Modern Management Concepts and Skills 14th edition Certo Solutions Manual

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CHAPTER 2: MANAGERS, SOCIETY, AND SUSTAINABILITY

CHAPTER SUMMARY:

Chapter 2 begins the student's study of social responsibility, sustainability, and ethical issues related to managing. The chapter provides students with a discussion of these issues as they present challenges to managers.

Managers strive to attain their organization's goals, and the way in which they go about doing so is extremely important. Today's managers need to focus on accomplishing goals as good corporate citizens. Managers who do so are committed to building an organization's local community and environment as a vital part of managing.

The chapter's focus is on how managers can work toward upholding the principles of corporate social responsibility. A key gain for students is in learning the principles and being provided examples of ways to become good corporate citizens themselves.

Ask students if they believe their employers are good corporate citizens. I also always ask my students if they believe they have two sets of ethical codes – one they use in their personal lives and one they use in their professional/employment lives. They typically answer that question with a yes which leads to good conversations about the three factors that impact our ethics – as an individual, as a member of a society/organization, and as an individual with opportunity choices.

CHAPTER LEARNING OBJECTIVES:

1. A thorough understanding of the term *social responsibility*
2. Insights about the social responsiveness of an organization
3. Insights for meeting social audit challenges
4. Thoughts on how to meet philanthropy challenges
5. Ways for building sustainable organizations
6. An appreciation for the role that ethics plays in management

TARGET SKILLS:

Social Responsibility Skill: the ability to take action that protects and improves both the welfare of society and the interests of the organization

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CHAPTER OUTLINE:

This chapter is divided into six sections:

1. *Fundamentals of Social Responsibility*
2. *Social Responsiveness*
3. *The Social Audit Challenge*
4. *The Philanthropy Challenge*
5. *The Sustainable Organization Challenge*
6. *Managers and Ethics*

Fundamentals of Social Responsibility:

This section of the chapter introduces the fundamentals of social responsibility, which is also the target skill for the chapter. Students are introduced to the concept of "good corporate citizen" as one who is committed to building an organization's local community and environment as a vital part of managing.

- Social responsibility and Corporate social responsibility mean different things to different people
- *For this textbook* – Social Responsibility is defined as *the managerial obligation to take action that protects and improves both the welfare of society as a whole and the interests of the organization*
- Management should strive to achieve societal goals as well as organizational goals
- *The text provides a good example of a manager at Arch Chemicals and how his company is focused on social responsibility through their production of water sanitation products*
- Areas of Social Responsibility
    - Urban affairs, Consumer affairs, Community volunteerism, Employment practices
    - New trend is Ecology Conservation
    - United Nations international initiative involves companies thinking about ecosystems and how to maintain them
- Varying Opinions on Social Responsibility
    - While we see many companies and managers involved in social responsibility initiatives, we also see much controversy about whether this involvement is necessary or even appropriate
    - Arguments **for** Business Performing Social Responsibility Activities
        - Premise is that business as a whole is a subset of society, one that exerts a significant impact on the way society exists
        - Because business is an influential member of society, it has the responsibility to help maintain and improve the overall welfare of society
        - Performing social responsibility activities is a means of earning greater organizational profit as the firm's activities toward profitability and growth go hand in hand with responsible treatment of employees, customers, and the community

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        - Studies and research have not demonstrated a definitive relationship between social responsibility and profitability, but no direct relationship between social responsibility activities and the financial difficulties of firms who have conducted social responsibility actions has been shown either
    - Arguments **against** Business Performing Social Responsibility Activities
        - Milton Friedman is one of America's most distinguished economists
        - Friedman's view is that making business managers responsible simultaneously to business owners for reaching profit objectives and to society for enhancing societal welfare sets up a conflict of interest that could potentially cause the demise of business as it is known today
        - Friedman further said the social responsibility actions are most detrimental when managers are forced to perform socially responsible actions that directly conflict with private organizational objectives
        - He went further to say the actions may be unethical when the profits are spent on some individuals but are profits that rightfully belong to other individuals. Businesses exist to increase the profitability of owners so thus when managers reduce profits by spending owners' money they are taking the profits away from their rightful owners.
        - *The text provides an example of Control Data Corporation and former chairman, William Norris, to further illustrate Friedman's views*
- Conclusions about the Performance of Social Responsibility Activities by Business
    - Regardless of which argument or combination of arguments managers embrace, they should make concerted efforts to do the following:
        - Perform all legally required social responsibility activities
        - Consider voluntarily performing social responsibility activities beyond those legally required
        - Inform all relevant individuals of the extent to which the organization will become involved in performing social responsibility activities
- Performing Required Social Responsibility Activities
    - Federal legislation does require certain social responsibility activities
    - *Table 2.1 in the text lists the primary functions of several federal agencies that enforce social responsibility legislation*
- Voluntarily Performing Social Responsibility Activities
    - Adhering to legislation mandates for social responsibility activities is the minimum standard managers must achieve. Managers need to ask themselves how far above the minimum they are willing to go.
    - Managers need to assess the positive and negative outcomes of performing social responsibility activities over both the short and long terms
    - Managers should then choose those activities that maximize management system success while making a desirable contribution to the welfare of society
    - *The text offers an example of management at a Sara Lee Bakery plant in Iowa and how management voluntarily took action to protect employees' health*

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- Communicating the Degree of Social Responsibility Involvement
    - Communicating the extent to which a business should perform social responsibility activities beyond what is legally mandated is a subjective process
    - Regardless, managers should have a well-defined position in this area and communicate that vision to all organizational members
    - Doing this helps ensure both management and employees behave consistently and that societal expectations of the firm and what it can achieve are realistic
    - *The text provides an example of Nike to further illustrate this necessary communication*

Social Responsiveness:
This section of the chapter defines and discusses Social Responsiveness and the effectiveness and efficiency of an organization as it pursues its social responsibilities.

- Social responsiveness refers to the degree of effectiveness and efficiency an organization displays in pursuing its social responsibilities
- The greater the degree of effectiveness and efficiency, the more socially responsive the organization is said to be

- Determining Whether a Social Responsibility Exists
    - Managers typically face a challenge determining which specific social obligations are implied by their business situation
        - *As an example, the text mentions the tobacco industry* – socially obligated to contribute to public health by pushing for the development of innovative tobacco products that do less harm to people's health, but not socially obligated to help reclaim shorelines contaminated by oil spills
    - Management has a social obligation to its Stakeholders
        - Those individuals or groups that are directly or indirectly affected by an organization's decisions
        - Customers, stockholders/owners, suppliers, lenders, government agencies, employees/unions, competitors, local communities
        - *Table 2.2 lists stakeholders and provides examples of management social obligations to each of them*
- Social Responsiveness and Decision Making
    - Determining exactly which social responsibilities to pursue and how to pursue them are two of the most critical decisions for an organization to make in order to maintain a high level of social responsiveness within an organization
    - *Figure 2.1 illustrates a flowchart managers can use as a general guideline for making social responsibility decisions that enhance the social responsiveness of their organization*

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    - For managers to achieve and maintain a high level of social responsiveness within the organization, they must pursue only those responsibilities their organization possesses and has a right to undertake
    - *The "Tips for Managing Around the Globe" box in the text provides a great discussion opportunity focused on "Are Clothing Retailers Responsible for Bangladeshi Garment Workers?" – this topic could foster a great class discussion about social responsiveness and decision making*
- Approaches to Meeting Social Responsibilities
    - A desirable and socially responsive approach to meeting social obligations does the following:
        - Incorporates social goals into the annual planning process
        - Seeks comparative industry norms for social programs
        - Presents reports to organization members, the board of directors, and stockholders on social responsibility progress
        - Experiments with different approaches for measuring social performance
        - Attempts to measure the cost of social programs as well as the return on social program investments
    - Different managers do have a tendency to approach social responsibilities differently
        - One way to approach social responsibilities is as a Requirement
            - These managers view their primary responsibility as making a profit and thus do only what is required by law to meet social responsibilities
        - One way to approach social responsibilities is by Recognition that the firm has an obligation to pursue both profit and social goals and pursue them in mostly an obligatory fashion
            - These managers go beyond what is required by law to meet social obligations
        - One way to approach social responsibilities is by Believing strongly the firm has both profit and social goals
            - These managers work proactively and intently on reaching both goals
            - Going well beyond what is required by law to meet social obligations is commonplace for these managers
            - These organizations generally contribute more to society

Managers today face social responsibility challenges, and the next three sections of the text discuss the Social Audit challenge, the Philanthropy challenge, and the Sustainable Organization challenge.

The Social Audit Challenge:

- Managers must face the test of monitoring and improving their social responsibility efforts – thus many managers face the challenge of conducting a useful social audit

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- Social Audit – process of measuring the present social responsibility activities of an organization to assess its performance in this area
- Basic steps in a social audit include:
    - Monitoring
    - Measuring
    - Appraising
- Social audit measurements that gauge organizational progress in reaching social responsibility objectives can be taken in any number of areas – *The textbook uses the Starbucks Global Responsibility Report: Goals and Progress 2010 as examples for each of the following areas*:
    - Environmental Area
        - A measure of the usage of environmental resources
    - Community Area
        - A measure of promoting community service, creating jobs, and supporting youth activities
    - Responsible Buying Area
        - A measure of the social responsibility of an organization's suppliers and partners
    - Wellness Area
        - A measure of activities focused on improving the health of individuals in communities in which the organization operates

The Philanthropy Challenge:

- Social responsibility activities that promote the welfare of others through generous monetary donations to social causes
- Philanthropy aims to increase the well-being of people
- *The text provides examples of ExxonMobil's, Apple's, and American Express' philanthropic efforts and contributions*

The Sustainable Organization Challenge:

- To be successful in building and operating socially sensitive organizations over the long term, modern managers must face the challenge of crafting sustainable organizations
- This challenge is really a test modern managers must commonly succeed in order for organizations to be good corporate citizens
- Sustainability focuses on topics including how organizations can better conserve natural resources, reduce organizational waste, recycle used resources, and preserve the environment by protecting threatened plant and animal species
- Defining Sustainability
    - The degree to which a person or entity can meet its present needs without compromising the ability of other people or entities to meet their needs in the future
    - *The text offers an example of a production process that dumps contaminated waste into a river – if that dumping renders the river toxic and unusable for fishing or recreation, the entity would be considered unsustainable – if the*

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entity purifies the water before dumping it to protect the cleanliness of the river, the entity would be considered sustainable

- Defining a Sustainable Organization
  - An organization that has the ability to meet its present needs without compromising the ability of future generations to meet their needs
  - Management should work toward making their organizations sustainable in three areas – The Triple Bottom-Line:
    - The economy
      - Minimizing waste by not overproducing goods and generating fair profits for stakeholders
    - The environment
      - Protecting natural resources
    - Society
      - Maintaining the well-being and protection of the communities in which it does business
    - *The text provides an example of PepsiCo to further illustrate sustainability in these three areas*
- Why Sustainability?
  - Increased profit
    - Achieving a position of leadership in sustainability can boost product demand and one that customers like to do business with
  - Increased productivity
    - Increased labor productivity is commonly the most immediate payoff of sustainability
  - Increased innovation
    - A by-product of pursuing sustainability are new innovations that help organizations become more successful
    - *The text provides a good discussion of Wal-Mart and their milk jug innovations used at Sam's Club*
- Steps for Achieving Sustainability
  - *The Practical Challenge: Achieving Sustainability – General Mills box in the chapter provides a discussion of General Mills' sustainability efforts.*
  - *Each of the following steps is illustrated in the text with company examples of activities in each step – including Figure 2.2 that charts DuPont's progress toward reaching an energy consumption goal*
  - The steps taken do vary from organization to organization
  - Thus managers must understand the unique characteristics of their individual organization and the industry in which their organization operates
  - Managers then tailor sustainability activities and processes that best meet the needs of the individual organization
  - Steps managers can take to help build a sustainable organization:
    - Set sustainability goals
      - Identify specifically what the organization is attempting to accomplish in the area of sustainability

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        - Hire organization members who can help the organization become more sustainable
            - Hiring appropriately trained individuals who can perform the activities and thus increase the probability the activities are performed successfully
                - *The text provides an example of LEED certification programs at the US Green Building Business Council*
        - Reward employees who contribute to the organization's sustainability goals
            - Managers must encourage appropriate behavior that contributes to the accomplishment of organizational goals and reward those organization members who do contribute to the accomplishment of sustainability goals
        - Track progress in reaching sustainability goals
            - Set clear targets for the focus of organization members
            - Track the organization's process toward reaching those targets

Managers and Ethics:

- The study of ethics in management can be approached from many different directions – the most practical approach is to view ethics as catalyzing managers to take socially responsible actions
- A Definition of Ethics
    - The capacity to reflect on values in the corporate decision-making process, to determine how these values and decisions affect various stakeholder groups, and to establish how managers can use these observations in day-to-day company management
- Why Ethics is a Vital Part of Management Practices
    - John F. Akers – IBM – Makes good business sense for managers to be ethical – Companies cannot be competitive in either national or international markets if they are not ethical
    - Employment of ethical business practices can enhance overall corporate health in three areas:
        - Productivity
            - When management is acting ethically toward stakeholders, employees are positively affected
        - Stakeholder relations
            - Positively affecting "outside" stakeholders – suppliers and customers
            - Positive public image can attract customers who view such an image as desirable
        - Government regulation
            - Ethical management practices can enhance corporate health by minimizing government regulation
- A Code of Ethics

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    - Formal statement that acts as a guide for the ethics of how people within a particular organization should act and make decisions
    - Vast majority of organizations (approximately 90%) do have a code of ethics
    - *Figure 2.3 highlights the Code of Ethics for financial managers at Publix Super Markets*
    - Areas addressed typically include:
        - Conflict of interest
        - Competitors
        - Privacy of information
        - Gift giving
        - Giving and receiving of political contributions or business
    - Having a code of ethics is seen as an effective and efficient means of encouraging ethical practices *within* an organization
    - Managers do need to realize just because they have a code of ethics does not guarantee ethical behavior by employees – it is impossible for one code to cover all ethical and unethical conduct within an organization
        - Managers need to view codes of ethics as tools that need to be continuously evaluated and reviewed so that they are comprehensive and offer usable guidelines for making ethical decisions daily
- Creating an Ethical Workplace
    - Steps managers can take to encourage ethical practices:
        - Create, distribute, train on, and continually review a company's code of ethics
        - Appoint a Chief Ethics Officer – individual responsible for ensuring organizational ethics and values are integrated into daily decisions at all organizational levels – *Figure 2.4 lists characteristics of successful Chief Ethics Officers*
        - Furnish organizational members with appropriate training offering criteria to use when faced with ethical dilemmas
        - Discuss ethical standards with organizational members
            - Utilitarian Standard
                - Behavior is generally considered to be ethical if it provides the most good for or does the least harm to the greatest number of people
            - Rights Standard
                - Behavior is generally considered to be ethical if it respects and promotes the rights of others
            - Virtues Standard
                - Behavior is generally considered to be ethical if it reflects high moral values (honesty, fairness, compassion)
        - *Steps for Success – Creating an Ethical Work Environment box in the textbook offers additional insight into ways managers can set an ethical tone within their firms*
- Following the Law: Sarbanes-Oxley Reform Standards

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- *The text provides a good discussion of Enron Corporation and its downfall. This is key information as many students today have not heard of Enron, but the company's swift downfall provides a great example for the discussion of ethical values and organizational culture of organizations. I frequently show the first three chapters of the DVD "Smartest Guys in the Room – Enron" to students to further illustrate the impact of managerial values on decision making and organization practices.*
- Sarbanes-Oxley Act of 2002 was passed to try to prevent deception of publicly owned companies. *Students who have taken Accounting will have heard of SOX.*
- Managers who do not follow the stipulations of Sarbanes-Oxley face significant jail time.
- Supports whistleblowing for both discouraging deceptive management practices and encouraging ethical management practices
  - Whistleblowing is the act of an employee reporting suspected misconduct or corruption believed to exist within an organization
  - Whistle-blower is the individual employee who reports the alleged activities
  - Sarbanes-Oxley protects these employees by prohibiting retaliation by employers against whistle-blowers

SUPPLEMENTARY IDEA FOR INDIVIDUAL ASSIGNMENT AND GROUP EXPERIENTIAL EXERCISE:

- ***Individual Assignment –***
  - *Students are assigned a one-page, single-spaced response paper addressing the following questions:*
    - *What is your individual ethical code of conduct? What values do you live your life by?*
    - *Do you see a difference between your individual values and your employer's cultural values? What impact might having a conflict between these two sets of values have on your performance as an employee? What impact might this conflict have on your ability to effectively and efficiently perform in a management role?*
    - *Tell the students they should not use the textbook or any other sources as they write this paper – you are looking to find out their current views as they prepare this assignment response.*

- ***Group Experiential Exercise –***
  - *In groups assigned by the instructor, provide students samples of ethical dilemmas and have them discuss their views in small groups.*
    - *Sample dilemmas could include the changing of performance numbers on a sales or profitability spreadsheet – being "creative" with expense report completion – small business having $1000 to donate and they can only choose one source but have to donate all $1000 to the source: community soccer league, abortion clinic, homeless shelter, etc.*

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- *Conclude the exercise by bringing the class back together and having the small groups lead a class group discussion.*

CLASS PREPARATION AND PERSONAL STUDY:

- Reflecting on Target Skill
  - *Students are asked to review the chapter's target skill and learning objectives to ensure they have acquired all pertinent information within the chapter*
- Know Key Terms
  - *Key terms are listed asking students to define each of the terms*
- Know How Management Concepts Relate
  - *Students are presented with the following three essay questions and asked to answer each one completely and thoroughly.*
  - 2-1 – What's the relationship between social responsibility and ethics?

    Social responsibility is the managerial obligation to take action that protects and improves the welfare of society as a whole as well as organizational interests. In business, ethics can be defined as the capacity to reflect on values in the corporate decision-making process, to determine how these values and decisions affect stakeholder groups, and to establish how managers can use these observations in day-to-day company management. Ethics is a means to catalyzing managers to take socially responsible actions. Therefore, the relationship between the two is the conscious awareness by company management to balance both social responsibility and ethics in the workplace.

    Learning Objective: LO2.1: A thorough understanding of the term Social Responsibility

  - 2-2 – Should managers be philanthropic? Explain fully. Discuss some of the pitfalls that philanthropic managers must avoid.

    Philanthropy is promoting the welfare of others through generous monetary decisions in social causes. While student opinions may vary, one argument is managers must strive to make such gifts in societal areas that will afford the organization a competitive advantage. The major pitfall is that the company may come across as self-serving.

    Learning Objective: LO2.2: Insights about the social responsiveness of an organization

    2-3 – Do you think it's worthwhile for managers to build sustainable organizations? Why? How would you do it?

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Student responses will vary, but guide them toward the rationale made in the chapter. In addition, they should be asked to critique the steps outlined in the chapter to developing a sustainable organization.

Learning Objective: LO2.5: Ways for building sustainable organizations

Cases:

- **IKEA Builds on Its Commitment to the Environment**
  - **Case Discussion Notes:**
    - *The challenge case illustrates social responsibility, sustainability, and ethics issues related to managing IKEA. IKEA's main attraction to its wide customer base is the array of beautifully designed items tailored to smaller spaces and priced affordably.*
    - *IKEA's managers see their stores as more than just furniture stores. The IKEA vision is "to create a better everyday life for the many people" and in doing so, the company has enabled its customers to make their individual surroundings beautiful and functional.*
    - *IKEA's managers also take responsibility for the company's impact on the world. The company achieves this in many ways. In its management, IKEA appointed a Chief Sustainability Officer who is responsible for reducing the company's negative impact on the environment and increasing ways the company cares for the environment.*
    - *Additionally, IKEA achieves a better planning of distribution through shipping items directly to stores instead of warehouses and thus lowers the use of transportation resources. IKEA also cuts its use of energy in factories and stores by constructing energy-efficient buildings with solar panels and efficient lighting. This enables the firm to pursue a goal of producing as much energy from renewable sources as it consumes from all sources by the year 2020.*
    - *IKEA also maintains relationships with suppliers that require the suppliers to participate in a supplier code of conduct and forbid child labor. This enables suppliers to reduce their use of energy, water, pesticides, and other resources, which in turn assists suppliers in becoming more efficient.*
    - *The role of IKEA as a corporate citizen goes beyond environmental issues. The firm's management team has also established relationships with the World Wildlife Fund, the United Nations refugee agency, and even established its own IKEA Foundation.*
    - *What IKEA demonstrates is a firm who has chosen to pursue goals beyond just profitability. The company's commitment to social responsibility has encouraged innovation that gives the company a competitive edge.*
    - *Through all of these initiatives, IKEA has enjoyed growing revenues, market share, and profits even in regions that have struggled with the recent economic downturn. The firm demonstrates the reality that sustainability does relate to the future of business.*

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- *Some social responsibility activities for firms are legislated and therefore mandated they be performed by businesses. These mandates involve product safety and employee safety. What the case shows IKEA is doing, however, are voluntary efforts with their supplier code of conduct, mandate against child labor, etc.*
- *IKEA should communicate its efforts with society which should even further grow support for the firm's initiatives. Using the company's website would greatly facilitate this communication.*
- *Additionally, IKEA could gain from increasing its degree of social responsiveness when pursuing its social responsibility activities. Management could make decisions that focus on its established social responsibility areas and approach them in appropriate ways. If the firm finds it has an obligation in an area to be responsible, the firm's management must determine how to meet those responsibilities. Management could also work toward anticipating social problems and be proactive in working toward preventing them.*
- *IKEA's managers realize that for the firm to succeed in meeting its social responsibility objectives, it must be able to meet two major challenges: conducting a useful social audit and meet social responsibility objectives by making philanthropy work.*

- 2-4 – Do you think IKEA has a responsibility to support education and safety in the communities in which it does business? Explain.

  Student answers to this question will vary. As IKEA management seeks to determine its responsibility to support education and safety to communities within which it conducts business, the managers must decide if this commitment comes through the design and application of its products or efforts. If the managers decide yes, they could use the IKEA Foundation or other outlets to meet these social obligations.

  Learning Objective: LO2.2: Insights about the social responsiveness of an organization

- 2-5 – Assuming IKEA has such a responsibility, in what instances would it be relatively easy for the company to be committed to living up to it?

  Student answers will vary. The firm will find ease with product development and its focus on education and safety. The firm could also use its connection with the WWW and United Nations refugee agency to enhance the firm's safety and education initiatives. Through the firm's philanthropy, donations could be given to these initiatives as well.

  Learning Objective: LO2.4: Thoughts on how to meet philanthropy challenges

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- 2-6 – Assuming IKEA has such a responsibility, in what instances would it be relatively difficult for the company to be committed to living up to it?

  Student answers will vary. When a firm does not have the resources or relationships developed in the community, they can find difficulties in living up to its education and safety responsibilities. Additionally firms that are totally focused on profitability would also not see a culture focused on taking care of and enhancing the communities within which the firm operates.

  Learning Objective: LO2.4: Thoughts on how to meet philanthropy challenges

- **Solar Powered Business Community**
  - **Case Discussion Notes:**
    - *The case provides an example of a sustainable organization from start up. Russell Thomas is the driving force behind the project, and his intentions are to develop an entire business park that will be the first solar-powered business in western North Carolina.*
    - *The plan is to include retailers, corporate offices, and warehouses in the business park, which will allow visitors to enjoy restaurants, shops, offices, and lodging. Thomas sees this project as a way to bring socially conscious businesspeople together. If brought to fruition, the campus will feature, promote, and unite local and regional renewable energy oriented business vendors into a unique business alliance.*
    - *The facility is definitely an ambitious project requiring extensive planning that integrates the sustainable energy aspect into a place where people can feel comfortable and productive.*
    - *The objective is to produce a rich source of energy from highly sustainable methods like solar energy, wind, water retention, and so on. The campus is truly a sustainable organization in many ways.*

  - 2-7 – Describe how the Reems Creek Renewable Energy Campus is engaging in corporate social responsibility.

    While organizations have used solar power to carry out individual functions, Reems Creek Renewable Energy Campus is ambitious in that it features the first completely solar-powered business park. Its goal in powering all of its needs through solar power is its contribution to corporate social responsibility. It plans on creating an ecologically friendly environment.

    Learning Objective: LO2.1: A thorough understanding of the term Social Responsibility

  - 2-8 – What difficulties do you see in the years ahead for Russell Thomas and his Reems Creek Campus? How can those challenges be overcome?

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The major challenge is in completing such an ambitious project on time and on budget. Because it is a pioneer in this area, it faces the challenge of not having anything to model after.

Learning Objective: LO2.5: Ways for building sustainable organizations

- 2-9 – On a scale of one to five (with five being the highest), rate the sustainability of the Reems Creek Campus. Why do you give it such a rating?

  Student responses will vary, but a description of the project indicates its truly ambitious scale. Some students may assign it a five rating, while others may challenge that score.

  Learning Objective: LO2.5: Ways for building sustainable organizations

Experiential Exercises:

- **The Environmental Impact Team**
  This is a good assignment to use as a group activity in class. Students are assigned to read the Environmental Impact Team scenario and prepare an outline for how to implement a new social responsibility goal for the Guardian Unlimited newspaper for the upcoming three-year period. The goal is simple – To Persuade Readers to Have a Positive Impact on the Environment.

  The outline should include an outline of plans, organization features, influence system, and control mechanism, all aimed at achieving the new goal.

  Student responses for this scenario will vary. Because "going green" is such a popular trend recently, one plan to have a positive impact on the environment could center around recycling newspapers.

  An organization feature could include employee and community volunteerism. Student groups could call upon key stakeholders, like the municipal government, to pressure companies to recycle newspapers.
  Control mechanisms could include measuring the cost savings to the municipal government.

  Learning Objective: LO2.5: Ways for building sustainable organizations

- **You and Your Career – Planning Skill and Your Career**
  Student responses will vary for this assignment. They are asked to respond to the following questions:
  - *Could the lack of such communication hinder your career success as a manager? Explain.*

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- *If you were the president of the school in which you are taking this management class, what would you say to professors and students regarding the overall position on social responsibility that YOU would like the school to embrace?*
- *What specific activities should be pursued that correspond to this position?*

Learning Objective: LO2.1: A thorough understanding of the term Social Responsibility

- **Building Your Management Skills Portfolio – Bugaboo's Responsibilities to Society**
  Students are asked to identify corporate social responsibilities for the Bugaboo Strollers Company. Management of a company like Bugaboo must clearly keep in mind the responsibilities it has to society as a result of its business operations. Students are asked to list five responsibilities each to society they believe Bugaboo has as a result of the products it offers, its marketing practices, corporate philanthropy, and employees.

  Social Responsibilities Related to the Product Itself – *Student answers will vary but could include: building a safe product, providing public information about the product, product recalls, warranties, etc.*
  - 2-10
  - 2-11
  - 2-12
  - 2-13
  - 2-14

  Social Responsibilities Related to Marketing Practices – *Student answers will vary but could include: false advertising, transparency in advertising, making social audits public, positive public relations, customer feedback opportunities, etc.*
  - 2-15
  - 2-16
  - 2-17
  - 2-18
  - 2-19

  Social Responsibilities Related to Corporate Philanthropy – *Student answers will vary, but could include: corporate donations to charitable organizations, charitable grants, cash gifts, product donations, and employee volunteerism*
  - 2-20
  - 2-21
  - 2-22
  - 2-23
  - 2-24

  Social Responsibilities Related to Employees – *Student answers will vary but could include: fair wages, transparency, code of conduct for employees to follow, and appropriate training*
  - 2-25

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- 2-26
- 2-27
- 2-28
- 2-29

Learning Objective: LO2.2: Insights about the social responsiveness of an organization

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