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Virtue Matrix

Tool that helps companies assess socially responsible behavior and become as innovative in enriching society as they are in enriching shareholders.

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How to assess socially responsible opportunities?

Corporate Virtue

- Civil foundation- is the common law of responsible corporate behavior, norms, laws and regulations.
- Goes no further than meeting society baseline expectation.

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Virtue's frontier



Represents conduct companies engage in because they consider the right thing to do.

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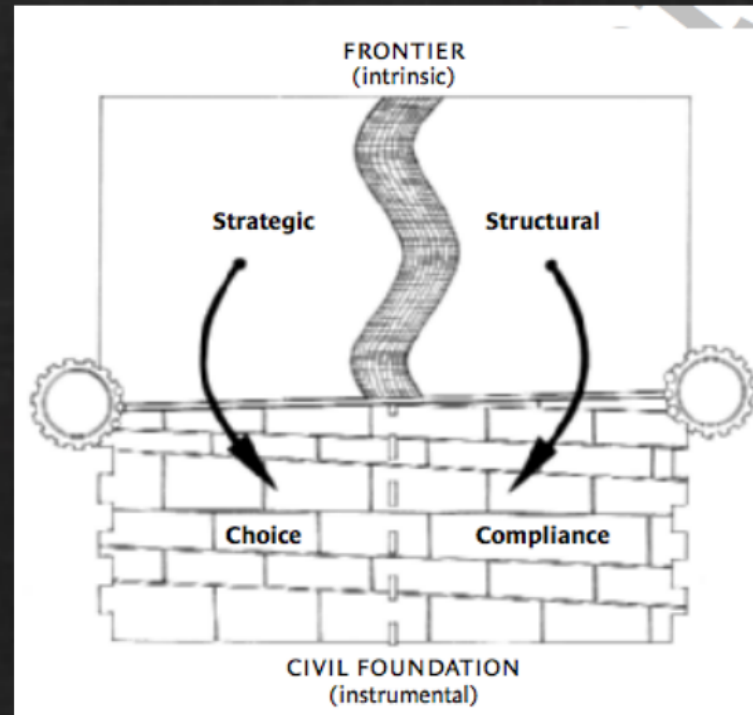
**Putting the Matrix
to Work**

Vision

Opportunities will benefit society and shareholders. Cultivate the energy and communication skills to undertake bold initiatives.

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How the Matrix works?



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The Virtue Matrix

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Strategic

It is intrinsically motivated behavior that coincidentally advances the corporation's strategy.

Structural

Houses actions that benefit society but not shareholders, creating a structural barrier to corporate action.

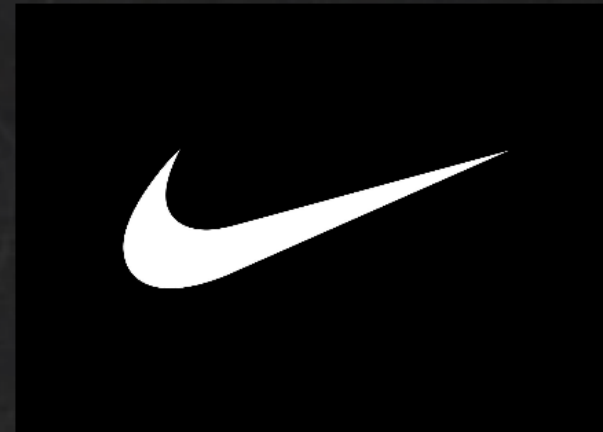
Choice

They choose to observe norms and customs.

Compliance

They are mandated by law or regulation to comply.

Does globalization kill virtue?



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Vision Shortage

Death of vision among business leaders

Peer Encouragement

By publicizing their success, business leaders can encourage further innovation by other companies

The ethical issue is defined by our community or stakeholders

Greatest Barrier

Most effective response

- Pressure of government regulations can help responsible corporate behavior migrate from structural frontier to civil foundation.
- Erroneous judgments in the structural frontier often face less scrutiny and can therefore remain in force indefinitely, creating a social cost that ultimately diminishes the civic foundation.
- Regulators should be sure to establish metrics that enable them to assess whether a regulation's value exceeds its costs.

