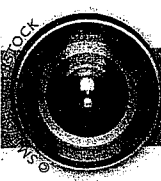


DISCUSSION QUESTIONS

1. When a company acts in an ethically questionable manner, what types of problems are caused for the organization and its customers?
2. How can an employee take an ethical stand regarding a business decision when his or her superior already has taken a different position?
3. Overall, would it be more profitable for a business to follow the economic model or the socioeconomic model of social responsibility?
4. Why should business take on the task of training the hard-core unemployed?
5. To what extent should the blame for vehicular air pollution be shared by manufacturers, consumers, and government?
6. Why is there so much government regulation involving social responsibility issues? Should there be less?



Video Case 2.1

Scholfield Honda—Going Green with Honda

Signs of green marketing can be found everywhere today: reusable shopping bags are the rule rather than the exception, organic and natural products fill grocers' shelves, and socially responsible companies are increasing their efforts to reduce pollution, conserve water and energy, and recycle waste paper, plastic, and other reusable materials.

Of course, some companies have always been ahead of the curve. Since the early 1970s, Honda has been producing the low-emissions, fuel-efficient Civic model, and the company has never strayed from its roots. Today's Honda line consists of four classes of vehicles: Good, Better, Best, and Ultimate. Its regular gas cars are Good, with about 30 mpg; hybrids are Better at about 45 mpg; and its Best solution is a natural gas-powered Civic GX, which gets about 220 miles to a tank. Honda also has Ultimate solutions in the works, such as the new Honda FCX Clarity—a hydrogen fuel-cell car that uses hydrogen and oxygen to create electricity. Although the Civic GX and Clarity models are available to consumers, neither vehicle is practical for the average driver as fueling stations are scarce.

Alternative energy vehicles are making their way to the Midwest. Lee Lindquist, an alternative fuels specialist at Scholfield Honda in Wichita, Kansas, was researching alternative fuel vehicles for a local Sierra Club meeting when he learned that municipalities in New York and California used the natural gas Civic GX to address air-quality issues. Although Lee recognized that his own Wichita market was not teeming with green consumers, he knew that people needed ways to combat rising fuel prices—so he proposed the Civic GX for use at his dealership.

Lee's boss was skeptical of the idea. Although management was open to clever ways to promote the dealership, owner Roger Scholfield did not want to risk muddying the waters with a new and somewhat impractical vehicle. Nevertheless, he agreed to offer the car to his fleet and corporate customers, and in time fate offered another opportunity for Scholfield Honda to go green.

In May 2007, a devastating tornado hit the nearby town of Greensburg, Kansas, leveling the area. Once again Lee Lindquist approached his boss. This time, he proposed donating both a Honda Civic GX and a natural-gas fueling station to Greensburg as a way of helping the town rebuild. Upon careful reflection, Roger realized that Lee's idea would benefit his dealership through good publicity and higher awareness of alternative fuel vehicles. Scholfield made the Civic model and fuel station available to Greensburg residents free of charge, and the dealership has been on the green bandwagon ever since.

Although there are more cost-effective ways of advertising, Roger Scholfield notes that customers are becoming more interested in alternative fuel vehicles since he donated the Civic GX. In addition, his dealership has generated plenty of goodwill in the press and among local residents—Scholfield Honda has developed a good reputation for its commitment to the environment and the people of Greensburg, even opening a "Honda Green Zone" conference room on the premises. The room can hold several hundred people. It includes a digital projector, sound system, and kitchenette and is available free to local firms and organizations for meetings and conferences. Its chairs, tables, tiles, and flooring are all made from recycled materials.¹⁷

Questions

1. How would you rate Scholfield Honda's sense of social responsibility? Does the dealership meet all the criteria for a socially responsible company?
2. What is Scholfield Honda's primary ethical responsibility in situations where a proposed green initiative is cost-prohibitive or even detrimental to the company's bottom line?
3. Should the government regulate companies' claims that their products are green? Should official classifications for environmental friendliness be defined?