

ADM1101

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Fourth edition Robert Sexty: Textbook

Chapter 1: Corporate Social Responsibility

Economic Systems

- Exam: question about economic system
- Exam: Capitalism will be on it.
- Basic Principles of Free Enterprises (Also on the exam)
 - o You will get a company like Apple and you have to explain why it is a free enterprise.
- Important: Key terminology relating to integrity in business

Capitalism: Laissez Faire: “To allow to do”

Economic Systems

- Communism:
 - o Society owns all means of production, distribution and exchange.
 - o No rents, wages
- Free Enterprise:
 - o Production owned by an individual or more
 - o Competition dominates
 - o Governed by laws of **supply and demand**
- Mixed Economy:
 - o Free enterprise and some government involved
- Socialism:
 - o Government owns and operates (industries like coal and transportation steel)

- Benefits all members of society

Capitalism

- **Mixed Economy:**
 - State and private sector direct the economy
- **State Capitalism:**
 - Commercial economic activity is governed by the state
- **Capitalism:** An economic system that allows **private ownership by the means of production** (land, labour)
 - Economic decision making is up to individuals/enterprises who make decisions expecting a profit

Free Enterprise System

- Characterized by ownership of private property by individuals and enterprises, a competitive market system.
- Limited involvement by the government.

Basic Principles of Free Enterprise (For exam)

1. **Profit Motive:** Drive for the improvement of material well-being.
2. **Open Opportunity:** The ability for anyone to compete in the marketplace.
3. **Legal Equality:** Equal rights to all.
4. **Private Property Rights:** Right to control your possessions as you wish.
5. **Free Contract:** Right to decide what agreements in which you get involved in.
6. **Voluntary Exchange:** Right to decide what and when you want to buy/sell a product.
7. **Competition:** Rivalry among sellers to attract customers.

Laissez-Faire Capitals

- An economic system with little interference from the government
- Government involvement: limited to providing services like police and fire protection

Responsible Enterprise System

- Economic system operating as a free enterprise system but has the element of **accountability**

- Businesses are responsible for their actions and are accountable for being the cause, agent or source of something

Stakeholder Capitalism

- Corporations accept broader obligations beyond financial ones for shareholders
- Balances the interests of shareholders with those of other stakeholders (employees, suppliers, customers and the community)
- Behave with greater social responsibility

Clean Capitalism

- Economic system that incorporates the **social, economic and ecological costs**

*IMPORTANT

Integrity in Business

Ethics of Business:

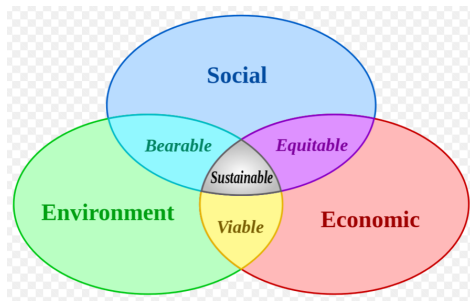
- Rules, standards, codes or principles
- Provide guidance for morally appropriate behaviour in managerial decision making
- They include:
 - o 1. Corporate social responsibility
 - o 2. Corporate sustainability
 - o 3. Triple bottom line
 - Corporate citizenship, governance and accountability (Need to know definitions and an analysis of all three)

Stakeholder: Someone who can influence/be influenced the achievement of an organization's purpose.

➔ Everything above is important!

Corporate Social Responsibility (CSR):

- How a corporation achieves balance
 - o Economic, social and environment (All of them have to be sustained)



6 core characteristics of CSR:

1. Voluntary
 2. Practice and values
 3. Managing externalities
 4. Beyond philanthropy
 5. Social and economic alignment
 6. Multiple stakeholder orientation
- Even stakeholders can be our competition because if you're not CSR, you can't exactly tell them what to do with the business

Six core characteristics of CSR



Source: based on Crane, A., Matten, D. and Spence, L.J. 2008, *Corporate Social Responsibility: Readings and Cases in a Global Context*, London: Routledge, Chapter 1, pp. 3-20

Important for the midterm and the final!

Corporate Sustainability:

- Inclusion of **social/environmental and economic responsibilities** in business operations
- They impact all stakeholders
- Includes:
 - o Economic, ethical and social responsibilities as well

CS vs CSR: CS have responsibilities that are completely integrated to the structure, policies and operations

Triple Bottom Line

- Evaluation of a corporation's performance
 - o According to the economic, social or ethical, and environmental value that a corporation adds/destroys

Corporate Citizenship

- Takes into account its role in and complete impact on society
- Economic influence

Deontology

- Actions are ethical if done for the sake of what is good
- Done without thinking about consequences
- Decisions based on duty and adherence to universal principles

Factors Influencing Attitudes Towards Business

Standard of Living

- As living standards increase, it is more likely society will view business in a positive manner

Decentralized Decision Making

- Businesses make decisions independently of one another
- Choice is favoured by consumers

Allocation of Resources

- Allocation is based on the **price/availability** of resources

Self-Interest

- It acts as a motivator and provides the drive for profit that encourages individuals to get things done

Inequities in Society

- System based on a **capitalistic** market leads to inequities.
- Supporters say that inequality is inevitable
 - o It provides incentives

Business Cycle

- With periods of prosperity then recession, the business enterprise system is vulnerable to criticisms

Business Wrongdoings

- Corporate misdeeds also influence society's attitudes
 - o Most common in **financial areas** (financial statements)

Adam Smith

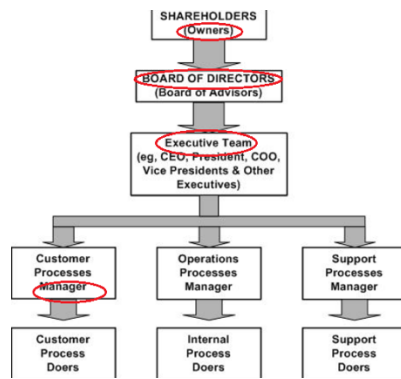
- *Father of Capitalism*
- Has different views of morality
 - o Moral principles
 - o Government and Laws
 - o People were born with a conscience that told them what was right or wrong
- *Visible hand concept*
 - o Well-functioning, competitive markets efficiently distributed society's scarce resources without the guiding hand of the government

Examples of Business Wrongdoings

1990's

- Nike
 - o Boycott after media outlets reported abusive labour practices

People who run Canadian Businesses



Important for midterm and exam

Owners: Shareholders

Direct Individual Owners

1. Shareholders/investors
2. Entrepreneurs
3. Employees
4. Customers

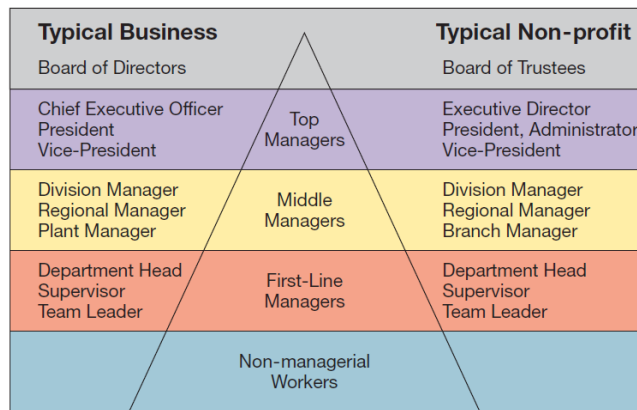
Indirect Owners

1. Corporations that own shares
2. Venture capitalists that finance growing businesses
3. Governments that use corporations to deliver goods and services
4. Consumers: investing in mutual funds
5. Employees: when they contribute to pension plans

Managers

- A person who supports, activates and is responsible for the work of others
- Requires a variety of skills
 - Directing a corporation's affairs in a competitive environment
 - Cope with large-scale changes
 - Ethics of business
- **Top Manager**
 - Guides the performance of the organization
 - CEOs
 - Head of management for an organization
- **Middle Manager**
 - Oversees the work of large departments
 - Functional Managers

- COO (Chief Operating Officer)
- Responsible for day to day operations
- **Line Manager**
 - Contributes to producing organization's G&S



Lectures 2 & 3: Corporate Social Responsibility

What is a Stakeholder? (For the Exam)

- An individual or group who can ***influence*** or is influenced by the achievement of an organization's purpose

Recognize Business as just One Institution In Society

- Pluralistic Society: where influence or power is decentralized by dispersing it among a variety of institutions
 - No institution is complete independent of another, but each has its own characteristics of autonomy

How to Identify Stakeholders?

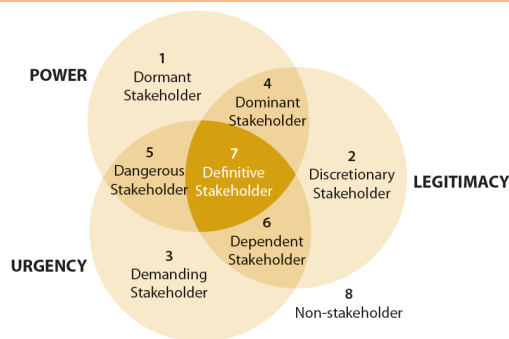
- Brainstorming
 - Identify every name, organization or any other stakeholder
- Mind Mapping
 - Draw a mindmap
- Stakeholder lists
- Previous projects
- Organization charts and directories

Ex. Customers in a sushi restaurant are stake holders because they have an impact on your revenue

Stakeholder Identification

- **Salience**
 - The degree to which priority is given to competing stakeholders
- **Power**
 - The ability to get a firm to do something it wouldn't do based on force, threat
- **Legitimacy**
 - Perception or assumption that actions of an entity are desirable or proper
- **Urgency**
 - The degree to which a stakeholder's claim/relationship calls for immediate attention

FIGURE 4.5 *Stakeholder Typology: One, Two, or Three Attributes Present*



- Dominant stakeholders have the most influence
 - Suppliers
- Dangerous stakeholder

Stakeholder Analysis

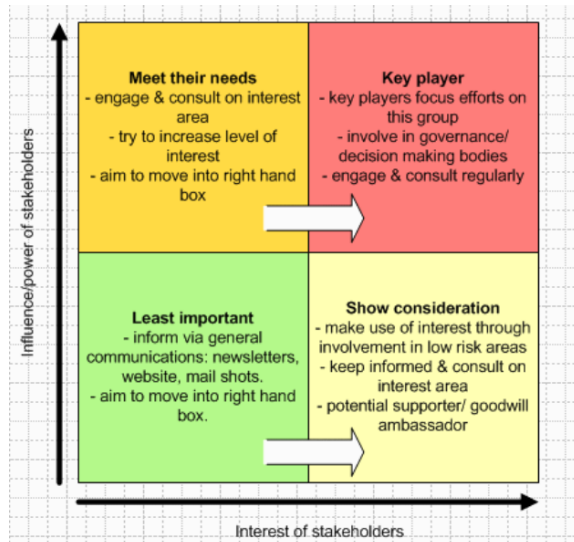
- A systematic way to analyze stakeholders by their power and interest
- High power, high interest stake holders are **Key Players**
 - Important to identify them
 - Have a high political interest and are powerful enough to stop work completely
- Low power and low interest stake holders: **least important**

Mapping the Interest of your Stakeholders

Stakeholder group	Interested in the Impact on:				
	Finance (gain/loss)	Environment (e.g. noise, pollution, traffic)	Legislation (e.g. employment laws)	Business as Usual	Reputation
Visitors/users of the campus grounds		✓			
Local residents		✓			
Academic departments				✓	✓
Students				✓	

Map the Stakeholders

- A common approach is to **map the interest and power or influence of each stakeholder group**



Questions used to identify stakeholders who are key players [🔗](#)

Job titles are the only indicator of a Stakeholder's importance and interest. You can also find Key Players by looking at responsibilities and accountabilities. For example think about these questions:

- ✓ Who holds the budget?
- ✓ Who owns the profit and loss?
- ✓ Who owns the relationship with the customer?
- ✓ Who signed up to the [business case](#)?
- ✓ Who will report on the KPIs?
- ✓ Who will be providing resources, people and equipment?
- ✓ Who seems to have a keen interest? Is this a pet project for someone?
- ✓ Who will stand to lose their job if this project doesn't work out?
- ✓ Who will get promoted if this goes well?
- ✓ Who will build/is building their reputation on this?
- ✓ Who will report to the board/most senior committee on progress?
- ✓ Who will end up in court if this goes wrong?

- Who are these people that have a great interest and power in my company? What kind of questions can I ask them?

Diagnostic Typology of Organizational Stakeholders

FIGURE 4.4 Diagnostic Typology of Organizational Stakeholders



Stakeholder Type 1

- Those who won't support you and you will try to defend yourself

Stakeholder Type 2

- They will evaluate your organization based on no prior information given

Stakeholders Planning and Communication

- Stakeholders Engagement Plan

Stakeholder group	Goals, motivations, and interests	Influence	Interest	Action	Win/win strategies
Senior Management Board	The successful delivery of the project on budget and on time.	High	High	Key player	Sign off of key decisions and stages via existing channels.
External Relations Office/Communications Office	Maintaining a positive public image for the university, its staff and students.	High	High	Key player	Partner in the development and delivery of the communication plan.
Catering Maintenance Cleaning	Ability to continue business as usual and potential impact on existing contracts.	Low	High	Show consideration	Show consideration via regular updates and provide clear channels for expressing concerns.
Fire service	Compliance with regulations and fire safety.	High	Low	Meet requirements	Ensure all projects follow correct procedures. No additional action.

How can stakeholders influence your business?

- **Resource Dependence**
 - o Stakeholder is supplying a resource and can exert some form of control over it
 - o Supplier can give you sushi but can choose when not to
- **Withholding strategies**
 - o Stakeholder discontinues providing a resource
 - o Ex. ***They can go on strike if you're unionized***
 - o Striking: Withhold labour

- Cancel loans/Financial banking: withhold finance
- Boycott: Withhold revenue and bookings
- **Usage Strategies**
 - Stakeholder continues to supply resources but specifies how it is to be used
 - **Ex. Banks can withhold bank loans that they give you**
 - Anyone who has an impact on your choices
- **Influence Pathway**
 - When withholding and usage strategies are used by an ally of stakeholder
- **Controlling how resource can be used:**
 - Ex1. A condition where suppliers stopped using a certain product

Typology of Influence Strategies

		Is the stakeholder dependent on the corporation?	
		No	Yes
Is the corporation dependent on the stakeholder?	No	Indirect/withholding (low interdependence)	Indirect/usage (firm power)
	Yes	Direct/withholding (stakeholder power)	Direct/usage (high interdependence)

- If the fish supplier depends on the fish restaurant to make his money?
- **This figure is really important for the exam**

Potential stakeholder influence strategies in the Canadian mining industry?

		Is the stakeholder dependent on the corporation?	
		No	Yes
Is the corporation dependent on the stakeholder?	No	Low Interdependence Stakeholders: <ul style="list-style-type: none"> • Environmental NGOs • Aboriginal groups • Religious organizations • Educational institutions 	Firm Power Stakeholders: <ul style="list-style-type: none"> • Suppliers • Employees • Service professionals • Charities
		↓ Indirect/Withholding Influence Strategy	↓ Indirect/Usage Influence Strategy
	Yes	Stakeholder Power Stakeholders: <ul style="list-style-type: none"> • Government regulators • Customers • Media • Local communities • Activist shareholders 	High Interdependence Stakeholders: <ul style="list-style-type: none"> • Owners/investors • Business organizations • Local communities • Suppliers • Competitors
		↓ Direct/Withholding Influence Strategy	↓ Indirect/Usage Influence Strategy

- Does the stakeholder depend on the mining industry and vice versa

Influence Strategy

- A stakeholder wields real power when
 - They aren't dependent on the firm

- Firm is dependent on them
- When a stakeholder can directly withhold their labour, finance
- Stakeholders can still directly influence the firm using wage strategies if:
 - Stakeholders are dependent on the firm and vice versa
- Stakeholder can only influence successfully via an indirect strategy if:
 - A firm isn't dependent on a stakeholder

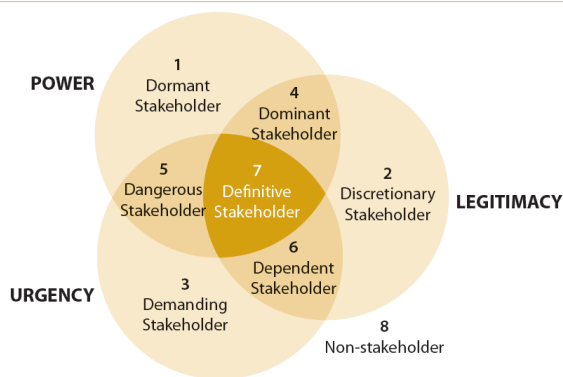
Managers' Responsibilities

1. Identify stakeholders
2. Understand how corporation currently views stakeholders
3. Examine how each stakeholder will or might influence firm
4. Assess opportunities and threats
 - a. To help with the reputation of the restaurant and who you can trust
5. Rank stakeholders by influence
 - a. Who are the more important people
6. Prepare programs/policies detailing how to cope with stakeholders

Case Study 1: BP Oil Spill

- Stakeholders are the owners, directors, employees, customers

In the case of BP, which stakeholders are powerful or urgent?



This will be on the exam without the 3 words

Exam Questions:

- Which stakeholders are powerful?
- BP lost almost a quarter of its market value

Crisis Management

- **Crisis:** A turning point, a crucial time and a situation that has reached a critical point

- **Crisis Management:** An approach involving planning and removing much of the risk/uncertainty, allowing the corporation to achieve more control over events

Stakeholders Engagement

- Efforts by a corporation to understand/involve relevant individuals, groups or organizations
 - o Done by considering their moral concerns in strategic/operational initiatives
 - o You have to engage with your stakeholders to understand them more
- Framework for organizations to develop

What are the arguments for and against the stakeholder concept?

For

- Simply good business
- Ignoring stakeholder interests can have economic consequences
- Provides more systematic approach to recognizing stakeholder expectations and deciding how to respond

Against

- Problems on how to identify stakeholders
- Challenges in meeting expectations (tradeoffs)
- Top management focus drives away from financial performance

Social Capital: The networks of relationships among people who live and work in a particular society, being able to function effectively

ANOTHER EXAM Q: Arguments for and against the stakeholder concept

Midterm:

What is a stakeholder?

Midterm: What is it? Final: Who are the stakeholders in this case?

How to identify the stakeholders (3 ways)?

Know the stakeholder identification and salience (Know their definitions and explain how they possess all the characteristics like "Power")

Stakeholder Analysis (Remember 2.1-2.4) ALL the steps on identifying them (Might provide you with the table on 2.1 and will be asked to make the table yourself)

Tell the strategies you will use for figure 2.2 (You will get the quadrant and the names)

Have to be able to reveal what slides represent want (2.5) Be able to explain their relationship..
Example (Remember the communication between stakeholders and a business) -> Example: I won't supply you with fish because I don't like the way that you use it.

3.1 Understand the table (Who are your stakeholders? Group them. For each group, what are their goals? Do they have high influence/interest or low ones?)

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Lecture 4 – Corporate Social Responsibility

Ethics of Business

- The rules, standards, codes or principles that provide guidance for morally **appropriate behaviour in managerial decision making** relating to the operation of a business
- We want to make our shareholders happy but at what cost?
- To understand how a company is supposed to follow specific guidelines
- **For Exam: What is the point of this course?**
 - o **What is ethics of business? What does it include? What is CSR? What are the six characteristics of CSR? Difference between CSR and CSV? What is corporate sustainability? Explain the venn diagram figure. Benefit of being a corporate citizen? Memorize FOUR benefits. Memorize four arguments for and against being CSR**

What is CSR?

- The way a corporation achieves balance along its **economic, social and environmental responsibilities** in its operations so as to **address shareholder and other stakeholder expectations**
- Known as Corporate Responsibility, Corporate Ethics or Sustainability
- **International Organization for Standardization (ISO):**
 - o A standards-setting organization
 - o Formulated standards for risk, quality, environmental and energy management

Corporate Sustainability

- **Corporate activities demonstrating the inclusion of social and environmental as well as economic responsibilities** in business operations as they **impact all stakeholders** to ensure the long-term survival of a corporation

- Has a wider meaning and includes
 - o Economic, ethical and social responsibilities as well

Triple Bottom Line

- The evaluation of a **corporation's performance** according to a summary of the **economic, social or ethical** value that a company adds or destroys **This definition will be asked for the exam**
- Third one is **environment**
 - o Corporate citizenship, governance or accountability

Corporate Citizenship

- Occurs when a corporation demonstrates that it takes into account its complete impact on society, the environment and the economy
- **Business Citizenship**: Includes the responsibilities of corporate citizenship on a local and national basis
 - o Extends it to a global scope
- **Good Corporate Citizenship**
 - o Reputation Management
 - Built and maintained by filling the expectations of stakeholders
 - o Risk profile and risk management
 - When corporations understand stakeholder concerns
 - Knowing what is at risk will help you make better decisions for a company
 - o Employee recruitment
 - Obtaining and keeping employees
 - o License to operate
 - Companies with a good record of corporate citizenship

CSR Debate:

For CSR:

- Business must satisfy society's needs
- Prevents public criticism
- Business + Society = Interdependent
- CSR is good for the bottom line
- Social actions will improve public image and goodwill

Against CSR:

- Business is responsible to shareholders
- Social policy is role of government
- CSR will give too much power to businesses
- Businesses cannot be held accountable

Social Responsibilities Theories – Exam: Need to know which view is what?

Amoral View

- Traditional view of business as merely profit-making entity
- You don't care about CSR. A business is a business and you're there just to make money

TABLE 7.2 Examples of Amoral-View Theories of Social Responsibility
<i>Fundamentalism</i> —The corporation has no or very little social responsibility.
<i>Legal recognition</i> —The corporation is an autonomous entity and not the creation of society.
<i>Individual agreement</i> —Corporations can be socially responsible, but only within the limits of a prior contractual agreement with shareholders.
<i>Traditional shareholders model</i> —Beyond individual agreements, corporations are not ethically required to be socially responsible; they are responsible only to monies and to maximize profits (as so famously stated by Milton Friedman).

Source: Summarized from Richard J. Klonoski, "Foundational Considerations in the Corporate Social Responsibility Debate," *Business Horizons* (July/August 1991): 9–18. With permission from Elsevier.

- We didn't always know about CSR.
- Objective is to survive in the competition market

Personal view

- Corporations are like people and can therefore be held accountable for their actions

Social view

- Corporations are social institutions with social responsibilities

Pyramid of Social Responsibilities – May be on the Exam

- Claim presents the concept such that social responsibility will be accepted by a conscientious businessperson

FIGURE 7.1 Carroll's Pyramid of Corporate Social Responsibility

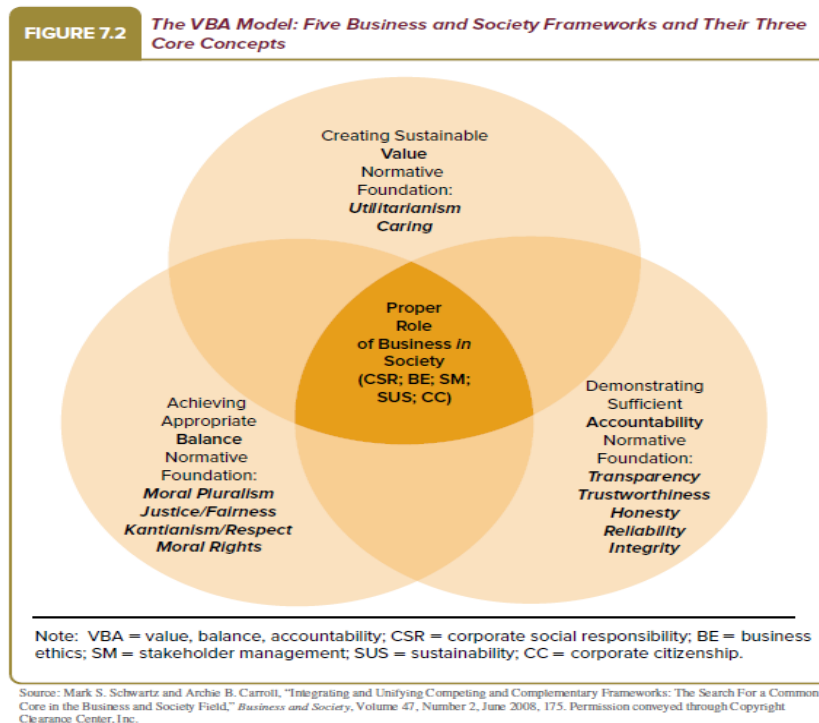


- Philanthropic – “Be a good corporate citizen”
- Ethical – “Be ethical”

- Legal – “Obey the law”
- Economic – “Be profitable”

VBA Model: An Integration of CSR Concepts

- Represented by the following equation:
 - **Value + Balance + Accountability = Proper Role of Business in Society** <- For the Exam



Exam: What are the risks of not practicing CSR?

Measuring, Reporting and Communicating CSR

Measuring CSR

- The first step in the measurement of CSR involves some type of **auditing**
- **Social Auditing** is a systematic assessment that identifies, measures, evaluates, reports and monitors the effects an enterprise has on society that are not covered in financial reports

- *Inventory*—a listing of social activities without any evaluation.
- *Program management*—a statement describing particular programs or initiatives, including an indication of the resources committed.
- *Process*—a more elaborate approach incorporating the inventory and program management approaches. It includes an assessment of how each social program came into being, a statement of each program's objectives and the rationales behind each activity, and a description of what has been accomplished.
- *Cost or outlay*—a social-economic operating statement that tabulates the expenditures an enterprise makes on social objectives less the negative costs for social objectives not addressed. The approach is to measure the total social impact, positive and negative.
- *Social responsibility accounting*—a system of accounting that tabulates social costs and benefits with the objective of the best social return for the social investment made.
- *Social indicators*—an audit of the community is conducted using social indicators to provide data on the most pressing needs. Corporate social performances are compared or related to community or social indicators.

->

The above picture on the exam!

What are some key barriers to fully integrating CSR into organizations? – FOR THE EXAM (Bolded)

- **Immediate financial goals**
- **Absence of a business case**
- Inadequate budget
- Differing CSR definitions
- **Insufficient clarity concerning responsibilities of the company**

Corporate Philanthropy – FOR THE EXAM

- Businesses will contribute to society, manifested by **donations of money or goods and services in kind, voluntarism** and **sponsorship** of events that contributes to society. This includes
 - Cause-related marketing: The **purchase of a particular product results in a donation** being made **by a corporation to a non-profit** organization's program
 - Strategic giving: An attempt to rationalize the shareholder interests with **corporate philanthropy** whereby the **corporation benefits from the funds**

Social Venture Philanthropy

- Investment of human/financial resources by corporations in non-profit community to generation a **social** return instead of only a **financial** one
- Arguments for Corporate Philanthropy:
 - Means to express CSR to community
 - Promotes image of good citizenship
 - Company's success linked to community's health
- Against:
 - Funds given belong to shareholders
 - Social welfare is the job of the government
 - Government's responsibility to attribute to the community
 - Corporation might become accountable for actions of charity

Corporate Voluntarism

- Time and talent employees commit to community organizations with support or consent from employers
- Forms of support:
 - o Providing facilities, allowing time off

Corporate Sponsorship

- A partnership which has been established for mutual benefit between a business sponsor & event
 - o Examples include sports, environmental issues
- Arguments for:
 - o Brand image, awareness, targeted marketing
- Arguments against:
 - o Cause association

Reputation Management

- Effort to enhance a corporation's image
- Previous focus on media and public relations
- **Today**, they focus on relationships with all stakeholders
- **Reputations take a long time to build but can be destroyed very quickly**

Social Enterprise

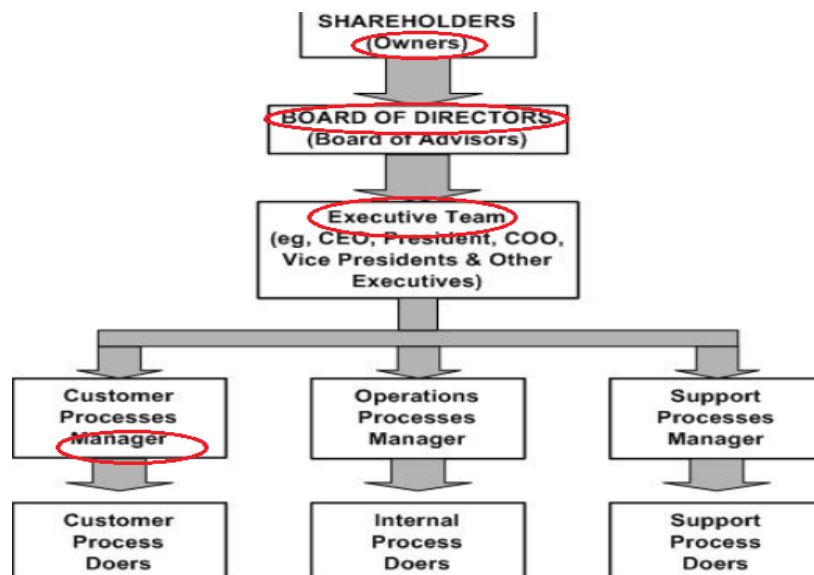
- A business operation where some or all profits are deliberately used to further social aims
- 2 types:
 - o 1. Non-profit enterprises that contribute all profits to social initiatives (Shorefast Foundation)
 - o 2. For-profit enterprises that divide profits between social initiatives and shareholders (Google)
- Social Entrepreneur: An innovative, visionary leader of a non-profit organization with a high awareness of ethical considerations
- Evaluates three aspects of business:
 - o 1. Purpose of business
 - o Social context of business
 - o Metrics: How performance is measured



Chapters 5 and 6: Lecture 5

Owners: Shareholders

- They need to figure out who is going to be in charge of CSR



Direct Individual Owners

1. Shareholders/Investors
2. Entrepreneurs
3. Employees

- a. Stock-purchase and grant programs
- 4. Customers and producers
 - a. Ownership through cooperatives

Indirect Owners

- 1. Corporations own shares in other companies
- 2. Venture capitalist finance growing businesses by purchasing shares
- 3. Gvt uses corporations to deliver G&S to citizens
- 4. Consumers: mutual funds
- 5. Employees: contribution to pension plans

Board of Directors

- They give the CEO authority to make decisions instead of just the CEO purely making decisions
- Elected by shareholders to manage a business and its affairs

Managers

- A person who supports, activates and is responsible for the work of others
- Knows the ethics of business (CSR)

Type of Managers

Top Managers: Guides the performance of the organization as a whole

Middle Managers: Oversee the work of large departments/divisions

Administrator: Manager in a public or non-profit organization

First Line Managers = Project Managers (PM)

- Manage operatives
 - o Coordinators
 - o Assistants
 - o Interns

Operations

- COO (Chief Operating Officer)
- Does day to day operations of an organization

Finance

- Chief Financial Officer
- Data analysis, financial planning and record keeping

Marketing

- CMO (Chief Marketing Officer)
- Head of sales, product development

Information Technology

- Serves as the company's top technology designer
- Focuses on buyers

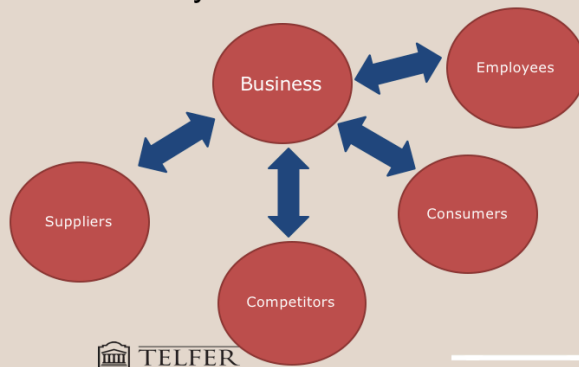
CEO

- Highest ranking officer
- Reports to the board of directors

4 Key Stakeholders

Learning Objectives:

- Take a deeper look at 4 key stakeholders:
 - Employees
 - Consumers
 - Competitors
 - Suppliers



Business → Employees

Employee Loyalty

- Commitment by employees
- Loyalty can be to one self

Employee Engagement

- The commitment of someone to a company that supports building business performance
- Grew profits 3x faster than competitors
- Income improved by 19% in one year

Drivers of Engagement

Hewitt's 21 Drivers of Employee Engagement

- Benefits
- Career Opportunities
- **Corporate Social Responsibility**
- Co-Workers
- Employee Health & Well-Being
- Intrinsic Motivation
- Learning & Development
- Manager
- Managing Performance
- Middle Management
- Organizational Reputation
- Pay
- People/HR Practices
- Physical Work Environment
- Recognition
- Resources
- Retirement Savings
- Senior Leadership
- Work/Life Balance
- Work Tasks
- Work Processes

Top 10 Principles that Businesses Must Follow

- 1. Accountability**
- 2. Identifying purposes**
- 3. Consent**
- 4. Limiting collection**
- 5. Limiting use, disclosure, and retention**
- 6. Accuracy**
- 7. Safeguards**
- 8. Openness**
- 9. Individual access**
- 10. Challenging compliance**

Discrimination

- The preferential treatment not directly related to qualifications of the job
 - o Ex. Race, Gender, Nationality

Consumer Sovereignty

- Consumers dictate goods and services to be provided
- Like a democracy

Consumer Rights

- To choose, to be heard, to educate, to be informed to a healthy environment

Factors Determining Competitive Behaviour

- Entrepreneurship

- Technology
- Decline of natural monopoly
- Global trends in trade

Supply Chain

- The route a product travels from the procurement of raw materials and the delivery to consumer through a distribution system

Business-to-Business

- Commercial activity where one corporation sells goods or services to another corporation rather than to consumers
- Consumers are important, because without them the corporation has no reason to exist

Review for the Exam

First Questions: General definitions

- Write down the words and expressions (6 elements worth 9 points)

Two:

Short answers

Three:

A big question about **CSR** so understand all the elements of CSR of lecture 1,3,4

Four:

A big question about CSR

Understand every component of all the figures in the lectures we discuss

Seven:

A case study that we did in class (What is the case study and what is about and what can we do to overcome the problem)

Eight:

A figure that we analyzed for a long time

Ten: A discussion that we had in class about your personal opinion

Eleven: Write your opinion and concrete examples + strategies

Lectures 1 and 2

- Capitalism

- Key terminology: **Ethics of Business**
- What is a **stakeholder?**
- CSR Venn Diagram
- Six core characteristics of CSR
- Difference between CSR and CSV (Creating shared value)
 - o CSR is not the way you spend money, it's the way you make your money in an ethical way
- Triple Bottom Line approach (3E's)

Lectures 2 and 3

- Steps to identify stakeholders
- Analyze the stakeholders
 - o After analyzing, you're going to map your stakeholders
 - o Figure out which one will have more influence than others on your business
 - o Great influence and interest are key players
 - o Focus effort on highest priority group and do your best to keep the less important satisfied
 - o How can stakeholders affect your business?
 - o Ways in which stakeholders can affect your business?
- Case study BP Oil Spill
 - o Remember all the facts about this situation
- Steps of Crisis Management know them in order and understand them too

Lectures 3 and 4

- CSR
- Remember the Carol's pyramid (Everything written on the sides)
- Integration Gap
- Social Auditing
- First three reasons of barriers to CSR implementation (the first three)
- A problem with CSR

Lecture 5: Everything after Slide 22 will not be on the midterm exam but will be on the final