

Social Responsibility: Four Characteristics of Responsibility (Local)

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SUBJECT(S): Management

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, the teacher will address the four characteristics of responsibility. Students will read “Case Study: Mpika Microfinance Scheme.” Students will then research different local businesses to determine their characteristic of socioeconomic responsibility.

≡ NBEA STANDARD(S):

- Management, V. Ethics And Social Responsibility

≡ RELATED ARTICLES:

- [“The Conversation: Social Impact and Making a Difference in the World”](#)
- [“Tackling the Problem of Hunger in America”](#)
- [“Revealing Research Exposes Business on the Dark Web”](#)
- [“Pursuing Careers that Combine Finance with Social Good”](#)
- [“Grassroots Goal: HIV Prevention on the Soccer Field”](#)
- [“Generation Microfinance: Charlie Javice Believes in the Power of Students to Alleviate Poverty”](#)
- [“Educator Toolkit: Exploring Ethics”](#)
- [“Building an Ethical and Efficient Recycling Supply Chain in India”](#)
- [“A Shanghai Student Perseveres in His Quest to Provide Funding for the Poor”](#)

Objectives/Purposes: The purpose of this lesson is for students to comprehend elements of social responsibility, specifically in the context of business management/competition at the local level. Students will be able to make connections at scale, understanding the organizational dynamics of a small business operation.

Knowledge@Wharton Article: [“Case Study: Mpika Microfinance Scheme”](#)

Other Resources/Materials: Internet Access for Teachers and Students

Activity:

1. *Introduction (10 mins): Class discussion opener:*

The teacher should introduce the two views of social responsibility: Classic and Socioeconomic.

NOTE: Simply mention to students that there are two views of social responsibility. For the purposes of this lesson, we will define and understand the classic view while we go into more of an analytic study of the socioeconomic view, because studies appear to show a positive relationship between social involvement and the economic performance of firms.

- **Classic View:** Management’s only responsibility is to maximize profits by operating the business in the best interests of the stockholders. Expending the firm’s resources on doing “social good” unjustifiably increases costs that lower profits to the owners and raises prices to consumers.
-Write this definition on the board so students may reference this throughout the lesson (Students may want to take this definition in notes to reference in the future)
- **Socioeconomic View:** Management’s social responsibility goes beyond making profits to include protecting and improving society’s welfare. Corporations are not independent entities responsible only to stockholders. Firms have a moral responsibility to larger society to become involved in social, legal and political issues.
-Write this definition on the board so students may reference this throughout the lesson (Students may want to take this definition in notes to reference in the future)

Next write the four characteristics of social responsibility on the board. Inform students that under the socioeconomic view businesses engage in different aspects of social responsibility. Students may want to take this definition in notes to reference in the future.

1. **Social Obligation:** The obligation of a business to meet its economic and legal responsibilities and nothing more (i.e., companies that pay minimum wage only meet the bare minimum legal obligation for salary).
2. **Social Responsiveness:** The capacity of a firm to adapt to changing societal conditions through the practical decisions of its managers in responding to important social needs (i.e., Banks use to only operate from 9am to 4pm Monday through Friday, due to the societal changes as to when people could conduct banking business, banks now offer more flexible banking options- open earlier and later hours and Saturdays, online and phone banking 24 hours, ATM's in a wide variety of locations etc.).
3. **Social Responsibility:** A firm's obligations as a moral agent extends beyond its legal and economic obligations, to the pursuit of long-term goals that are good for society (i.e., companies adopting more environmentally friendly business practices- grocery stores that encourage customers to use reusable bags instead of plastic bags).
4. **Social Impact Management:** The field of inquiry at the intersection of business practice and wider societal concerns that reflects and respects the complex interdependency of those two realities (i.e., Wal-mart offering organic produce and dairy in some markets due to the social concern that many consumers have with regards to food production practices).

Once students understand the difference between the socioeconomic view and the classic view, have students get into groups to discuss the merit of the following comment: "Expending the firm's resources on doing "social good" unjustifiably increases costs that lower profits to the owners and raises prices to consumers." Do they agree or disagree with this business philosophy? Allow groups sufficient time to discuss, then have each group share with whole class.

2. Guided Reading (10 mins):

Note: Teacher should project article on projector for students to read.

Now, have students read the K@W article: "[Case Study: Mpika Microfinance Scheme](#)"

3. Class Discussion (5 mins):

With a partner, answer the following questions based on the article ([see Worksheet I](#)).

1. What are micro loans?

Answer: Small loans made usually to women in impoverished conditions who have little

or no collateral to help them start or grow a small business _

2. What are some ways the “village bank” has improved the lives of villagers?

Answer: *One of the clients has used her capital to expand the range of products she sells in the market. Another has used the extra profit generated from her business to pay for her son’s exam fees at school — an expense she could not have met previously. One woman said she and her family can now afford to eat three meals a day when previously they could afford just one decent meal a day.*

3. How does the socioeconomic view factor in the business philosophy of this small business?

Answer: *The women looked for a business that would improve their lives in rural Zimbabwe, as well as the lives of others in their community — this is social responsibility*

4. Exploration Activity (15 mins): Social Responsibility

Often the characteristic of social responsibility is embedded in the philosophy of a business at its creation (the small business characteristic). Have students break out into groups of 3-4 to research 1-2 local businesses in the area. Have them search for their mission statement and philosophy. Then have students determine the characteristic of the socioeconomic view the business ascribes to. Finally have students assess if they believe the business is living up to its mission and philosophy, make sure they include experience-based evidence.

See Example below:

NOTE: While Google is not a “local” business, the kind of information gathered would be the same. Please be sure students are researching local businesses!!!

Example of type of Information to be gathered by student groups:

Google- Mission Statement: Google’s mission is to organize the world’s information and make it universally accessible and useful.

1. Focus on the user and all else will follow. (**social responsiveness/social impact management**)
2. It’s best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the web works. (**social impact management**)
5. You don’t need to be at your desk to need an answer. (**social responsiveness**)
6. You can make money without doing evil. (**social responsibility-morality**)

7. There's always more information out there.
8. The need for information crosses all borders. (**social responsiveness**)
9. You can be serious without a suit.
10. Great just isn't good enough.

Have student groups present their findings to the class. Discuss as a whole group the different ways in which businesses conduct business. Discuss if this may or may not factor into their economic success.

5. Closing (5 mins):

Use this time to answer questions and clarify points of confusion.

Tying It All Together: Social Responsibility is one of the elements of Business Ethics and Social Responsibility. This lesson plan can stand alone or the teacher may wish to visit other Wharton Global Youth Program lesson plans that highlight other ethics and social responsibility-related topics. The topic "Social Responsibility" is subsumed within the greater umbrella of Business Management, including but not limited to:

- Theories of Management
- Five Management Functions
- Business Organization
- Personal Management Skills
- Business Ethics and Social Responsibility
- Human Resource Management
- Technology and Information Management
- Financial Decision Making
- Operations Management

Practice Outside of the Classroom: Students may wish to develop a consumer philosophy regarding socioeconomic views of the market, and engage in customer choices that reflect these views.