

Social Responsibility: Four Characteristics of Responsibility (National)

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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 “From Incentives to Penalties: How Far Should Employers Go to Reduce Workplace Obesity?.” Students will engage in a class debate over social responsibility vs. individual responsibility and create a consensus of a healthy balance between the two.

≡ NBEA STANDARD(S):

- Management, V. Ethics And Social Responsibility

≡ RELATED ARTICLES:

- [“The Conversation: Social Impact and Making a Difference in the World”](#)
- [“Revealing Research Exposes Business on the Dark Web”](#)
- [“Pursuing Careers that Combine Finance with Social Good”](#)
- [“Parkland Activism: Teens Embrace ‘The Power of the Moment’”](#)
- [“Grassroots Goal: HIV Prevention on the Soccer Field”](#)
- [“Educator Toolkit: Exploring Ethics”](#)
- [“Building an Ethical and Efficient Recycling Supply Chain in India”](#)

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 national level. Students will be able to make connections at scale, understanding the organizational dynamics of a national business operation.

Knowledge@Wharton Article: [“From Incentives to Penalties: How Far Should Employers Go to Reduce Workplace Obesity?”](#)

Other Resources/Materials:

- For Teachers: Internet Access—if the teacher has Internet and can project the screen to the class, this is fine.

Activity:

1. *Introduction (10 min): 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 used to only operate from 9 am to 4 pm, 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, ATMs 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, such as 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 have an understanding of the four characteristics of responsibility, as a whole class have students brainstorm three to four examples (other than those mentioned above) of business practices that could be classified under each characteristic. Discuss as a class.

NOTE: Teacher may decide to create a table on the board that records and categorizes student suggestions that the whole class may refer to as a teaching tool. See example below:

<u>Social Obligation</u>	<u>Social Responsiveness</u>	<u>Social Responsibility</u>	<u>Social Impact Management</u>
Example 1	Example 1	Example 1	Example 1
Example 2	Example 2	Example 2	Example 2
Example 3	Example 3	Example 3	Example 3

Example 4	Example 4	Example 4	Example 4
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2. *Guided Reading (10 min):*

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

Now, have students read the Knowledge@Wharton article.

“From Incentives to Penalties: How Far Should Employers Go to Reduce Workplace Obesity?”

3. *Class Discussion (5 min):*

As a whole class answer the following questions based on the article.

1. How do companies in the article see obesity in terms of social responsibility?

Answer: *Obesity is one of the leading causes of most medical problems in the U.S. today.*

2. How do some companies seek to address the issue of obesity in the work place?

Answer: *Some companies offer incentive programs for employees who lose weight, others charge more for health insurance premiums, others offer onsite gyms or healthier food options.*

3. According to the article, how is obesity a social responsibility issue for companies?

Answer: *A 2007 report issued jointly by PricewaterhouseCoopers’ Health Research Institute and the World Economic Forum called on business leaders to fight chronic diseases (many of which are related to obesity) in the workplace, not only to cut direct and indirect costs but as a matter of social responsibility. “Traditionally governments, not employers, have been responsible for the health of people. However, many business and policy leaders now believe that governments alone cannot prevent the spread of chronic disease,” says the report. “Wellness must be inseparable from business objectives and long-term mission.”*

4. In your opinion, is obesity a matter of improving society’s welfare or a personal choice that companies have no right to intrude upon?

Answers may vary

4. *Exploration Activity (15 min): Social Responsibility*

Have students get into two groups. The two groups will engage in debate and generate consensus around the following question: *Should companies view health as a personal employee choice and thus as an individual's responsibility or as an issue of public need and social responsibility that companies should therefore be obliged to provide for their employees?*

Each group will take opposing sides (personal choice vs. social responsibility). Allow each group few minutes to determine their argument. Have each group present the merits of their side of the argument (i.e., personal choice vs. social responsibility). Write these merits on the board. Debate and discuss.

NOTE:

Have the whole class determine where along the spectrum of responsibility they believe a company should act with regards to the health of its employees (i.e., social obligation à social responsibility; is a company socially obligated to meet the health coverage needs of its employees, is it socially responsive, responsible, etc.).

Make sure the class justifies this characteristic based on a consensus of information brought forth in the debate. During this discussion, have students realize that companies must consider many different variables when considering their philosophy on social responsibility as noted in the discussion that the students just had on health. Remind students that the characteristic of social responsibility changes depending on the time (i.e., up until the middle of the 20th century, many companies allowed smoking in the work place whereas now many are debating whether to even hire smokers or not).

5. Closing (5 min):

Use this time to answer questions and clarify points of confusion. Also, if there is time:

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 research the social history of recycling and how it has evolved with regards to social responsibility in the U.S. and how national companies have evolved in their philosophies regarding this topic.

5