

HOW CAN ENTERPRISES RECOGNIZE ETHICAL CHALLENGES IN ADVANCE AND GUARANTEE THEIR REPUTATIONS IN A SUSTAINABLE MANNER?

The complexity of ethical questions is constantly growing due to globalization and the rising interdependence of international markets. An understanding of the role of ethics and a corporate culture that implements the firm's ethical standards is thus of increasing importance for modern enterprises. The new professorship for Economics of Ethics and Corporate Culture at the University of Zurich examines how ethical challenges can influence enterprises and develops comprehensive solutions that will allow companies to establish a corporate culture that facilitates ethical behavior and enhances the firm's reputation.

Should an enterprise have to limit its emissions beyond the legal requirements? Is it responsible for work conditions in its subsidiaries? How can it establish trust relationships with its employees, customers, and other stakeholders? Or how should it treat issues related to management compensation?

The influence of private companies on society is increasing worldwide – accelerated by globalization and rapid technological advances. At the same time, the diversity of stakeholders is growing, and a company's success is directly dependent on their perceptions.

Comprehensive transparency

It is thus of central importance for enterprises that they be able to provide comprehensive accountability on the results and consequences of their social activities for both their customers and employees as well as for the society as a whole. Many enterprises, however, do not approach ethical questions in a consequent and strategic manner. The loss of reputation of many companies, especially in the financial sector over the last years, illustrates the need for action – also on the part of scientific community.



Prof. Roberto Weber

Prof. Roberto Weber is responsible for establishing the new professorship in economics of ethics and corporate culture. He is the holder of the Chair in Behavioral Economics at the Department of Economics and is considered to be one of the leading researchers in this area.

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The research work at the new professorship will provide insights that enable firms to develop and implement concrete solutions for ethics and corporate culture.

World-class research at the University of Zurich

The Department of Economics has attained international excellence in several areas. It hosts two research centers funded by Advanced Investigator Grants from the European Research Council. The center for “Engineering Social and Economic Institutions” bridges the modern theory of mechanism design with laboratory methods to improve social, political, and economic institutions. The center for “Institutions, Policy, and Culture in the Development Process” studies issues in macroeconomics, growth, globalization, and technological change, with particular emphasis on the economic development of China.

Innovative research laboratories

In addition to its world-renowned laboratory for experimental and behavioral economics, the Department recently established the Laboratory for Social and Neural Systems Research. This laboratory combines cutting-edge brain imaging technologies with non-invasive brain stimulation, neuropharmacology, and computational modeling to explore the biological mechanisms that underlie economic decision making.

The objective:

understanding the prerequisites for a corporate culture that implements the company’s ethical standards and enhances its reputation

- Understanding which factors and environmental conditions influence an individual’s decision to act ethically or unethically.
- Determining the influence of entrepreneurial leadership on the entire organization’s ethical behavior.
- Understanding how customers, employees, public officers, and other members of society form their perceptions of an organization’s reputation.
- Identifying the factors for the development of a long-term trust relationship between an enterprise and its customers, employees, and the society.

The advantages: being able to actively establish and manage a trust- and reputation-enhancing corporate culture

The research work at the new professorship will provide insights that enable firms to develop and implement concrete solutions for business ethics and corporate culture. Research can support enterprises in recognizing ethical challenges at an early stage and in finding sustainable solutions. This information will help a firm build up a reputation as a socially accountable organization and retain their stakeholders’ trust on a long-term basis.

Training in ethics and corporate culture

The integration of new knowledge into the courses taught at the University of Zurich guarantees the long-term success of the professorship. Lectures on ethics and corporate culture are foreseen, both at the bachelor and the master levels. The result: comprehensively trained specialists who are better prepared to deal with complex ethical questions in today’s globalized economy.

Department of Economics, University of Zurich

The Department of Economics at the University of Zurich is a leading European research center that represents a wide range of research interests in all areas of economics, including econometrics, macroeconomics, microeconomics, and neuroeconomics. The research conducted at the department has an interdisciplinary focus, combining modern economics with elements from history, political science, psychology, biology, and sociology. A group of globally recognized economists guarantee the scientific excellence.

www.econ.uzh.ch

Excellence Foundation Zurich

The Excellence Foundation Zurich is an independent foundation established in accordance with Swiss law. The foundation supports high quality research in the social and economic sciences at the University of Zurich and thus contributes to the solution of important social and economic problems. Its objective is to establish the best science for the urgent questions of our time. The Excellence Foundation Zurich

supports the Department of Economics in seeking new paths for cooperation with business and society. Serving as an interface between research and society, the Excellence Foundation Zurich brings the Department of Economics into contact with enterprises, foundations, and private persons. As an innovative foundation, it offers the supporters various possibilities and tailor made partnerships.

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