

# Social Responsibility: Four Characteristics of Responsibility (Non-profit)

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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: Social Obligation, Social Responsiveness, Social Responsibility and Social Impact Management (Non-Profit). Students will read the Knowledge@Wharton article: “GlobalGiving’s Mari Kuraishi: Forging a 21st Century Model for Philanthropy”. Students will then arrange in groups to create their own socially responsible non-profits.

## ≡ NBEA STANDARD(S):

- Management, V. Ethics And Social Responsibility

## ≡ RELATED ARTICLES:

- [“The Conversation: Social Impact and Making a Difference in the World”](#)
- [“The ‘Green’ Path from Corporate Social Responsibility to Brighter Earth Days”](#)
- [“Tackling the Problem of Hunger in America”](#)
- [“Social Entrepreneurship Spotlight: The Face Inside Your Coffee Cup”](#)
- [“Revealing Research Exposes Business on the Dark Web”](#)
- [“Pursuing Careers that Combine Finance with Social Good”](#)
- [“Nonprofits Are Changing the World – With a Little Help from the Next Generations”](#)
- [“Just Do It – But Ethically, Please”](#)

- “Grassroots Goal: HIV Prevention on the Soccer Field”
- “Educator Toolkit: Impact Investing”
- “Educator Toolkit: Exploring Ethics”
- “Building an Ethical and Efficient Recycling Supply Chain in India”
- “Breaking Down Community Barriers: The Fight for Environmental Justice”

**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 non-profit level. Students will be able to make connections at scale and understand the organizational dynamics of a non-profit business operation.

**Knowledge@Wharton Article:** [“GlobalGiving’s Mari Kuraishi: Forging a 21st Century Model for Philanthropy”](#)

**Other Resources/Materials:** For Teachers: Internet Access

**Activity:**

*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 purpose of this lesson, we will define and understand the classic view and be more analytical about 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. Disbursing the firm’s resources on doing “social good” unjustifiably increases costs, which in turn lowers profits for the owners and raises prices for the consumers.

**Socioeconomic View:** Management’s social responsibility goes beyond making profits to include protecting and improving the welfare of society. Corporations are not independent entities responsible only to stockholders. Firms have a moral responsibility to the larger society, to become involved in social, legal and political issues.

- Write both these definitions on the board so that students may reference this throughout the lesson and also note it down for future referencing.
- Next, write the four characteristics of social responsibility on the board. Inform students that under the socioeconomic view, business engages in different aspects of social responsibility. Students may want to take down these definitions in their 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 and important social needs through the practical decisions of its managers in responding to them. (i.e., Banks used to operate only from 9am to 4pm, Monday through Friday. Due to social changes, people needed the convenience of anytime banking. So banks now offer more flexible banking options – they open earlier, shut late, work on Saturdays, provide online and phone banking 24 hours, ATMs in a wide variety of locations, etc.).
- 3. Social Responsibility:** A firm’s obligation 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, like 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 these 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, let students get into groups to discuss the merit of the following comment: “All that matters is that we meet our bottom line (note: *bottom line* refers to how much money a business makes).” Do they agree or disagree with this business philosophy? Allow the groups sufficient time to discuss this, then let each group share their views with the whole class.

*Guided Reading (10 mins):*

The teacher should project the Knowledge@Wharton article: [“GlobalGiving’s Mari Kuraishi: Forging a 21st Century Model for Philanthropy”](#) on the screen for the students to read.

*Class Discussion (5 mins):*

Let the whole class answer the following questions based on the article.

1. What role will technology play in moving philanthropy forward?

*Answer: The new model in philanthropy includes moves toward micro-donations and the ability to track how small projects are performing in the field.*

2. How does GlobalGiving engage in social responsibility?

*Answer: They manage the relationship between donors and non-profits so that donors can contribute to causes that they want to and track how their money is being utilized. By doing this, GlobalGiving's whole business is social impact management.*

*Exploration Activity (15 mins):*

Have students break into groups of three to four persons each, and ask them to complete the following tasks:

1. Discuss the importance of social responsibility and then create a list of issues in our society that need addressing in a socially responsible way.
2. Create a non-profit to address **one** of these issues.
3. Create a name, mission statement, and purpose.

Have the groups share information on the non-profit they have created and the whole class discuss the role non-profits play in society. The teacher could also ask students the following questions:

1. Why are non-profits important?
2. Of what value are non-profits to society?
3. How can non-profits encourage other businesses to adopt a higher degree of social responsibility?

*Closing (5 minutes):*

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 include additional Knowledge@WhartonHighSchool lesson plans that highlight other ethics and social responsibility-related subjects, subsumed within the greater umbrella of business management such as:

- 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 donate to a non-profit that they feel is contributing responsibly to society.

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