

How Businesses Are Ethical and Socially Responsible

SUBMITTED BY: Knowledge@Wharton Summer Educator

SUBJECT(S): Management

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

≡ OVERVIEW:

This lesson will introduce students to various perspectives that companies employ in managing themselves in ethical and socially responsible ways.

≡ NBEA STANDARD(S):

- Management, V. Ethics And Social Responsibility

≡ RELATED ARTICLES:

- [“Social Entrepreneurship Spotlight: The Face Inside Your Coffee Cup”](#)
- [“Seth Goldman of Honest Tea: The ‘Perfect Ingredient’ for Social Impact”](#)
- [“Revealing Research Exposes Business on the Dark Web”](#)
- [“Just Do It – But Ethically, Please”](#)
- [“Fighting for Environmental Justice”](#)
- [“Educator Toolkit: Impact Investing”](#)
- [“Educator Toolkit: Exploring Ethics”](#)
- [“Career Insight: Thinking about Business Ethics in a Practical Way”](#)
- [“Breaking Down Community Barriers: The Fight for Environmental Justice”](#)
- [“Biotech Innovation That Breaks Down Plastic and Feeds the Fish”](#)

Common Core Standard(s):

- CCR Standard for Reading: Read closely to determine what the text says explicitly and make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from text.
- CCR Standard for Reading: Determine central ideas or themes of a text and analyze their development; summarize the key supporting details and ideas.

Objectives/Purposes: To provide students with a way for categorizing how business and industry engage in ethical and socially responsive behavior. Also, this lesson will foster students thinking about the ways in which they as consumers and future employees or business leaders can approach management ethically and responsibly.

Knowledge@Wharton Articles:

- [“Michael Lee-Chin Invests in a Region He Says Is Poised for Growth”](#)
- [“Will the Real Social Entrepreneur Please Stand Up?”](#)
- [“It’s Not Easy Going Green: Environmentalism May Help Your Corporate Image, but Will It Keep You in the Black?”](#)

Activities:

1) Present the definitions created in the last class for “ethics” and “socially responsible” behavior.

- a. Ethics refers to the rules and principles that define right and wrong conduct.
- b. Social responsibility pertains to a firm’s commitment to operating as a moral agent, and hence going beyond legal and economic expectations. There is an emphasis on giving back to society while also making a profit.

2) The teacher should lead the students in a discussion of the priorities in running a business successfully. (5 mins). Consider the following issues to emphasize:

- a. What is the main purpose of having a business? To make money!
- b. We have been experiencing a global shift in making money while also doing good in the process. Where do you think this emphasis came from? Have students name some of the companies that they are aware of who embrace this stance.

3) The teacher will introduce the old and new philosophies of social responsibility. Students will be asked to refer to these definitions later when they read the articles. (3 mins)

- Old: Obligation to stockholders and investors in making money.
- New: Obligations to make profits for stockholders is accompanied by a concern for doing the right thing morally. How profits are made is just as important.

Emphasize that socially responsible corporate behavior happens in four ways:

- Legal – mandated by law to do so.
- Market Approach – Customer preferences influence how manufacturing is done in an environmentally friendly way.
- Stakeholder Approach – Environmentally conscious practices are encouraged from multiple sources (e.g., communities, suppliers, employees).
- Activist Approach – To take a self-initiated leadership role in being environmentally sensitive.

4) Have students read together the “Just Do It But Ethically, Please” article. (6 mins)

5) Have students reconvene to discuss the article as a group. (8 mins)

6) Break students into groups to read the remaining four articles on their own. (15 mins). Have students talk among themselves about the stances these companies and business leaders take up while doing business (e.g., old, new, what’s legally required, market driven, stakeholder influenced, self-directed activist).

7) Have students share what they have learned with the larger group. (6 mins)

What Worked and What I Would Do Differently: When I retaught this lesson, I also asked the students to tell me where the issues presented in their article fitted into the greening of management framework (i.e., legal, market approach, stakeholder approach, and activist approach). This was a good way to check whether they understood what I presented. Also, students tend to really like the Nike article (Just Do It – But Ethically, Please). The article: “Will the Real Social Entrepreneur Please Stand Up?” is much too long for students to read, therefore consider breaking it up into sections and assigning it to a group of students to read. They can discuss their individual parts to create an overall picture of the article. The article: “It’s Not Easy Going Green: Environmentalism May Help Your Corporate Image, but Will It Keep You in the

Black?” is excellent, but you might want to break it into smaller sections for a group of readers to tackle together or consider assigning it to be read for homework by the entire class. This would take the place of the “Just Do It But Ethically, Please” article as the whole-class reading assignment, and hence allow you to use it as one of the four to be read in class.

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