

Module Name: Introduction to Business

Module code: LCBB4014

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he Role of Business Ethics and Corporate Social Responsibility in the Automotive Industry

Introduction

Corporate social responsibility (CSR) and business ethics are central elements of a modern business strategy. Business ethics is a compilation of standards that direct organisations to be just, transparent and accountable to the stakeholders. CSR is not only about the fulfilment of the law, but it is also about companies being involved in the social and environmental welfare in their quest to make a profit. These concepts are particularly significant in the automotive industry because of the global supply chains, environmental effects, and direct effect on consumer safety.

Businesses are more and more required to be ethical and sustainable in their practices to stay in control of their image and long-term prosperity. This essay explores business ethics and CSR in the automotive industry, uses two theoretical concepts to demonstrate why it is important, and identifies examples of Tesla, Toyota, and BMW to show how the importance of business ethics and CSR programs plays out in the automotive industry today.

Defining Business Ethics and CSR

Business ethics refers to the application of moral values to business practices and business decision-making. It ensures that the companies are responsible to the employees, customers, suppliers and the community at large. Respect for human rights, fairness, and adherence to legal and societal norms are some of the ethical considerations (Hoxhaj et al., 2023). Trust and credibility are created by ethical businesses that are key to success and stakeholder satisfaction in the long term.

Corporate social responsibility (CSR) is the insistence of a company that it is going to conduct business in a manner that is beneficial to society and the environment. CSR activities involve efforts to mitigate environmental impact, ethical labour practices, support the local community and social development. The automotive industry is one of the fields where CSR is highly applicable due to the level of scrutiny of companies in these areas in terms of their emissions, energy use, source of resources, and safety levels (Fallah Shayan et al., 2022). By taking the initiative to participate in CSR, a company will not only improve its image to the outside world but also provide sustainable development, as it will be sure to set its business operations in line with the expectations of society.

Models to Explain CSR and Business Ethics

Carroll's CSR Pyramid

The Carroll Pyramid of CSR gives a perspective on the various levels of corporate responsibility. There are four levels in the pyramid. The first tier is the economic responsibility, which is concerned with profitability and the creation of shareholder value. The second tier is legal responsibility, where companies should adhere to laws and regulations (Schilling-Vacaflor and Gustafsson, 2024). Ethical responsibility is the third level that consists of doing what is right, just and fair even outside what legal mandates. The highest one, philanthropic responsibility, is correlated with the volunteer feedback to the society, i.e. exposure to the community, philanthropy and green agenda. As this model shows, CSR is a process of balancing several responsibilities at a time, in which ethical and philanthropic practices complement and are not isolated from the business and legal goals.

Triple Bottom Line

The Triple Bottom Line model considers corporate performance through three aspects of performance: people, planet, and profit. The people dimension deals with social responsibility, which entails employee wellbeing, human rights and community involvement. The planet dimension deals with environmental sustainability, such as the minimisation of carbon emissions, waste management and ethical sourcing of materials (Zopounidis and Lemonakis, 2024). The profit dimension measures the economic sustainability and financial performance. The model emphasises that contemporary companies have to be measured not by profit rate but by social and environmental effect, and make long-term sustainable practices part of their strategy.

Organisational Examples

Tesla: Tesla, Inc. is a leader of electric vehicles, working on sustainability and carbon emission minimisation to tackle climate change. The company strives to enhance battery manufacturing and source materials such as lithium in a responsible manner (Papadimitriou et al., 2022). It is also ethical as it conducts tests on vehicles and ensures safety reporting and recalls.

Toyota: Toyota Motor Corporation shows itself to be sustainable and ethical with its hybrid and electric technologies, which minimise environmental impact. It puts safety first, adheres to policies and regulations and recalls where the need arises. Its CSR presence in society is also characterised by the fact that the company is involved in charitable activities (Katamba et al., 2024).

BMW: BMW howls CSR and ethics as part of its strategy, through sustainable production and emission reduction in manufacturing and responsible sourcing. It promotes the welfare of employees and diversity, as well as high safety standards. It is highly ethical and responsible in business operations, and the way it conducts its business is demonstrated through its transparency, eco-responsibility, and involvement of communities (Zaidi et al., 2025).

These examples indicate that automotive companies are supposed to have a balance between their profitability and ethical behaviour, and being socially responsible. Those businesses that do not give ethics or sustainability a priority would not only suffer reputational harm and regulatory fines or loss of customer confidence, but those companies that have effectively found a way to incorporate CSR strategies have the potential to experience long-term growth, customer loyalty, and contribution to society as a whole (Zakaria, 2025).

Conclusion

The strategic operations within the automotive companies revolve around their business ethics and corporate social responsibility. Ethics makes sure that businesses operate with integrity, fairness and accountability to all stakeholders, and CSR gives the company an obligation to society and the environment. Practical models like the CSR Pyramid of Carroll and the Triple Bottom Line can help to grasp and apply the principles and emphasise the multi-dimensionality of corporate responsibility. Companies such as Tesla, Toyota, and BMW show that moral behaviour and CSR programs are related to sustainable development, improved corporate image, and the resolution of social and environmental issues. Ethics and CSR integration cannot be considered optional in a business that is increasingly subject to environmental and safety considerations, as this is the only way it will achieve success in the long term. Those automotive firms that fully embrace these ideals are in a better position to identify the expectations of the

stakeholders, operational excellence and contribution to positive change in society and the environment.

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