

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

**Business Ethics and Corporate Social
Responsibility: Royal Dutch Shell Case Study**

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BACHELOR THESIS ASSIGNMENT

Diana Stashkina

Economics and Management
Economics and Management

Thesis title

Business Ethics and Corporate Social Responsibility: Royal Dutch Shell Case Study

Objectives of thesis

The thesis will investigate issues of Corporate Social Responsibility through a case study of the Royal Dutch Shell Company. In response to traditional ideas that the main or only responsibility of business is to produce profit for their shareholders, many contemporary approaches stress that ethical business involves broader responsibilities, often described in terms of 'corporate social responsibility', or responsibilities towards 'stakeholders' such as customers and communities. On the other hand, many argue that this misses the point of business, and that such ethical issues are better tackled by other groups within society.

The thesis will present and investigate debates about the role and place of Consumer Social Responsibility in society, and analyse the policy of a large multinational company, in order to both understand how such policies are implemented and make recommendations for improvement.

Methodology

Develop literature review considering issues of business ethics and corporate social responsibility.

Case study analysis of Royal Dutch Shell's corporate social responsibility program, with particular emphasis on sustainability, safety policies, environmental impact, and consideration of social issues.

The proposed extent of the thesis

40-50 pages

Keywords

Business Ethics, Corporate Social Responsibility, Cas Study

Recommended information sources

CARROLL, Archie B. and Kareem M. SHABANA. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews* 12(1):85-105.

CROWTHER, David. (2008). *Corporate Social Responsibility*. Güler Aras & Ventus Publishing ApS.

FREDERICK, Robert. (2008). *A Companion to Business Ethics*. London: Wiley-Blackwell

HARRISON, Mike. (2005). *An Introduction to Business and Management Ethics*, Palgrave MacMillan

Expected date of thesis defence

2020/21 WS – FEM (February 2021)

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Declaration

I declare that I have worked on my bachelor thesis titled "Business Ethics and Corporate Social Responsibility: Royal Dutch Shell Case Study" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague, 28 of November 2020

Acknowledgement

I would like to thank Daniel Rosenhaft Swain, Ph.D.,MA. and all other persons, for their advice, sincere, valuable guidance and support during my work on this thesis.

Business Ethics and Corporate Social Responsibility: Royal Dutch Shell Case Study

Abstract

In this thesis deals with business ethics and its importance in building and running a business. The theoretical part talks about important concepts, terms, where it came from and the principles based on which it was built. It also presents some examples of business ethics encountered by workers in their workplace. And, that business ethics is not limited to the company and employees, that this concept is much broader and captures many more participants and interactions. In the practical part, we will talk about the Royal Dutch Shell company and the fact that not all companies that position themselves as socially responsible and even have documents in which the main points of CSR are spelled out are. This part describes the company's CSR, the largest scandals in which the company was noticed and recommendations for improving the company's CSR program were proposed.

Keywords: business, ethics, CSR, workplace interaction, oil, gas, international company.

Etika podnikání a sociální odpovědnost podniků: Royal Dutch Shell Case Study

Abstrakt

Tato práce se zabývá etikou podnikání a jejím významem při zakládání a řízení podniku. V teoretické části se hovoří o důležitých konceptech, pojmech, o tom odkud pochází, a principech, na jejichž základě byla postavena. Představuje také několik příkladů podnikatelské etiky, s nimiž se pracovníci setkali na pracovišti. A také skutečnost, že etika podnikání se neomezuje pouze na společnost a zaměstnance, že tento koncept je mnohem širší a zachycuje mnohem více účastníků a interakcí. V praktické části si povíme o společnosti Royal Dutch Shell a o tom, že ne všechny společnosti, které se považují za společensky odpovědné, jsou takové, přestože mají dokumenty, které popisují hlavní body Společenské odpovědnosti firem (SOF). Tato část popisuje SOF společnosti, největší skandály, ve kterých byla společnost zaznamenána a ke kterým byla učiněna doporučení ke zlepšení jejího programu SOF.

Klíčová slova: podnikání, etika, SOF, spolupráce na pracovním místě, ropa, plyn, mezinárodní společnost.

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1. Introduction.

The history of business ethics is extremely long reaching back to the dawn of civilization, much like scripture and various religious books do. Since it was these books that spoke of truthfulness and honesty between people, as well as the prohibition of theft, personal interest at the expense of others, and malicious intent, these religious sources have a direct relevance in the business world. Even though the history of business ethics stems from such an early origin, nevertheless, it is still, after all this time, in a developmental phase. Business ethics is applied in different fields and different contexts, it has also changed over time until it has reached the form it has now. But since everything changes and develops rapidly in the world, it can be assumed that change will affect business ethics as well.

The first textbook on business ethics was written by Frank Chapman Sharp and Philip D. Fox in 1937 and the title of the book is Business Ethics Studies in Fair Competition. This book serves as proof that many contemporary topics were relevant more than 80 years ago.

The term “business ethics” began to be widely used in the United States in the early 1970s. By the mid-1980s, at least 500 courses in business ethics were enrolled in by some 40,000 students, using several textbooks supported by professional societies, centers, and business ethics journals.

Directly or indirectly, business ethics applies to every person living in society and it clearly affects decision-making in society and in the lives of both one individual and in society as a whole.

Over the past twenty years, business ethics issues have increasingly attracted the attention of researchers, managers, and public figures. Mandatory ethics courses are taught at all leading business schools. Ethical judgment and reputation today play an important role in the conclusion of transactions, the selection of business partners, the application of regulatory sanctions, etc. A relatively new principle of modern business ethics is the principle of social responsibility.

Business social responsibility begins to be actively and successfully implemented all over the world. Companies not only solve the problems of society by investing in the development of education, medicine, science, production, supporting socially disadvantaged groups and taking care of environmental measures—they receive certain benefits from these activities.

In my opinion, the interdependence of society and business presupposes an objective choice of business in favor of a socially oriented and moral economic strategy. In addition, it is important to note that the fate of many people often depends on the actions of managers, and on what decisions they make.

In the light of the above, the chosen topic of the thesis seems to me very relevant. The aim of my research is to reveal the meaning of the concept of corporate social responsibility in modern business, to consider the main controversial issues related to corporate social responsibility, as well as to apply this principle in practice, using the example of ethical codes and reports on corporate social responsibility.

The implementation of this goal involves solving how to:

1. Study and prove the theoretical importance of ethics and its role in business
2. Derive the definitions of the concepts of “business ethics” and “social responsibility”
3. Analyze the main theories of business ethics
4. Learn principles, elements, types of business ethics
5. Study corporate social responsibilities and corporate behavior at Royal Dutch Shell
6. Analyze the implementation of the principle of social responsibility in practice on the example of the Royal Dutch Shell company.

The work consists of 2 chapters, 8 paragraphs, Introduction, Conclusion and References of 50 titles.

The hypothesis of this diploma is that companies that position themselves as socially responsible companies do not always fulfil all the conditions required for this. There is still corruption, anti-Semitism, etc.

The works of T. Schrading, D. Crowther and others served as a general basis for this work. To accomplish tasks and give examples, I used existing works on the problem of social responsibility of business, such author as R. P. Maheshwari, as well as Internet resources.

2. Objective and methodology

2.1. Objectives of the thesis

The primary purpose of this work is to examine ethics in management using the Corporate Social Responsibilities (CSR) program of the Royal Dutch Shell Company as a framework.

The specific goals are as follows:

- to define the main theoretical issues of ethics in management, including the importance of ethics and its role in business; the general definition of ethics; the role of ethics in business; various theories of business ethics; the principles, elements, and types of business ethics; current issues in business ethics; the CSR program; and corporate behavior.
- to analyze the CSR program of the Royal Dutch Shell company in terms of its sustainability, safety policies, environmental impact, and consideration of social issues.

2.2. Methodology

During the diploma, various qualitative and quantitative research methods were used. These methods included theoretical analysis of fundamental writings on business ethics; reading journal articles and periodicals on current issues in business ethics; analysis of documentaries and other audio-visual sources.

The research strategy was informed by the principles of the scientific method. The hypothesis was that the CSR program of the Royal Dutch Shell Company requires improvements to meet the modern standards of business ethics. To explore this question, I performed an objective and comprehensive factor analysis of the state of the Royal Dutch Shell CSR program. Use of the abstract-logical method made it possible to assess the theoretical aspects of the CSR and to determine the main characteristics of the processes and phenomena occurring in the field of business ethics. The system-structural method was used to analyze the state of the CSR and to identify structural changes. Next, economic methods and statistical analyses were used to explore trends in the development of the Royal Dutch Shell Company, assess its dynamics, and identify any imbalances and contradictions. Finally, using this collected information, predictions were made regarding the Royal Dutch Shell Company's future development and methods for improving its CSR.

3. Theoretical importance of ethics and their role in business

3.1. The meaning of ethics in general

First, let's understand what is ethics? To begin with, we will analyze this term. Ethics is a discipline that answers certain kinds of questions. We begin by addressing the kinds of questions ethics asks and what makes people able—and required—to answer ethical questions.¹

Ethics includes the following issues:

how to live a good life

human rights and obligations

good and evil

moral decisions - what is good and what is bad?

¹ SCHARDING, Tobey. *Business Ethics*. Part I, 1.

We can look at business ethics from different angles. For example, on the one hand, it concerns the organization, or rather, what the organization should do, and on the other hand, the actions that should be performed independently of the organization.

According to David Crowther, Ethics shows to the employees of a corporation the right way to behave during business communication. It is very important to emphasise that business ethics is characterised by conflicts of interests. The main goal of any business is to maximise profits on the one hand, while it faces issues of social responsibility and social service on the other. Ethics is the complex set of rules that prescribes what is right or wrong for people. In other words, ethics is the set of values that form the basis of human relations, and the quality and essence of being morally good or evil, or right or wrong. Employing the right rules of business ethics means to conduct oneself with honesty, confidence, respect and fair play in the face of any obstacles. However, such values as honesty, respect and confidence are rather general concepts without definite boundaries. Ethics can also be defined as the overall and fundamental principles and practices aimed at improving the level of well-being of humanity.

Ethics is the structural and natural process of acting in line with moral judgements, standards and rules. As it is a concrete and subjective concept, “business ethics” can be analysed with a range of approaches and has varying degrees of importance in different fields”.²

Business ethics is the set of moral values and standards that are used to conduct business and are widely accepted in the corporate world.

Academically, ethics is the branch of social science which deals with matters of social values and moral principles. It teaches the difference between right and wrong. The formal definition of business ethics says that it is the study of proper business policies and practices regarding potentially controversial issues, such as insider trading, corporate governance, bribery, corporate social

² CROWTHER, David. *Corporate Social Responsibility*. Güler Aras & Ventus Publishing ApS., 2008. ISBN 978-87-7681-415-1

responsibility, discrimination, and fiduciary responsibilities. It is also defined as the critical, structured examination of the behavior of the people and the organization in the world of commerce.

Business ethics provides a basic framework for the business organization to conduct business that helps it to be accepted by the public. Mostly, it is led by the law. The ethics of different businesses may vary. It is not just restricted to the global conduct of a business but also covers small issues of conduct, such as dealing with a particular customer on a one-to-one basis. It tests the constraints put on the organization and its employees' pursuit of profit and self-interest, as their decisions affect other people, too.³

In other words, it is a set of generally accepted laws, charters, and values. Values mean responsibility, honesty, respect, objectivity, and legality. The basis of business ethics is not only the observance of their interests, but also the interests of partners, customers, colleagues, and employees, because it depends on discipline and relationships in teamwork efficiency. The leader should perceive the employees of his company as individuals, with their own rights and dignity. If the mental or emotional state of a person is violated, the manager will, in turn, not receive good productivity and effectiveness from the employee. Corporate ethics enhances employee self-discipline and self-organization.

3.2.The role of ethics in business

Ethics is an important link for organizing a business. When ethical management is properly set up in a company, an organization can increase efficiency in the long run. Creation of an ethical organization requires time and effort. With appropriate ethical training, trust between employees and managers within the framework of a business organization can be successfully established, which is important for effective work. It should be noted that while unethical employees, customers, etc. are able to prevent business organizations from

³ <https://courses.lumenlearning.com/boundless-business/chapter/business-ethics/>

achieving high efficiency and productivity, of course, an unethical organization can make big profits, but only in the short run.

All this is very logical and understandable, because in a well-functioning business that covers the costs of the enterprise and still makes a profit, there are interested links of this very enterprise, between which there is a connection that needs to be supported for the successful continuation of the business. These links are customers, consumers, society, the environment, shareholders, owners, employees, company representatives, etc. A productive and ethically correct company attracts the best employees, for the efficiency of its activities, it attracts capital by satisfying investors, of course, it receives income by satisfying its customers. And also an ethical organization has a long-term goal, and not an instant profit, thus employees see a guideline where to move, are inspired by bringing new ideas for effective work. Unlike those companies where everything is focused only on profit, as a result of which salaries are often cut (although the capacity of work remains at the same level), they often resort to unethical actions and actions in an attempt to quickly achieve a goal.⁴

Business ethics is not just a concept used to improve a corporate image but is a key element of success. Business ethics should be applied from the very beginning of the opening of an enterprise, since business ethics in fact depends on the actions of people working in the organization.

Obviously, leaders set the tone for ethics in their organizations. If the organization promotes the wrong people, for instance, it is immediately implied that unethical behavior is not only allowed but encouraged. If a company leader really wants to succeed, then he cannot afford to be unethical. Examples of unethical behavior are, for example, abusive behavior and employee theft.

Nowadays, in the business world, there are a lot of companies with managers who use their position and power to abuse employees and treat them with disrespect. Such situations occur especially because of the race, gender, or

⁴ Business Ethics: A Manual For Managing A Responsible Business Enterprise In Emerging Market economies , U.S. Department of Commerce, International Trade Administration, 2004, Page 4-5, ISBN- 0-16-051477-0

the ethnic origin of the employee, and often there is no legal protection against abusive behavior in the workplace.

A recent study conducted by Jack L. Hayes International showed that one out of every 40 employees in 2012 was caught stealing from their employer. The most amazing fact is that employees steal on average 5.5 times more than shoplifters (\$715 vs \$129).⁵ There are a lot of cases of employee fraud, cheque tampering, not recording sales in order to skim, or manipulating expenses reimbursements. The FBI recently reported that employee theft is now the fastest growing crime in the US.

So, business ethics are essential to make the workflow between employee and employer more appropriate. Compliance with ethical business laws is directly related to employee motivation. Ethics is based on the employee's stated values. Therefore, it is possible to distinguish between those employees who understand ethics and those who do not. The former reaches the level of self-understanding of the goals they want to achieve; they compare their values with other possibilities and shape their actions on the basis of the decisions made. The latter do the same, but they do not realize their goals. Therefore, in this case, the question of the need for ethics becomes redundant. An employee may not understand the ethical standards that he follows, but he cannot fail to comply with them.⁶

3.3.Theories of business ethics

Theory and principle are very closely related to each other, because a principle is a foundation or statement through which a theory can arise. Therefore, in my work, I write about theories of business ethics and, of course, about the principles, which are also the basis for the elements of ethics. Elements of ethics more clearly indicate the qualities that an ethical person possesses.

⁵ <https://www.bizjournals.com/philadelphia/blog/guest-comment/2015/01/most-common-unethical-behaviors-in-the.html>

⁶ *The Business Ethics Workshop. Is Business Ethics Necessary?*
https://saylordotorg.github.io/text_the-business-ethics-workshop/s05-03-is-business-ethics-necessary.html. Accessed 25 July 2020.

As we have already seen, mutual understanding and good relations between employees in the company are of great importance for the success of any organization in modern business. This is why great attention is now paid to ethical principles.

However, the number of ethical mistakes has not been reduced, and this makes it important to understand the problems in the context of decent methods for doing business. In practice, business ethics has become a component in the formation of theories, including:

1. Utilitarian Theory
2. Theory of Rights
3. Theory of Justice
4. Theory of Care

Utilitarian Theory:

One of the most influential theories in business ethics is the theory of utilitarianism. Jeremy Bentham (1748-1832) is considered the founder of this theory.

The theory suggests that the plans and actions of business should be evaluated in terms of their consequences. It is based on the concept of minimum cost and maximum benefits. A business's plan and its actions must provide for the greatest good of the greatest number of people. It involves ethical principles like telling the truth, honesty being the best policy, keeping one's promises, as well as higher productivity targets.

Theory of Rights.

Rights are a powerful tool for social regulation. Their purpose is to provide an individual with the opportunity to freely choose a goal or type of activity, within reason, and to guarantee this choice by protecting him. The most important among the various kinds of rights are the so-called moral rights (or human rights). These are rights that all people are assumed to have just because they are human.

The Theory of Rights claims that the social, legal, or human rights of an individual should not be violated by any policies or actions of business organizations. These include, for example, the right to work, right to receive fair wages, right to property, right to unite, etc. The rights of each segment of society must be honoured by business as a part of good ethics.

Theory of Justice.

The concept of ethics of justice is exclusively concerned with the relationship between business and society as a whole. The moral rights of the individual serve as the basis for justice. The essence of the concept is that a person is a social being who lives and develops in a society and therefore is obliged to ensure its functioning. The basic principle of this is equality and, as its expression, fairness. Consequently, the moral duty for all parts of society is obedience to the law, which denies privileges and discrimination. That is, it must be fair to all parties. Business decisions must be impartial, fair, and equitable to all parties. Decisions must satisfy the requirements of distributive justice, retributive justice, and compensatory justice.

Distributive justice: This requires the fair and equitable distribution of the wealth of society. Equals are to be treated equally. Social benefits and burdens must be equally distributed.

Retributive justice: This ensures distributive justice by imposing penalties, without any discrimination, on those who do not observe the rules of distributive justice.

Compensatory justice: This ensures fair compensation to each according to his needs, abilities, and capabilities.

Theory of Care: Business plans, policies, and actions must take account of the interests of the workers. It must improve their morale, provide them with good working conditions, fair wages, and good human relations. It must provide

them with opportunities to grow and share in the prosperity of the business. Business must take care of each worker as well as each customer at all times.⁷

Therefore, there are 4 main theories of the implementation of business ethics; Utilitarian Theory, Theory of Rights, Theory of Justice, and Theory of Care. Having different opinions, theories, and approaches to the study of business ethics is of great importance, since the moral problems of business are complex and diverse.

3.4.Principles of business ethic

Business ethics is a complex system of principles that govern the behaviour of people in the context of the business environment. The principles of business ethics determine the manner of communication, negotiation, and so on. Of course, these are also the rationale for the actions of every employee. Today, the indicator of professionalism is knowledge of ethical principles.

It should be borne in mind that ethical principles are not a direct guide to making ethically sound business decisions. Indeed, they cannot be ranked in order to make an ethically correct decision. They must, however, be taken into account when making decisions.

The Principles of Business Ethics may briefly be summarised as follows:

- i. *Business ethics is based on personal ethics:* Fair dealings in business are similar to honest and ethical behaviour in one's own life.
- ii. *Business ethics is based on fairness.* Business expects both sides to act in good faith, on a level playing ground, and treat each other fairly.
- iii. *Business ethics requires integrity:* Business must treat people with respect, honesty, and integrity. Reliability and consistency are two important traits of a businessperson. They must fulfil their promises and keep to their commitments.
- iv. *Business ethics requires truth telling:* The days of 'let the buyer beware' are gone. Sales of defective or outdated goods will bring an early death to the business. Advertising must be true and all dealings must be fair.

⁷ Maheshwari, R. P. Principles of Business Studies, PITAMBAR publishing company PVT.LTD., 48 page, ISBN – 81-209-0188-6.

- v. *Business ethics requires dependability:* Customers must be able to rely upon the business to develop appropriate solutions to their problems and provide suitable support for their requirements.
- vi. *Business ethics requires a plan:* Ethics is built on one's image, vision for the future, and role in the community. Business ethics do not occur in a vacuum. Business requires clear plans for growth, stability, profits and service, to ensure stronger commitment to the ethical practices.
- vii. *Business ethics must apply universally:* Both internally and externally customers and employees must be treated with respect and fairness. Commitments to vendors, customers, and workers, must be strictly fulfilled.
- viii. *Business ethics are value based:* Business must follow universal and rigid legal and professional standards. These are the minimum standards to be observed by each business. Businesses may not always be able to live up to their ideals, but they must be clear about their intentions.
- ix. *Business ethics must come from the top:* Business ethics must start from those at the top. Leadership must set the tone. Line staff will almost always follow the conduct of their superiors.⁸

Therefore, there are nine important principles of business ethics to consider when making business decisions.

3.5.Elements of business ethics

We will now focus on eight elements that are very important in business ethics. If the theory and principles give us a more general idea of business ethics, its laws and how everything should work and happen, then the elements indicate more specifically the person and what qualities employees must have to create and be part of an ethical company, an ethical business. I understand this from the position that if I want to be and be part of an ethical business, then first of all I need to start with myself and cultivate these qualities in myself. Qualities that are presented in the form of eight elements.

⁸ Maheshwari, R. P. *Principles of Business Studies*, PITAMBAR publishing company PVT.LTD.,49 page, ISBN – 81-209-0188-6.

There are eight elements of business ethics. These need to be explained in some detail.

Respect is the foundation on which all correct ethical communication is based. Employees who respect each other communicate better and resolve work issues easier. The level of loyalty of a subordinate toward their company and management qualitatively affects the performance of their work as an employee of the company.

Honour. An organization's principles of honour act as the foundation of an effective and correct ethical business policy, which significantly increases the loyalty of both customers and employees to the organization. In practice, this is not about increasing sales or quotas, but instead praising individuals for humanity, courage, honor, quick response in emergencies, assistance provided to an employee in need, and so on. Simple examples would include an employee's photo on a notice board, praise of a leader towards subordinates, or a reward in some fashion.

Integrity. Honesty is one of the basic foundations of business ethics. This is a critical aspect that brings people together and makes it easier to interact with others in business. By hiring dishonest people a company manager automatically loses profits, as employees, customers, and suppliers do not trust such people. Consequently, business processes slow down or stop completely, and the company loses profits.

Customer focus. Focusing on customer desires, increasing the level of comfort for customer service, remain an important component of business ethics. The most important thing for any company is its customers. If there are no customers, if a company does not produce goods and services that people are willing to pay for, then this company will soon fail. Customer orientation equates to the responsibility of the company, as a manufacturer of goods and services, to the market. All management decisions affect all those involved in the business process; employees, investors, partners and, ultimately, customers. A competent manager is an employee who serves these people, having a certain level of appropriate knowledge and taking on part of the company's ethical responsibility. Selling a company's customers short not only risks compromising the company's ethics, it also risks the long-term health of the company.

Results-oriented. The ethical factors have a major influence on the efficiency of the company. A good manager should not strive to achieve their goal at any cost. Work to achieve the required goals should be carried out within the framework of the values of the company, its employees, and the ethical standards that the company advocates. Results should be achieved in the context of developing exactly what the customers want, without unnecessary sacrifices on the part of company employees. In short, this means that the production and delivery of a good or service must be carried out at a fair price for all parties.

The job of a good manager is to define clearly the expected results, and then provide the necessary support to the employees to help them achieve those results.

Risk-taking. Risk-taking is an important part of a company's growth. Organisations that take risks thrive because the acceptance of possible risks as a result of a decision by an employee has two possible results:

- 1) The risk is justified and leads to the achievement of the set goals.
- 2) The risk leads to failure, which then means the employees, together with management, analyse the action taken, bring up errors for discussion, and get nearer to success. So even a failed risk has some positive results.

Employees with a high level of risk taking often bring many millions to companies.

The implementation of such a policy is possible only in a circle of people who respect and support each other. This is why business ethics is so important.

Passion. The presence of this element in the system of business ethics brings significant profits to the company. The type of people who are passionate about their work are those who work to enjoy their work, and enjoy the challenge in overcoming insurmountable obstacles. Therefore, if an employee does not have such a passion for his work, then he will make minimal efforts to fulfil the relevant duties. These people are not just mediocre workers, they also set a bad example for their colleagues. When an organization has many such workers its profits drop and its competitiveness decreases. One of the important tasks of a successful manager is to create an atmosphere in the team whereby employees are passionate about the work process, and strive to conquer new heights.

Employees show their passion in many ways. That is why a manager must also be a good psychologist in order to catch the employee's wave of enthusiasm at the right moment, to praise them, and guide their energy in the right direction.

Persistence. In an organisation where the system of business ethics is developed correctly, there is a desire to be persistent in work irrespective of the immediate situation. Employees of such organisations never stop trying to achieve the desired result, even if those results do not come for a long time, or when customers appear to place unreasonable expectations on the company. This perseverance is directly related to a passionate attitude towards their work, to the interest they have in their work, to their loyalty toward the leadership of the company.

A good leader must put a lot of time and effort into hiring people who share these values. At meetings, the organisation should talk to the team about the importance of these values in relation to strategy, plans, and decisions. A competent leader must clearly identify and explain the line that separates what is allowed from what is not allowed in the company.

It is safe to say that a good business ethics value system is built directly on the inner convictions of the company's management and employees.

3.6. Types of business ethics

As you can see, before that the elements of ethics were considered, which are directed specifically at the person, then in this part the person is considered and already the workspace and interaction in it.

In practice, it is difficult to divide business ethics into specific types. Because there are a lot of opinions and statements on this score. However, authors in this area have attempted to do so, so they will be briefly discussed below.

1. Personal responsibilities. This refers to an individual's personal beliefs. Each person has certain strong beliefs about certain issues, such as honesty, avoiding criminal acts, willingness to fulfil accepted responsibilities, respecting and obeying elders, etc.

2. Official duties. People hold different positions in organisations. An official holding a certain position is obliged to strictly comply with certain criteria and standards that are established for that official position.⁹

3. Personal loyalty. Here we are talking about the personal loyalty of a subordinate to their boss. There is a saying, “The fish rots from the head.” Put simply, as long as the boss is correct, fair and honest, conscientious subordinates will strive to fulfil their duties. If those at the top fail, though, the negative attitudes will rapidly percolate down and reduce levels of personal loyalty.

4. Corporate responsibilities. The corporation, like an individual person, also has certain moral obligations. It is important to note that these responsibilities may not overlap with the personal codes of ethics of company leaders. These responsibilities are normally divided into internal, dealing with those inside the organisation, and external, dealing with the organisation's interactions with others.

5. Organisational loyalty. Many people develop a deep sense of loyalty to the organisation as an entity that transcends their personal interests. This loyalty arises out of feelings of affection for the organisation, and it is a factor that can be effectively stimulated. If this is done employees will have an internal drive to work hard and help the enterprise to achieve its goals.

6. Economic responsibility. This is a type of moral responsibility that is based on economic factors. For example, there are businessmen who are interested in ensuring that their employees have certain bonuses if they have children. This is considered economically feasible not only for employees, but also for the business itself, because family people will consequently be interested in employment in such a company. Such employees are initially strongly motivated by the fact that they need to provide for their family. Therefore, they will perform better and more efficiently than single people.

7. Technical morality. Professional people should adhere to certain ethical standards that are established by competent authorities, individuals, or customs within their chosen field. This code of conduct binds lawyers, chartered accountants, and doctors, among others.

⁹ (*Money Matters/All management Articles*) *Types of Business Ethics*. Available at: <https://accountlearning.com/types-of-business-ethics> [Accessed 04 July 2020]

8. Legal liability. This refers to the liability established by law. The main criterion is that everything that is illegal is unethical. Everyone within the organisation should be a law-abiding citizen.¹⁰

3.7. Business ethics' issues

This chapter describes the most striking and important ethical issues that employees face in their organization. In this paper, there are five primary business ethics' issues that require consideration:. It is these five problems that are most often encountered in the workspace, which cannot be ignored, and which sometimes become the reason for the dismissal of employees due to posting in social networks, large fines for companies, and possibly even the occurrence of mental or psychological problems associated with discrimination.

1. Accounting frauds

The juggling of financial statements, or “Cooking the books” and otherwise conducting unethical accounting practices, is a serious problem, especially in publicly traded companies. One of the most notorious examples that should be noted here is the 2001 scandal that erupted at the American company Enron¹¹. The management of this organisation reported incorrect data in its financial statements for many years, and the organisation’s auditor, the accounting firm Arthur Andersen, signed off on these statements, despite their inaccuracy. When the truth was revealed both companies went out of business. Enron shareholders lost \$25 billion, and although only a handful of employees at the former accounting firm worked with Enron, the closure of the firm resulted in the loss of 85,000 jobs.

The American federal government responded to the Enron case and other corporate scandals by passing the Sarbanes-Oxley Act in 2002, which mandates new financial reporting requirements meant to protect consumers. However, the “Occupy Wall Street” movement of 2011 and other issues indicate that the public is still distrustful of corporate financial accountability.

¹⁰ (KAUFFMAN INTERPRENEURS) Matthews, *Jana Founder and CEO Boulder Quantum Ventures, Eight Elements of an Ethical Organization*, 12 January 2002. Entrepreneurship.org.

¹¹ https://en.wikipedia.org/wiki/Enron_scandal

Nevertheless, because of the Enron case, and similar cases of concealment of financial reporting data, the Sarbanes-Oxley Act law established new requirements for financial reporting aimed at increasing the transparency of financial statements and consumer protection. These measures do not seem to completely alleviated public concerns, however.

2. Social Media

Social networks are a significant factor in the behaviour of employees online and after hours. The main ethical issues regarding social media are as follows: Is it ethical for companies to fire or otherwise punish employees for what they post? In a related sense, should social media posts be considered “free speech”?

This is a complex issue that requires a thoughtful approach. Sometimes employees take actions that show disloyalty to the employer. Such an action can be considered inappropriate, as, for example, when an employee publishes a post on Facebook that is not just a general complaint about a job, but directly affects the reputation of the business.

In one case a Yelp employee wrote and published an article on Medium (a popular blog site) which talked about what she considered to be appalling working conditions at an influential online company. The employee was then fired, and the manager in question said she was released because her post violated Yelp's code of conduct. The Yelp CEO refused to consider the employees request to return to the company. This situation is difficult to analyse, because it begs the question as to whether her blog post was defamatory or disloyal behaviour, and therefore legitimate grounds for dismissal. To avoid such a situation, any company should create a clear policy of behaviour for employees on social networks, since it is important for employees to know what constitutes a violation. This is especially important now, when governments are adopting an increasing number of laws prohibiting companies from monitoring the personal lives of their employees on social networks.

3. Harassment and Discrimination

Ethical issues in this category include racial discrimination, sexual harassment, and pay inequality. Unfortunately, these are encountered by employers and workers everywhere. According to a press release from the

American Equal Employment Opportunity Commission (EEOC), that organisation has paid out \$505 million to victims of discrimination in the private and public sectors in 2019. The EEOC claims that there are several types of discrimination, based on indicators such as age, disability, equal pay, genetic information, harassment, nationality, race, religion, revenge, pregnancy, gender, and sexual harassment.

Of particular note is that there has been a 269-percent increase in cases of family responsibilities discrimination (FRD) over the past decade, even though other forms of employee discrimination have declined. FRDs are found across all industries and at all levels of companies, according to a 2016 report from the Center for Labor Law at the University of California, Hastings College of Law. The FRD report defines this as “when a worker is exposed to adverse recruitment practices based on unexplored biases about how workers with care-giving responsibilities will or should act, regardless of the actual job or worker preference”. FRD includes many types of family responsibilities and care, as well as pregnancy and nursing. Examples are cases like the following: A man is fired because he wants to stay at home in order to take care of a sick child, or a pregnant employee is not given leave or a break, even though she has a prescription for this from a doctor.

4. Health and Safety

The International Labour Organisation (ILO) states that 7,397 people die every day in the workplace from accidents or occupational diseases. This adds up to 2.7 million deaths per year. According to data provided by the Occupational Safety and Health Administration, the top 10 most frequently cited health and safety violations of 2018 were:

Fall protection, such as unprotected sides and edges, as well as leading edges;

Hazard communication, for example in a workplace with hazardous chemicals;

Respiratory protection, such as emergency procedures and respiratory / filter equipment standards;

Scaffolding, for example, required resistance and maximum weight;

Powered industrial trucks, such as safety requirements for fire trucks;

Blocking / tagout, such as managing hazardous energy, such as oil and gas;

Electrical wire methods, for example, procedures for a circuit to reduce electromagnetic interference;

Ladders, such as standards for how much weight a ladder can carry;

Machine guards, for example clarifying that guillotine shears, shears, power presses, and other machines require site security;

General electrical requirements, such as not placing conductors or equipment in wet or humid places.

It should be noted, however, that physical harm is not the only safety issue. According to a report presented by the ILO, in 2019 the focus was on the rise in “psychosocial risks” and job stress. The risks included the following important factors; job insecurity, high demands, imbalance between effort and reward, and low self-reliance. These factors are closely related to behavioural health risks, including sedentary lifestyles, heavy alcohol use, increased cigarette smoking, and eating disorders.

5. Technology/Privacy

The field of network security is now highly developed and employers can now track employee activity on computers and other electronic devices. This is believed to increase productivity and efficiency, but there is a strong possibility that this activity could turn into eavesdropping or a direct invasion of privacy.

Organisations can now legally monitor the email of company employees and view their Internet browser history. According to the American Management Association, in 2019, 66 percent of companies actually controlled Internet connections, while 45 percent of employers tracked content, keystrokes, and keyboard time. Similarly, 43 percent checked and stored files, and controlled email. It is important to note that companies do not hide this; 84 percent notified

their employees that they were monitoring activity on their computers. The security procedure is spelled out in their privacy policy.¹²

So, we have determined the main business ethics issues to be the following; Social Media, Harassment and Discrimination, Health and Safety, Technology / Privacy, which require taking measures to improve ethical policy.

3.8. Corporate Social Responsibilities and corporate behavior

The official website of the United Nations Industrial Development Organization provides the following definition for Corporate Social Responsibility (CSR); “Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”¹³

To understand more clearly what CSR is, consider the following example. The company in question has an excellent policy towards children; they organize Christmas parties with gifts for the families of their employees, but the working conditions of the employees are life-threatening and substandard. This company cannot call itself socially responsible.

CSR is generally understood as being the way through which a company achieves a balance of economic, environmental, and social imperatives (“Triple-Bottom-Line-Approach”), while at the same time addressing the expectations of shareholders and stakeholders.

CSR refers to the need for businesses to be good corporate citizens. CSR involves going beyond the legal requirements for environmental protection and

¹² (Floridatechonline). *The 5 Biggest Ethical Issues Facing Businesses* [online]. <https://www.floridatechonline.com/blog/business/the-5-biggest-ethical-issues-facing-businesses/>. Accessed 04 July 2020.

¹³ UNIDO (United Nations Industrial Development Organizations). *What is CSR?* [online]. <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr> Accessed 03 July 2020.

the promotion of social security. This is widely recognised as a serious commitment by modern business.¹⁴

Correct CSR is aimed at protecting the interests of all parties; employees, customers, suppliers, and the communities in which companies operate. CSR means that company decision making goes beyond making money for shareholders.

Those who support the idea of CSR argue that the company should have a mission that is not solely related to making money.

When it comes to implementing the principles of CSR, companies are expected to pay attention to a number of social areas. The most popular are; personnel development, healthy and safe working conditions, environmental protection and resource conservation, local community development, and good business practice.

These programs allow the development and formation of a corporate culture, which has a positive effect on building relationships with employees. For example, corporate volunteering is a powerful tool that encourages people to take the initiative and investigate new solutions. Thus, CSR lays the groundwork for the successful development of companies.

3.9. Establishing a CSR programme

To create an effective CSR program, it is necessary to implement a plan that involves active interaction with employees, managers, suppliers, NGOs, and others.

Within the pages of its CSR Implementation Guide the International Institute for Sustainable Development (IISD) describes six key components that he believes make up an agreed CSR plan: (i) CSR Assessment; (ii) CSR Strategy; (iii) CSR Commitments; (iv)

¹⁴ *McCombs School of Business. Corporate Social Responsibility* [online]. <https://ethicsunwrapped.utexas.edu/glossary/corporate-social-responsibility> Accessed 03 July 2020.

Implementation Plan and Actions; (v) Verification and Evaluation of Results, and (vi) Refinement.

Particular attention should be paid to the fact that CSR is essentially about ensuring that companies promote broader social goals as an integral part of their daily activities. This can only be achieved through appropriate communication channels with stakeholders.¹⁵

CSR resistance

There is a common public perception that companies develop CSR not out of a real desire to do good, but to increase their social status.¹⁶

In fact, corporate responsibility consists of several important aspects, one of which is social.

Social responsibility is the newest of the three dimensions of corporate responsibility. At the moment, especially after the Harvey Weinstein scandal, this dimension of corporate responsibility is receiving particular attention. Nowadays, many organizations are becoming more active in solving social problems. Before continuing, however, it is important to define the term social responsibility.¹⁷

Social responsibility is taking responsibility for the social consequences that arise from the company's activities, even in an indirect way. This responsibility extends to the people within the company, in the company's supply chain, in the community in which it is located, and to the company's customers. Thus, we see a large number of stakeholders involved. At its core, social responsibility is about accepting leadership

¹⁵ *The Business Ethics Workshop. Three Theories of Corporate Social Responsibility* [online]. https://saylordotorg.github.io/text_the-business-ethics-workshop/s17-02-three-theories-of-corporate-so.html Accessed 03 August 2020

¹⁶ *Financier Worldwide Magazine. The importance of corporate social responsibility* [online]. <https://www.financierworldwide.com/the-importance-of-corporate-social-responsibility#.Xnan5Ij0k2w> Accessed 03 July 2020.

¹⁷ <https://www.bbc.com/news/entertainment-arts-41580010>

responsibility about what choices, decisions and actions can be made that will lead to a better society.

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Let's take a closer look at the types of CSR responsibility in relation to the most important stakeholders.

a) CSR responsibility to clients

This type of CSR responsibility includes the following elements:

- ✓ respectful treatment of customers
- ✓ safety and durability of products or services
- ✓ standard or after-sales service
- ✓ prompt and courteous attention to questions and complaints
- ✓ fair offers of goods or services
- ✓ fair advertising and trading standards
- ✓ complete and unambiguous information for potential customers.

b) CSR responsibility to employees

¹⁸ <https://www.bbc.com/news/entertainment-arts-41580010>

Today, labour legislation regulates the process of organizing an employee's work. There are a number of employee expectations that a company with a correct CSR policy must meet:

concern for the welfare and safety of staff at work

opportunities for improving the skills of workers

positive motivation for the work.

In addition, a company with the reputation of being a socially responsible company must ensure fair treatment and equal opportunities for all its employees. This means preventing racism, sexism, and so on.

c) CSR responsibility to the community

This point is extremely important since a company's image in the surrounding community affects its competitiveness. A company directly depends on the health, stability, and prosperity of the communities in which it operates. Successful companies are involved in public affairs, such as providing additional training places, sponsoring local sports and cultural events, and charitable work, etc.

d) Environmental aspects of CSR

Environmental conservation and sustainable development are key elements of CSR. The world is changing. Environmental concerns have become some of the most talked about issues in the business world. Increasing knowledge of environmental issues and the ways to address them in an industrialized society has directly impacted business over the past 30 years.

Corporate activities affect the environment in different ways, most often this leads to negative consequences, such as:

- ✓ overuse of natural non-renewable energy sources
- ✓ environmental pollution
- ✓ biodiversity degradation, climate change, deforestation, and related effects.

To respond responsibly to environmental commitments businesses must change their traditional practices to be more environmentally friendly.

Many business leaders have concluded that the best way to achieve high environmental performance is to establish an environmental management system. This is intended to improve the environmental performance of the organisation.

Improving environmental performance benefits the company itself. Some of the benefits a company gains with a developed and effective environmental management system include:

- 1) Significantly lower operating costs by using fewer materials and streamlining processes to reduce waste.
- 2) Thanks to a more thorough analysis of operations by the company's management, previously unnoticed material losses and risks are revealed.
- 3) Responsible public image attracts more clients.
- 4) State governments often help green businesses create new market opportunities and invest in these organizations.

So, having carefully analysed the topic of business ethics and CSR, let's move on to the analysis of the CSR program at Royal Dutch Shell Company.

4. Practical Section

4.1. Royal Dutch Shell

The Royal Dutch Shell company is an international energy company with experience in the exploration, production, refining and marketing of oil and natural gas, as well as the production and marketing of various chemicals. The company was founded in 1907.

The company is headquartered in The Hague, The Netherlands, with Ben van Buerden as the current CEO. The parent company of the Shell Group is Royal Dutch Shell, plc, incorporated in England and Wales.

Royal Dutch Shell company operates in 70+ countries. It has around 82,000 employees. The company produces 3.7 million barrels of oil equivalent per day. During the year 2018, it sold 71 million tonnes of LNG. The company has interests in 21 refineries and interests in a number of other related facilities.

Table 1 presents data on the Royal Dutch Shell company financial performance in 2018.

Revenue:	\$388.4 billion
Income:	\$23.9 billion
Capital investment:	\$24.8 billion
Investment in research and development:	\$986 million

1 table: Royal Dutch Shell company financial performance in 2018.

The company's strategy is to strengthen its position as a leading energy company, providing oil, gas and low-carbon energy as the global energy system changes. The company's business approach is based on safety and social responsibility.

The company's mission is 'progress', along with new and cleaner energy solutions. The company's management and research team are confident that the improvement of living standards for the world's growing population is likely to continue to drive demand for energy sources such as oil and gas for years to come. On the other hand, however, the growing need to preserve nature and, in

particular, to combat global warming, is resulting in the ongoing transition to a multi-energy system, the main goal of which is low carbon emissions.

Thus, the company has the following strategic goals that it intends to achieve:

- ✓ Investment to provide a world-class investment case, consisting of two elements: increasing free cash flow and increasing shareholder returns. All this is based on a solid financial base and a stable portfolio
- ✓ Prosperity during the period of transition to new types of energy sources
- ✓ Improving their level of competitiveness, while responding to the desire of society for cleaner, more convenient, and competitive energy
- ✓ Maintaining a strong public licence to operate, and making a positive contribution to society through its work.

In order to achieve these strategic goals, the company is constantly assessing the external environment, following the markets, assessing economic, political, social and environmental factors in order to evaluate the changes in the strength of its competitors and analyse their business models.

In improving its operational performance, the company adheres to its ethical and compliance principles.

Here, for example, are some quick facts related to its sustainable development in 2018

- Voluntary social investments amounted to \$113 million worldwide.
- The company spent \$47 million in the USA on local community development, disaster relief, education, road safety, health, and biodiversity programmes.
- \$66 million was spent in the US on energy access, social skills, entrepreneurship development, and science, technology, engineering and mathematics (STEM) education.

4.2.Royal Dutch Shell CSR program

The objectives, principles and responsibilities of Royal Dutch Shell, which constitute the CSR program, are detailed in the Shell General Business Principles document, which is published on the group's website. This paper analyses this document.

The objectives of the Shell Group are to engage efficiently, responsibly, and profitably in oil, gas, chemicals, and other selected businesses, and to participate in the search for and development of other sources of energy to meet evolving customer needs and the world's growing demand for energy.

Responsibilities

Shell companies recognise five areas of responsibility; to shareholders, to customers, to employees, to business partners and to society.

to shareholders	to customers	to employees	to business partners	to society
-protect shareholders' investment -provide a long-term return competitive with those of other leading companies in the industry	- To win and maintain customers by developing and providing products and services which offer value in terms of price, quality, safety, and environmental impact	- To respect the human rights of employees and to provide them with good and safe working conditions - To promote the development and best use of the talents of the employees	To seek mutually beneficial relationships and to promote the application of these Shell General Business Principles or equivalent principles in such relationships	-To conduct business as responsible corporate members of society - to comply with applicable laws and regulations - to support fundamental human rights - to give proper regard to health, safety, security, and the environment.

2 table: Details for every type of responsibility.

Also, the Royal Dutch Shell Company has a number of supporting principles.

1. Economy. Long-term profitability is critical to achieving the company's business goals and continuous growth. At the same time, decisions on investments and sale of assets are made on the basis of considerations of sustainable development (economic, social and environmental) and investment risk assessment.

2. Competition. Royal Dutch Shell Company promotes free enterprise and strives to compete fairly and ethically while complying with antitrust laws.

3. Conducting business with integrity. Shell companies insist on the fair conduct of business. It is unacceptable to offer, solicit, pay, or receive bribes directly or indirectly in any form.

4. Political activity

a. Companies. All activities are carried out in accordance with the principles of social responsibility and in compliance with the laws of the countries where the company operates to achieve results within the framework of legal norms. The Royal Dutch Shell Company does not make payments to political parties, organizations, or their representatives, and does not participate in the activities of political parties.

b. Employees. Company employees are allowed to run for government elections if deemed permissible under the specific circumstances.

5. Health, safety, environment, and safety

Shell companies view HSE management as central to their business, set standards and targets for performance improvement, monitor, evaluate, and report on results.

6. Local communities. Shell companies “strive to be good neighbours” by continually improving how they can directly or indirectly contribute to the overall well-being of the communities with which these companies work.

7. Information and communication. Shell companies recognize the need for regular, honest, and responsible dialogue and engagement with interested parties in line with critical privacy considerations.

8. Compliance with rules and regulations. The Royal Dutch Shell Company complies with all applicable laws and regulations of the countries in which it operates.

So, as we can see from the analysis of the document, the Royal Dutch Shell Company has laid out a fairly strong corporate social responsibility program.

The company follows the principle of sustainable development allows us to understand the social, economic and environmental consequences of its activities, to be able to maintain a balance between priorities and long-term goals. To successfully implement this principle, the company focuses on three points: the desire for dialogue, the determination of leadership and transparency. This makes the CSR company strong and competitive. The company always provides in free access all reports on its work done, openly speaks about its plans and intentions to do something, thereby minimizing the possibility of not doing what it promised.

4.3.Royal Dutch Shell Company scandals

1. Corruption scandal around an oil field in Nigeria¹⁹

This involves the OPL 245 oil field in the Gulf of Guinea. Shell and Italy's Eni bought it for \$ 1.3 billion as part of a deal that resulted in a major corruption scandal. The mining license originally belonged to Lagos-based Malabu Oil & Gas Ltd, which is linked to former Nigerian oil minister Dan Etete (he was convicted in 2007 of money laundering in an unrelated case in France).

In December 2018, the Nigerian government filed a lawsuit in a commercial court in London against Eni and Royal Dutch Shell. The African authorities indicated that the companies transferred \$ 1.1 billion to an escrow account of the Nigerian government, of which about \$800 million were later transferred to Malabu Oil & Gas Ltd and Nigeria's oil minister Dan Etete himself as a reward for the issuing of official permission to European companies for exploration of deposits.

2. Using a ship with a Nazi name.

In 2015, the company was accused of using a ship named after a Nazi criminal. This is the world's largest crane platform, Peter Scheelte. The man in

¹⁹ <https://www.rbc.ru/business/01/03/2019/5c78fe669a79470a9c141baa>

whose honour this ship was named served in the SS, and during the Second World War he was found guilty of shooting Jews. After that, he fled to Latin America, and then returned to the Netherlands where he founded a shipping company. Jewish communities in several countries have filed a lawsuit against the company.²⁰

3. Combustion of associated gas and its effects on workpeople and the environment.

Associated gas has become a problem in Nigeria, where SPDC's Intergared Gbarian / Ubie gas collection station is located. Local residents complain that it is impossible to sleep at night because of the vibrations that occur when gas is burned, and because of these vibrations, houses are destroyed. People wake up with a feeling of nasal congestion due to soot and soot gets into their eyes. Too much gas is burned, less than before, but still very large (associated gas flaring dropped from 2 billion cubic feet per day in 2010, it is still 700 million cubic feet per day - enough to generate 3,000 megawatts of electricity .). Unfortunately, the company is taking insufficient measures to capture associated gas, because it is easier to burn it, because. the solutions to this problem are very costly.

The combustion of this gas is the reason for the occurrence of acid rain, which poison crops, water, and also this gas is one of the main sources of greenhouse gases in the world.

The most dangerous thing is that this station is located close to educational institutions where children study.

So, as we see, though the Dutch Shell Royal Company has a document responsible for CSR, the most important principles specified in this document are not observed, namely; corruption and anti-Semitism. In order to avoid further examples of anti-Semitism and corruption scandals in the future, this work will offer recommendations for improving the company's CSR.²¹

4.4.Recommendations for improving the company's CSR program

²⁰ "Nazi" scandal erupted around the Shell oil company <https://youtu.be/ELUsQSt9cr0>

²¹ <http://www.industrialunion.org/ru/taynyy-pozor-kompanii-shell-podryadnye-rabochie-shell-v-nigerii-na-grani-nishchety>

As we discovered in the previous paragraph, the company has problems associated with corruption and anti-Semitic sentiments. Both of these scandals are related to the top management of the company, since they are the ones who make these decisions. It is with these senior managers that the primary responsibility lies.

Thanks to these two scandals, the company's image in the eyes of employees, shareholders, and other stakeholders has significantly decreased.

This paper proposes a number of measures aimed at mitigating the consequences of these two scandals and improving the company's image. They are listed in detail below:

- 1) Inclusion on the board of directors of the company of people of different nationalities and religions, including Jews. This will help overcome the image of an anti-Semitic company and increase employee loyalty to the company, since a large number of foreigners work for Royal Dutch Shell Company (this is due to the fact that Holland is a very multinational country - there are representatives of 179 nationalities in it - and with the fact that it has oil fields in many different countries around the world).
- 2) Assigning to the board of directors equality with the rest of the staff of the company. By applying ethical standards in company management, the company's board of directors and its administration can become a model for competitors, other enterprises in the industry, and the entire business community.
- 3) Development of new ethical standards aimed at improving the level of morality of employees. Demonstrable adherence to moral standards helps to lead an organization on the right track - from declaring ethical principles to creating an environment in the organization in which ethics underpins all decisions at all levels. The ethical behaviour of senior management, visible to every employee, lends weight and prestige to anti-corruption programs and shapes the company's image.
- 4) Conducting seminars on criminal law for the senior management of the company.
- 5) Conducting lectures on anti-corruption policy for the top management of the company.

- 6) Creation of a number of anti-corruption measures operating within the company in various directions. Table 3 below provides a list of such activities.

Objective	Event
Regulatory support, enshrining standards of conduct and declaration of intent	Development and adoption of a code of ethics and service conduct for employees of the organization
	Development and implementation of a conflict of interest clause, ensure declarations of a conflict of interest
	Development and adoption of rules governing the exchange of business gifts and business hospitality
	Joining the Anti-Corruption Charter of Dutch Business
	Introduction to contracts related to the business of an organization of the standard anti-corruption clause
	Introduction of anti-corruption provisions into labour contracts of employees
Development and introduction of special anti-corruption procedures	The introduction of a procedure for informing the employer's employees about cases of incitement to commit corruption offences, and the procedure for considering such messages, including the creation of accessible channels for the transmission of designated information (feedback mechanisms, helpline, etc.)
	Introduction of a procedure for informing the employer about information that has become known to the employee about cases of corruption offences by other employees, contractors of the organization, or other relevant persons and the procedure for considering such messages, including the creation of accessible channels for the transmission of the indicated information (feedback mechanisms, helpline, etc.)
	Introduction of a procedure for informing the employer's employees about the occurrence of a conflict of interest and the procedure for resolving the identified conflict of interest
	The introduction of procedures for the protection of employees who reported corruption offences in the activities of the organization from formal and informal sanctions (whistle-blower protections)

	Filling out a declaration of interest annually
	Conducting a periodic assessment of corruption risks in order to identify areas of the organization's activities most susceptible to such risks and develop appropriate anti-corruption measures
	Regular rotation of employees holding positions associated with a high risk of corruption
Training and informing employees	Annual familiarization of employees, with signature, regarding regulations governing the issues of preventing and combating corruption in the organization
	Conducting training activities on preventing and combating corruption
	Organization of individual counselling for employees on the application (compliance) of anti-corruption standards and procedures
Ensuring the compliance of the organization's internal control and audit system with the requirements of the organization's anti-corruption policy	Regular monitoring of compliance with internal procedures
	Implementation of regular control of accounting data, availability and reliability of primary accounting documents
	Regular monitoring of the economic feasibility of spending in areas with a high corruption risk; exchange of business gifts, hospitality expenses, charitable donations, and remuneration for external consultants
Engaging experts	Periodic external audit
	Involvement of external independent experts in the implementation of economic activities of the organization and organization of anti-corruption measures
Evaluation of the results of ongoing anti-corruption work and distribution of reporting materials	Conducting regular assessments of anti-corruption performance

	Preparation and distribution of reports on the work carried out, and the results achieved, in the field of combating corruption
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3 table: Anti-corruption measures.

5. Conclusions

In conclusion, it is possible to summarize the results of this study, to determine the significance of the material discussed in terms of solving urgent theoretical and practical problems involved in increasing the efficiency of management while implementing the policy of corporate social responsibility.

Business ethics are essential to running any business. This is can be understood by the fact that conducting a socially responsible business helps to avoid any escalation of social problems into a crisis, which can negatively affect the work, and profitability, of the company.

Business ethics have become extensively involved in the development of a number of ethical theories, including; Utilitarian Theory, Theory of Rights, Theory of Justice and Theory of Care. The complexity of moral and ethical problems in the business world makes it imperative that a variety of theories and approaches be used. There is obviously no one theory that can cover all the aspects of the issue.

There are a number of principles that are important when considering business ethics. These must all be considered when laying out guidelines for behaviour in the complex world of business. This paper identified nine key principles of business ethics which are listed below. Business ethics;

- 1) Is based on individual ethics
- 2) Is based on fairness
- 3) Requires integrity
- 4) Requires honesty
- 5) Requires dependability
- 6) Requires a clear plan or procedure
- 7) Must be applied universally
- 8) Are value based
- 9) Must be top down

In addition, this paper identified seven elements required for successful business ethics implementation. These are: respect, honour, integrity, customer focus, results-oriented, risk-taking, passion, persistence.

While it is effectively impossible to separate business ethics into distinct classes due to the complexity of the situations involved, various authors have tried to do so. An analysis of the literature shows that the following areas of business ethics have been described; personal responsibilities, official duties, personal loyalty, corporate responsibilities, organisational loyalty, economic responsibility, technical morality, legal liability.

In a practical sense, the most important ethical issues likely to be faced by employees involve the following situations; accounting frauds, social media misuse and restrictions, harassment and discrimination for various reasons, health and safety issues, and the rapidly developing issues of technology in relation to privacy. All of these do require the development and implementation of adequate measures to improve ethical policy.

An important aspect of business ethics is the development of a company's corporate social responsibility (CSR). This is normally considered as a way in which an organization can attain a balance of social, economic, and environmental imperatives, known as the "Triple-Bottom-Line-Approach". Having said that, the company is still expected to meet the expectations of both its shareholders and stakeholders within the CSR framework.

An effective CSR program can only be achieved with the full involvement of employees, managers, suppliers, NGOs, and others.

In the modern world, especially, the correct implementation of CSR is important for the successful operation of a company. A successful CSR includes;

- a) Demonstrating social responsibility and suitable customer relationships
- b) Well motivated employees
- c) Profitability and cost

- d) Demonstrating an honest commitment
- e) Clear social media visibility
- f) Public relations benefits
- g) Government relations
- h) The creation of a positive workplace environment

In this diploma, the hypothesis that companies that position themselves as socially responsible companies do not always fulfil all the conditions for this was clearly demonstrated. There is still corruption, anti-Semitism, etc.

As part of this work, an analysis was carried out of the CSR of The Royal Dutch Shell company. The Royal Dutch Shell company is an international energy company with experience in the exploration, production, refining and marketing of oil and natural gas, as well as the production and marketing of various chemicals. The company was founded in 1907.

The objectives, principles and responsibilities of Royal Dutch Shell, which constitute the CSR program, are detailed in the Shell General Business Principles document, which is published on the group's website. This paper analyses this document. Inconsistencies were found which consisted of the fact that the company went through 2 major scandals; an anti-corruption scandal and a scandal associated with the fact that they used an ocean-going ship named after an SS officer who had participated in the executions of Jews during the Second World War. This caused a major anti-Semitic scandal. These two scandals indicate that in its activities Royal Dutch Shell Company does not adhere to the principles of honesty, which are specified in the Shell General Business Principles document. Neither does it clearly respect people of other races, which generally speaks of racism.

In this paper, a number of measures have been proposed to eradicate corruption among company employees and develop respect for people of other races. The practical recommendations presented in the thesis can be useful for other companies seeking to obtain the image of a socially responsible company,

that is, one not involved in corruption, and respecting workers and citizens of all races on Earth.

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