Chapter 12: Community Outreach and Respect

1. The Nobel Prize-winning economist Milton Friedman famously articulated the viewpoint that the social responsibility for business is to:

a) maximize profits within the law

b) engage in activities that broadly support the organization’s mission

c) aspire to be model citizens

d) pursue profit at any cost

e) none of the above

2. The tactic of some corporations legally not paying taxes is called:

a) tax evasion

b) tax avoidance

c) tax credits

d) all of the above

e) none of the above

3. The question of whether it is appropriate for corporations to avoid taxes by operating subsidiaries in nations and territories which allow them to move their income into tax-free accounts is primarily a question of \_\_\_\_\_\_\_\_\_\_ responsibility.

a) legal and allowable

b) civic and ethical

c) national and international

d) all of the above

e) none of the above

4. Which of the following ethical theories can be used to support a more proactive approach to corporate responsibility, for example, purchasing an inexpensive new technology that could significantly reduce pollution?

a) utilitarian

b) deontology

c) virtue

d) all of the above

e) none of the above

5. Archie Carroll’s conceptualization of social responsibility includes all but which of the following components?

a) economic responsibilities

b) legal responsibilities

c) ethical responsibilities

d) philanthropic responsibilities

e) none of the above

6. The relationship between corporate philanthropy and financial performance can be described as:

a) positive – the more philanthropic behavior, the better the firm’s financial performance

b) negative – the more philanthropic behavior, the worse the firm’s financial performance

c) inverse U-shaped – up to a point, philanthropy and performance increase together; at a certain point, the relationship levels off and then declines

d) U-shaped – up to a point, philanthropy and performance decline together; at a certain point, the relationship levels off and then increases

e) none of the above

7. The concept of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ refers to achieving the appropriate balance between time spent working and one’s personal life.

a) philanthropy

b) work-life balance

c) telecommuting

d) flex time

e) none of the above

8. Aristotle’s Nicomachean Ethics concludes that \_\_\_\_\_\_\_\_\_\_\_ “is the meaning and the purpose of life, the whole aim and end of human existence.”

a) money

b) success

c) hard work

d) happiness

e) none of the above

9. Aristotle professes that the path to individual and community happiness requires development of all but which of the following factors:

a) health

b) wealth

c) intellectual virtue

d) moral virtue

e) none of the above

10. On average, Americans work \_\_\_\_\_\_\_\_\_\_\_\_ their European counterparts.

a) nine full weeks more than

b) nine full weeks less than

c) comparably equal to

d) considerably less than

e) none of the above

11. The extent to which a business meets its economic, legal, ethical and philanthropic responsibilities in the community, or communities, in which it operates by creating a higher standard of living and quality of life is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) legal compliance

b) corporate citizenship

c) green philanthropy

d) community relations

e) none of the above

12. The market for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or funds which screen companies for financial and social performance, is huge and growing.

a) socially responsible investment (SRI)

b) LEED certification

c) The Natural Step

d) corporate compliance (CC)

e) none of the above

13.Which of the following conditions will render an organization ineligible for conclusion on the FTSE KLD 400 Social Index?

a) significant organizational size

b) employee participation

c) significant holdings in alcohol and tobacco

d) presence of social screens

e) none of the above

14. The double standard problem of international corporate citizenship refers to which of the following concepts?

a) one set of behaviors that meets high expectations in the U.S. and a different set that meets low expectations in underdeveloped and developing nations

b) the relativist imperative that organizations must operate according to the norms of the given society in which they are operating

c) the idea the corporate citizenship and legal compliance are doubly problematic for corporations around the world

d) all of the above

e) none of the above

15. Sweatshops are often defended on \_\_\_\_\_\_\_\_\_\_\_\_\_ grounds, indicating that they do allow thousands of peasants to earn a local living wage.

a) deontological

b) utilitarian

c) just

d) virtue ethics

e) none of the above

16. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, developed in 1999, provides guiding principles for conducting business anywhere in the world.

a) United Nations Global Compact

b) LEED

c) Natural Step

d) utilitarian method

e) none of the above

17. Which of the following is not among a key feature of the Global Compact?

a) human rights

b) labor

c) environment

d) mandatory participation

e) anticorruption

18. The model known as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model segments human activities into four major subsystems: government, business, nonprofits and personal-communal, each with its own purpose.

a) Venn Diagram

b) Circular systems

c) Interpenetrating Systems

d) Global Compact

e) none of the above

19. Organizations are often held accountable by all but which of the following stakeholder groups:

a) activists

b) the media

c) NGOs

d) government agencies

e) none of the above

20. The Interpenetrating Systems Model area where all four subsystems overlap is typically one of \_\_\_\_\_\_\_\_\_\_ interest, reflecting that changes can come from any person or group in any subsystem.

a) individual

b) organizational

c) regulatory

d) judicial

e) none of the above

21. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are those who have an economic relationship with the organization.

a) Primary stakeholders

b) Secondary stakeholders

c) Tertiary stakeholders

d) all of the above

e) none of the above

22. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are those who indirectly affect or are affected by the company’s activities.

a) Primary stakeholders

b) Secondary stakeholders

c) Tertiary stakeholders

d) all of the above

e) none of the above

23. Which of the following individuals or groups is/are considered primary stakeholders in an organization?

a) community members

b) nonprofits

c) the media

d) suppliers

e) none of the above

24. Which of the following individuals or groups is/are considered secondary stakeholders in an organization?

a) owners

b) employees

c) the environment

d) customers

e) none of the above

25. Mitchel, Agle and Wood developed a typology of stakeholder characteristics that categorize stakeholders and issues based on three attributes: power, \_\_\_\_\_\_\_\_\_\_\_\_, and urgency.

a) primary

b) legitimacy

c) interpenetration

d) all of the above

e) none of the above

26. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ refers to the ability of a stakeholder to impose its will on the business; it can be transitory.

a) Power

b) Legitimacy

c) Urgency

d) Primary

e) none of the above

27. \_\_\_\_\_\_\_\_\_\_\_\_ refers to the stakeholder’s standing in society or to the claim being made.

a) Power

b) Legitimacy

c) Urgency

d) Primary

e) none of the above

28. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ refers to the immediacy of the issues being raised.

a) Power

b) Legitimacy

c) Urgency

d) Primary

e) none of the above

29. Managers can pursue different strategies for stakeholder management, including \_\_\_\_\_\_\_\_, or waiting until problems arise, \_\_\_\_\_\_\_\_\_, or anticipating problems and implementing plans before the problems arise, or \_\_\_\_\_\_\_\_\_\_, engaging with key stakeholders and jointly determining action.

a) reactive, proactive, interactive

b) proactive, interactive, reactive

c) primary, secondary, tertiary

d) all of the above

e) none of the above

30. \_\_\_\_\_\_\_\_\_ is the donation of money or property to assist a nonprofit organization or people in need.

a) Giving

b) Philanthropy

c) Volunteerism

d) Citizenship

e) none of the above

31. \_\_\_\_\_\_\_\_\_ is the donation of time to assist a nonprofit organization or people in need.

a) Giving

b) Philanthropy

c) Volunteerism

d) Citizenship

e) none of the above

32. The idea of \_\_\_\_\_\_\_\_\_\_\_\_\_ purports that the wealthy are obligated to exercise the virtue of generosity.

a) when in Rome, do as the Romans

b) corporate citizenship

c) noblesse oblige

d) do unto others as you’d have them do unto you

e) none of the above

33. Systematic giving at an organization addresses all but which of the areas of nonprofit needs?

a) money

b) products or services

c) skills

d) job opportunities

e) none of the above

34. Invoking the three “C’s” of engagement is helpful when corporations form long-term volunteer partnerships, including all but which of the following:

a) compatibility

b) commitment

c) communication

d) cash donations

e) none of the above

35. A retention policy that can assist with confronting burnout among employees with high-stress jobs is leave policies, or \_\_\_\_\_\_\_\_\_\_\_.

a) volunteerism

b) retreats

c) sabbaticals

d) charity

e) none of the above

36. The approach known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_ involves using business principles to directly meet basic human needs.

a) corporate citizenship

b) corporate philanthropy

c) social entrepreneurship

d) social work

e) none of the above

37. An approach to community giving that integrates three aspects, most likely to situate a company as a community leader and enhance employee satisfaction, involves \_\_\_\_\_\_\_\_\_\_\_\_\_\_, or giving resources to support local nonprofits and causes that are meaningful to employees and community members, in response to immediate needs.

a) reactive giving

b) outsource giving

c) strategic philanthropy

d) corporate citizenship

e) none of the above.

37. One approach to community giving, most likely to situate a company as a community leader and enhance employee satisfaction, is \_\_\_\_\_\_\_\_\_\_\_\_\_\_, or supporting the United Way or other highly credible intermediary organizations that select and monitor donation recipients.

a) reactive giving

b) outsource giving

c) strategic philanthropy

d) corporate citizenship

e) none of the above.

38. One approach to community giving, most likely to situate a company as a community leader and enhance employee satisfaction, is \_\_\_\_\_\_\_\_\_\_\_\_\_\_, or setting aside some community giving resources for partnerships aligned with the company’s mission.

a) reactive giving

b) outsource giving

c) strategic philanthropy

d) corporate citizenship

e) none of the above.

39. Porter and Kramer differentiate three social issue categories that may impact business operations, including all but which of the following categories:

a) generic social issues

b) value chain social impacts

c) reactive giving

d) competitive context social dimensions

e) none of the above

40. A win-win strategic partnership whereby nonprofits benefit by revenue generated through the sales of the donor’s product or service is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) cause-related marketing

b) corporate philanthropy

c) green marketing

d) strategic marketing

e) none of the above

41. According to Friedman’s conceptualization of corporate responsibility, sneaker manufacturers fulfill their social responsibilities by efficiently and effectively meeting consumers’ sneaker needs without violating any laws.

42. Tax evasion and tax avoidance are terms that can be used interchangeably when considering corporate conduct.

43. Legal compliance and corporate social responsibility are terms that can be used interchangeably when considering corporate conduct.

44. Employees who experience enjoyable and essential work are always able to successfully avoid burnout.

45. Organizations implementing the Optimal Ethics Systems Model will likely enhance their reputation within a community.

46. Organizations with corporate citizenship tend to have problems attracting younger professionals, who tend to consider social responsibility outside the realm of work.

47. Investors tend not to consider social responsibility when evaluating a company, provided the company has a strong bottom line.

48. All firms with strong financial performance are eligible for inclusion on socially responsible investment indices, because strong performance is positively correlated with social responsibility.

49. A solid ethical argument exists supporting the relativist approach to international corporate citizenship, particularly around issues such as sweatshops.

50. Sweatshops in developing nations always operate in clear violation of U.S. labor laws and of the labor laws of their host countries.

51. The United Nations Global Compact recognizes that working toward anticorruption standards would violate the freedoms of developing nations.

52. According to the Interpenetrating Systems Model, the subsystems of human activities, none of which is monolithic, impact one another.

53. With careful attention, managers can address all stakeholder demands.

54. Corporate philanthropy shouldn’t be framed as part of an organization’s public relations strategy nor should it be linked with strategy.

55. Research indicates that philanthropy can help mitigate the negative effects when things go wrong in an organization.

56. Milton Friedman’s “The Gospel of Wealth” argued that wealthy individuals, particularly the self-made rich, had a moral responsibility to invest their fortunes for the well being of society.

57. One method of encouraging philanthropy is to arrange for employees to donate money through payroll deductions.

58. Employers can give back to the community quite directly by providing jobs to people in need, including groups most in need, such as ex-convicts.

59. Community involvement provides an opportunity for team building, leadership training, and teaching project management, all of which directly impact a company’s daily operations.

60. Community involvement should not be used as a mechanism for networking, as that dampens the spirit of the philanthropic activities.

61. Assessing key constituents to determine whether an important intended benefit of community involvement – namely, a better reputation -- is being accomplished is a strategy that will backfire and ensure that the company seems insincere.

62. The Global Reporting Initiative (GRI) offers a standardized framework for community impact reporting, in addition to environmental performance.

63. Cite some of the specific examples of family-friendly and community-friendly policies suggested in the chapter, primarily provided by the annual Working Mother magazine’s listing.

64. Discuss the business case for community involvement, including the four areas of primary benefit.

65. Discuss the key features organizations should include when questioning their suppliers about their labor and health and safety practices.

66. Provide an overview of the six phases of issues-driven multi-stakeholder dialogues.

67. The process of determining a nonprofit strategic partner for corporate philanthropic activities includes exploring which three questions?

68. Identify the steps required in the Community Involvement Management Process.