which has its basis in the French law. Moreover, French nationality is very specific which may sometimes lead to more issues in necessary. If stereotyped, for French people talking to an American could be stressful and inconvenient because of the American openness and easy-going type of behavior. As experienced, Czech nationality, the typical sense of humor and sarcastic statements make them feel inadequate, irritated or offended as well and from the completely opposite part of the world, Asians are too serious and prim.

For French people, the problematic or controversial topics are our of bounds to talk about which as formulated in both part of this Thesis, may lead to huge and deeply rooted problems for the internal as well as the external environment of BioMérieux and also, any other company.

To sum things up, being ethical and socially responsible is in today's (not only) business world a good approach for very many reasons and even if it was not economically beneficial, companies usually decide that it really is the right thing to do. If only because of the good reputation and the future of all in general. And so did BioMérieux.

BioMérieux knows that ethics is seen as an important part of contemporary business practice and what is more, BioMérieux is aware of the effect of diversity and inclusion on all the relationships within the company and on the customers, partners, shareholders, and many others. Consequently, the firm decided to never stop developing their own Diversity and Inclusion practices and policies locally, but also to talk about it more also with the other subsidiaries and one day, hopefully, to form something more reliable and applicable to all of them.

The aim of this thesis was to come with some new and innovative ideas and recommendation which help BioMérieux to reach their goal of becoming the leader in ethical behavior, for now, on the health market. They starting points were measured to be well done but yet, with a lot of space for improvements. For that reasons, recommendations have been formulated and proposed to the firm. If at least a few of them were taken seriously and were assumed to be useful and realistic then the company could level up.

Last but not least, BioMérieux as previously stated that the managers are aware of the fact that being socially responsible is a continuous and never ending process which has to become the core action of the company and that is the statement they decided to live by.

The last thing concerning this Thesis and its results, as of January 1st, 2020, BioMérieux took into account a few of these proposals and improved the Global Code of Conduct, the language availabilities, transparency and other and with that, moved closer to their set goal – to be the best ethically running company on the field of health and more.

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