

Excellence through Ethics™

Session 6

Balancing Business and the Environment



Elementary School



Junior Achievement®



Excellence through Ethics
Elementary School
Session 6

Balancing Business and the Environment

Content: Ethics, Social Responsibility, and the Environment

Methods: Case Studies

JA Foundational Pillars: Ethics, Entrepreneurship, and Financial Literacy

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Acknowledgements

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Balancing Business and the Environment

Overview

Students learn that most businesses strive to be good corporate citizens and make every effort to protect the environment. However, sometimes businesses deplete natural resources, and the environment is damaged. Harming the environment or using up natural resources is not only an environmental issue, it is bad for business. Students will consider the role businesses play in environmental stewardship, and in preventing and resolving environmental problems.

Objectives

Students will be able to:

- Identify ways in which natural resources are depleted.
- Recognize the role of businesses in protecting the environment and safeguarding natural resources (one example of good corporate citizenship).
- Note expenses businesses might incur to safeguard natural resources.
- Show how profits might be affected by protecting the environment.
- Learn about the concept of good corporate citizenship/corporate social responsibility.

Preparation

Review the activity. Prepare the necessary copies and session materials.

Group work is incorporated into this session. You may consult with the teacher to determine how best to form the groups.

Post Key Term and definition in a visible place.

- **Ethics:** The standards that help determine what is good, right, and proper.

Recommended Time

This session typically takes 45 minutes to complete. Ask the teacher to help you keep track of time.

Materials

- Daily Financial Reports handout (1 per student)
- Business and Environment Problem handouts (1 per every other student)
- A wood pencil for demonstration
- Pens or pencils (1 per student)

Presentation

Introduction (5 minutes)

Greet the students. Discuss with the class examples of the natural, human, and capital resources located within your region, as well as the businesses that might use them. Remind students that businesses use human, natural, and capital resources to produce products, provide jobs, and earn profits.

Hold up a wood pencil. Ask the class what natural resources are used to make a pencil. Answers may include wood, graphite, clay, and rubber. Explain that a business called the Olde Time Pencil Company makes pencils. The company gets the wood it needs to make pencils from a forest within its region.

Ask students:

- What would happen to the forest if the Olde Time Pencil Company kept cutting trees down to make its pencils?
- If the Olde Time Pencil Company used up all the trees in the forest, where would it get the wood it needs to continue making pencils?

Possible answers to suggest, if not mentioned:

- The forest might disappear.
- The Olde Time Pencil Company might cut all the trees down.
- It might have to find trees in a new region.

Explain to students that in order for the Olde Time Pencil Company to keep manufacturing its products, it would have to find a new source of trees. It would need to get its wood from a different region.

Ask them what would happen to the company's expenses if it had to get its trees from a different region? What would happen to the Olde Time Pencil Company if it could not find a new source of wood?

Possible answers to suggest, if not mentioned:

- The company's expenses might increase.
- They might go bankrupt.
- They might have to close the business.

Activity

Daily Financial Reports (15 minutes)

Distribute copies of the Daily Financial Reports to students.

Ask students to look at the Olde Time Pencil Company's Daily Financial Reports. Tell students that the Olde Time Pencil Company sells a box of pencils for \$5.00 per box. It cannot raise the price per box because the other pencil companies sell their boxes for \$5.00. Discuss the various expenses required to produce a box of pencils.

Explain that on Monday, the company was able to use the trees within its region as a source of wood. Tell students that at this time, the company was paying \$0.50 per box of pencils for wood. Have them answer the first question on their handout.

The forest ran out of trees on Tuesday, so the Olde Time Pencil Company had to buy its wood from a different region. Because it is more expensive to have wood shipped in, the cost per box increased. The company now has to pay \$1.25 per box for wood.

Ask, "Can the Olde Time Pencil Company still make a profit making and selling pencils?"

Have students answer question two on their handouts. Reinforce the fact that depleting the trees in the forest dramatically increased the Olde Time Pencil Company's expenses. Now, the company is cannot stay in business because it cannot make and sell pencils at a profit. All employees will lose their jobs.

Ask, “What could the Olde Time Pencil Company have done to stay in business?” Allow for a few responses.

Explain that the company could have planted trees in its region. For \$0.25 per box of pencils, the company could have planted enough trees to ensure that the forest would never run out of trees. Have students answer question three on their handouts.

Ask, “If you were the president of the Olde Time Pencil Company, would you pay to plant trees? Why?”

Allow time for multiple responses.

Activity

Business and Environment Problems (20 minutes)

Tell students that they are going to be given a very big responsibility. Each student will get to be a member of a company’s board of directors. Explain that they are going to work in groups to make decisions about the various problems facing their company. Explain that their decisions will determine whether or not their company is a good corporate citizen. Explain that being a good corporate citizen is a lot like being a good student. In the classroom, there are many students—just like in a region, there are many businesses and people. Just as students must share their classroom fairly, good corporate citizens must share the environment fairly. Tell students that each group will have seven minutes to solve their business problem.

Separate the class into groups of two or three. Distribute copies of Business and Environment Problem One to half the groups and copies of Business and Environment Problem Two to the other half. Allow students 7 minutes to answer the questions.

Debrief by asking students from each group to report the group’s answers.

Summary and Review (5 minutes)

Briefly review the vocabulary introduced in the session.

After all the groups have reported, ask students if they can think of any other ways in which businesses can work to protect the environment and safeguard resources.

Tell students that businesses are a lot like classrooms. Ask the class if they want their classroom to be clean and neat, or if they should be allowed to mess it up by throwing garbage on the floor. Then, ask students if they want their books kept in good condition, or if they should be allowed to tear them up. Explain that just like their class, businesses have a social responsibility to their communities to keep their surroundings clean and safe, while not wasting resources. Just as students must share their classroom with other students, businesses must share their environment with others. When businesses work to protect the environment and safeguard resources, it is called good corporate citizenship.

Session Outline

Introduction

- Greet the students.
- Introduce them to the idea that businesses use human, natural, and capital resources to produce products, provide jobs, and earn profits.
- Have students explain what would happen if a pencil company depleted the forest in their region.
- Review the pencil company's Daily Financial Reports and discuss the various expenses required to produce a box of pencils.

Activity

- Have groups of students resolve different resource problems: polluted air and polluted water.

Summary and Review

- Briefly review the vocabulary introduced in the session.
- Reiterate that as good corporate citizens, businesses work to keep their surroundings safe and clean while conserving resources.
- Thank the students for their participation.

Sample Responses for Business and Environment Problems

Business Problem One

At your factory in Frankfurt, some of your workers have gotten sick from the smoke your factory blows into the air.

- a. What kinds of resources are being harmed by your factory? Human and natural resources (air) are being harmed by the factory.
- b. If a worker is sick, can he or she work as well? No.
- c. Why should your factory try to keep the workers healthy? People don't like to get sick; people could work better; people would like working at the factory; the air would be clean.
- d. What are some ways your factory could help the workers? The factory could clean or filter the air.
- e. Would fixing the problem add to your factory's expenses? Yes.
- f. Why should your factory pay to fix the problem? People shouldn't get sick because they work for us; air belongs to everyone, not just the factory; people would like the company.

Business Problem Two

Your factory in Smallville uses a lot of river water to clean the products it makes. This pollutes the river, kills the fish, and makes the town's drinking water dirty.

- a. What kind of resource is being damaged by your factory? A natural resource is being damaged.
- b. Who might be unhappy because the river is polluted? The citizens of Smallville might be unhappy.
- c. Why would they be unhappy? Children won't be able to swim in the river; people can't drink the water; etc.
- d. What could your factory do to stop polluting the river? It could clean or filter the water it uses.
- e. Would fixing the problem add to your factory's expenses? Yes.
- f. Why should your factory pay to fix the problem? The river belongs to everyone, not just the factory; the factory might not be able to use the river any more; the citizens of Smallville would like the company.

Daily Financial Reports
Olde Time Pencil Company

Questions:

1. The Olde Time Pencil Company uses trees from a forest within its region as its source of wood. What is its profit or loss on Monday? Circle either profit or loss.
2. The Olde Time Pencil Company has to buy wood from a new region. What is its profit or loss on Tuesday? Circle either profit or loss.
3. The Olde Time Pencil Company decides to plant trees to replace those it cuts down. What is its profit or loss on Friday? Circle either profit or loss.

The Olde Time Pencil Company		
Daily Financial Report		
Friday		
Income		
Sell 1 box of pencils at \$5		
Total Income		\$5.00
Expenses		
<i>Buy Wood (\$.50 per box)</i>		
Buy Graphite (\$.50 per box)		
Buy Clay (\$.50 per box)		
Buy Rubber (\$.50 per box)		
Buy Paint (\$.50 per box)		
Buy Work (\$2.00 per box)		
<i>Plant Trees (\$.25 per box)</i>		
Total Expense		\$4.75
Profit or Loss		\$
<small>(Income-Expense=Profit or Loss)</small>		

The Olde Time Pencil Company		
Daily Financial Report		
Monday		
Income		
Sell 1 box of pencils at \$5		
Total Income		\$5.00
Expenses		
<i>Buy Wood (\$.50 per box)</i>		
Buy Graphite (\$.50 per box)		
Buy Clay (\$.50 per box)		
Buy Rubber (\$.50 per box)		
Buy Paint (\$.50 per box)		
Buy Work (\$2.00 per box)		
Total Expense		\$4.50
Profit or Loss		\$
<small>(Income-Expense=Profit or Loss)</small>		

The Olde Time Pencil Company		
Daily Financial Report		
Tuesday		
Income		
Sell 1 box of pencils at \$5		
Total Income		\$5.00
Expenses		
<i>Buy Wood (\$1.25 per box)</i>		
Buy Graphite (\$.50 per box)		
Buy Clay (\$.50 per box)		
Buy Rubber (\$.50 per box)		
Buy Paint (\$.50 per box)		
Buy Work (\$2.00 per box)		
Total Expense		\$5.25
Profit or Loss		\$
<small>(Income-Expense=Profit or Loss)</small>		

Business and Environment Problems

Problem One: The Air

At your factory in Frankfurt, some of your workers have gotten sick from the smoke your factory blows into the air.

- a. What kinds of resources are being harmed by your factory?

- b. If a worker is sick, can he or she work as well?

- c. Why should your factory try to keep the workers healthy?

- d. What are some ways your factory could help the workers?

- e. Would fixing the problem add to your factory's expenses?

- f. Why should your factory pay to fix the problem?



Problem Two: Drinking Water

Your company's factory in Smallville uses a lot of river water to clean the products it makes. This pollutes the river, kills the fish, and makes the town's drinking water dirty.

- a. What kinds of resources are being harmed by your factory?

- b. If a worker is sick, can he or she work as well?

- c. Why should your factory try to keep the workers healthy?

- d. What are some ways your factory could help the workers?

- e. Would fixing the problem add to your factory's expenses?

- f. Why should your factory pay to fix the problem?

Appendix

Welcome to Junior Achievement's

Excellence through Ethics

As a Junior Achievement (JA) volunteer or teacher, you are joining other teachers and volunteers from across the United States in providing students with a unique educational experience. Junior Achievement's *Excellence through Ethics* offers students learning opportunities to share knowledge and information regarding ethics in business. JA strives to show students how business works, and to better evaluate organizations that conduct their operations in the right way.

Excellence through Ethics is designed to equip volunteers and teachers with supplemental, ethics-based activities for use with JA in-class programs for grades four through twelve. All these activities provide students with current and essential information about business ethics.

These activities are designed to reinforce students' knowledge and skills, teach them how to make ethical decisions, assist them in learning to think critically, and help them to be better problem-solvers. All the activities are hands-on, interactive, and group-focused to present the material to students with the best instructional methods.

Within these supplements, you will find sections to help you effectively implement the activities in your volunteer experience. Materials include: (a) an introductory discussion of business ethics, marketplace integrity, and the growing capacity of students for ethical decision-making; (b) activities and student materials that connect to and expand current classroom-based Junior Achievement programs; and (c) a functional glossary of terms relating to a wide spectrum of ethics, quality, service, and social responsibility considerations in business.

JA greatly appreciates your support of these important and exciting activities. If you have comments about the *Excellence through Ethics* program content, curriculum, and/or instruction, please access <http://studentcenter.ja.org.aspx/LearnEthics/> and choose the "*Excellence through Ethics* Survey" link located in the middle of the page.

Appendix

Introduction and Overview

- *How do I do the right thing in this situation?*
- *Should I be completely honest, even if it puts others in jeopardy?*
- *What kind of community do we want to be?*
- *How do we do what's best for the long term?*
- *Who should cover the cost of "doing the right thing"?*

These are all questions having to do with business ethics. They are valid and necessary questions, and good business people have asked them for generations. They form the backdrop of vital discussions as business, community, and political leaders grapple with significant issues. Many students would ask these questions, even if Junior Achievement hadn't developed this ethics curriculum.

Business Ethics Discussions Are Here To Stay

Business ethics has been in the spotlight for much of the past decade, especially as examples of wrongdoing come to light in the media. New technologies and international competitive pressures cause a steady focus on the question, "Is it possible to be competitively successful in business today and still operate in an honest and ethical manner?" The past decade has seen individuals search for deeper personal meaning in the workplace, which has contributed to lively ethics discussions in the business realm. For these reasons, the discussion of business ethics is not a passing fad; it's here to stay.

Many graduate schools of business have either required ethics coursework or integrated ethics principles throughout all areas of study. That is commendable. We believe this vital area of exposure and instruction also should happen at earlier ages and continue throughout the students' educational journey. Many of today's students haven't had access to a well-rounded education in economics and free enterprise or have come to see these in a very negative light. They have limited awareness of the extent to which good business leaders engage in the challenging exercises of ethical decision-making amid heavy competitive pressures. As students learn the general principles of economics and business, it's critical that these be underpinned with a strong foundation in ethics. This will accentuate the best in American business traditions, while laying the groundwork for students' continued evolution into future generations of leaders.

Integrity in the Marketplace?

Many adults and young people choose to believe that the marketplace is driven only by greed. They view it as bringing out only the worst in human behavior, demoralizing the human spirit, and driving out any sense of idealism. While elements of greed and extreme self-interest among some individuals cannot be denied, solid research has shown time and again that companies with a long-term focus on ethics and a broad consideration of stakeholders' interests are much more profitable than those lacking such a focus.

James A. Autry, in his book *Love and Profit: The Art of Caring Leadership*, said it well: "I do not doubt the presence of greed in the marketplace because I do not doubt the presence of greed in people. But, I also do not doubt the ennobling aspects of work, of the workplace, of the community, of endeavor, of

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the marketplace. So I choose to believe that most of the marketplace is driven by people who want to do good work for others and for themselves.”

Excellence through Ethics accepts the challenge of educating youth in the basics of economics and business while establishing a positive balance on the side of well-informed, ethical business practice. This may appear to place a heavy burden on Junior Achievement volunteers, who are not trained ethics experts. The following informational pages will not turn you into an ethics expert. That’s not what we’re striving for here. What students need most is meaningful interaction with people who are willing to engage in a discussion of these vital issues.

Lively Practitioners Rather Than Dry Theorists

This program is more about day-to-day ethics practice than the nuances of ethics theory. Some believe that working in business requires a disconnect from one’s personal ethics. We do not believe this is the case. Students need to know that what they learn about fairness and honesty in general also applies to business. While business ethics may address some specific areas of business practice, it’s not a separate and distinct specialty to be set apart from the general ethical principles that apply in other areas of life. Young people need to encounter the wisdom of age and experience that volunteers bring to the classroom.

Students’ Growing Capacity for Ethical Decision-Making

Excellence through Ethics is designed to foster discussions at the appropriate level for each age group. The curriculum developers have designed the ethics activities with sensitivity to student’s mental maturity. At the late elementary and middle-grades levels, students’ capacities for ethical reasoning tend toward good personal behavior as determined by adult rules and authority. In relationships, personal trust, loyalty, and respect are of paramount importance. For these students, corporate ethical behavior is viewed in much the same light as their own personal behavior: it’s governed by rules.

As students advance into high school, their ethical decision-making moves into the larger arena of social contracts and systems that guide and govern societal and group behavior. Here the rationality and utility of laws are scrutinized, as students become more capable of higher-ordered, principled thinking. Students are increasingly aware of the diversity of values among different cultures and communities. At this level, students’ capacities for processing the complex, ethical dilemmas that may be encountered in business are greatly enhanced.

You will gain confidence as you come to realize that conducting a robust, provocative discussion with students is more important than “having the right answer.” The activities have been designed to leave room for lively discussion and multiple points of view. Having the courage to share your own experiences is very valuable to students.

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You don't have to apologize for the excesses students may see in business. Don't assume responsibility for actions that are not your own, and do not try to defend the indefensible. While accentuating the fact that most businesses operate ethically, it's okay to scrutinize the unethical players in the marketplace who give business in general a bad name.

Continuing Education

Teaching this material to students will no doubt strengthen and enhance your own ethics awareness and continuing education. Some students will challenge your best reasoning capacities. Having your own support network of professional colleagues with whom you can share and discuss some of these issues is very valuable. It's also helpful to seek out colleagues with philosophical views that differ from your own. This serves as a valuable "cross-pollination" function because you will be able to understand and discuss a variety of views with students, as well as share students' perspectives with your colleagues. In this way, everyone learns.

Finally, please be assured that your contributions here have tremendous value to students and will serve to upgrade business ethics in the future. We're dealing with the future generation of leaders in their formative years. We can take pride in the fact that we've had a hand in shaping the very people who will be responsible for business ethics and social responsibility in the future.

Appendix

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Many educators, economists, businesspeople, and consultants have contributed to the development of *Excellence through Ethics*. We would like to acknowledge the following individuals and groups for their efforts, creative talents, and support in creating these materials:

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Appendix

Excellence through Ethics Evaluation

Junior Achievement has discontinued all paper versions of program surveys. However, we greatly appreciate your comments and feedback about *Excellence through Ethics*. Please help us improve the quality of *Excellence through Ethics* by sharing your comments through our new online survey process. The online survey should take less than 10 minutes to complete.

If you have comments about the *Excellence through Ethics* program content, curriculum, and/or instruction, please access <http://studentcenter.ja.org/aspx/LearnEthics/> and choose the *Excellence through Ethics* Survey link located in the middle of the page.

Thank you for participating in JA!



Excellence through Ethics Student Survey

1. What grade are you in? _____

2. Please fill in the circle that best describes how you feel about the following statements.
There is no right or wrong answer.

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
This topic is very important.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am able to apply what I learned in this session to the real world.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The activities were interesting.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I learned something about ethics from this session.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Do you feel more prepared to make ethical decisions after participating in this session?

- A. Significantly more prepared
- B. Somewhat more prepared
- C. Somewhat less prepared
- D. Significantly less prepared
- E. Unsure

4. I saw someone at my job taking money from the cash register, I would:

- A. Ask someone I trust what I should
- B. Tell a supervisor
- C. Talk to the person taking the money
- D. Do nothing
- E. Not sure

5. To help us better understand who you are, please answer the following questions: How do you describe your ethnicity (family background)? (Fill in all that apply)

- A. African American
- B. Asian American
- C. Latino (a) or Chicano (a)
- D. European American (white)
- E. Native American
- F. Other – how do you identify yourself? _____

6. Do you have any additional comments regarding this session?

Optional: City _____ State _____ Country _____