

## CHAPTER 3: DEFINING AND PRIORITIZING STAKEHOLDERS (ANSWER KEY)

The University of St. Francis

### PHIL 330 – JUST ETHICS, CHAPTER 3

*Ethical Decision-Making in Business explains the importance of a broader sense of responsibility beyond legal requirements, the various approaches to stakeholder theory, and the classification and prioritization of stakeholder claims. Ethical decision-making processes are outlined, including steps in stakeholder management.*

1. Which of the following are Starbucks' stakeholders?
  - a. Milk Producers
  - b. All Of These**
  - c. Urban and Suburban Communities
  - d. Plastic-Cover Manufacturers
  
2. Which of the following is considered the *most* important internal stakeholder of a corporation?
  - a. Board of Directors**
  - b. Marketing Directors
  - c. Executive Management
  - d. Governmental Affairs Office

3. Which of the following is NOT a stakeholder of a nonprofit business?
- a. Community
  - b. Competitors**
  - c. Media
  - d. Public Policy
4. Which employee typically reports directly to a board of directors?
- a. Government Liaison/Lobbying Director
  - b. Chief Executive Officer**
  - c. Chief Legal Officer
  - d. Chief Privacy Officer
5. Which of the following are stakeholders?
- a. Entities and People Invested and Influential in the Success of an Organization**
  - b. Entities and People with One Role at One Time to Care for a Business
  - c. Delivering High-Quality Products and Services On Time
  - d. Demands to Patronize Environmental Interests
6. Which of the following is *not* an example of a diffused shareholder?
- a. NGOs
  - b. Voters
  - c. Mass Media
  - d. Competitors**

7. What is a measure that accounts for an organization's results in terms of its effects on profits, planet, and people?
  - a. Corporate Social Responsibility
  - b. *Triple Bottom Line***
  - c. Greenwashing
  - d. Stakeholder Prioritization
  
8. Laws dictate all ethical responsibilities that a company may owe key stakeholders.
  - a. True
  - b. *False***
  
9. Rachel Carson's 1962 book, Silent Spring, first brought attention to chemical poisoning of waterways by corporations.
  - a. *True***
  - b. False
  
10. All stakeholders must be treated the same.
  - a. True
  - b. *False***

<b>KEY TERMS</b>	
Amenities	Resources made available to employees in addition to wages, salary, and other standard benefits.
Descriptive Approach	A theory that views the company as composed of various stakeholders, each with its own interests.
Diffused Stakeholder	A stakeholder with an interest in a company's decisions and whose impacts on a firm can be large even if the relationship is generally weaker than other types.
Enabling Stakeholder	A stakeholder who permits an organization to function within the economic and legal system.
Ethical Maximum	The strongest action a company can choose to behave ethically in a given situation.
Ethical Minimum	The least a company might do to claim it holds an ethically positive position.
Exigency	The level of urgency of a stakeholder claim.
Functional Stakeholder	A stakeholder whose relationships influence or govern an organization's inputs and outputs.
Greenwashing	Carrying out superficial CSR efforts that merely cover up systemic ethics problems for the sake of public relations.
Instrumental Approach	A theory proposing that good management of stakeholders is important because it can help the bottom line.
Normative Approach	A theory that considers stakeholders as ends unto themselves rather than means to achieve a better bottom line.
Normative Stakeholder	A stakeholder in the organization's industry who influences its norms or informal rules.
Social Responsibility of Business	The view that stakeholders are not the means to the end (profit) but are ends in and of themselves as human beings

Stakeholder Claim	A particular stakeholder's interest in a business decision.
Stakeholder Management	The process of accurately assessing stakeholder claims so an organization can manage them effectively.
Stakeholder Prioritization	The process of deciding which stakeholders to focus on and in what sequence.
Triple Bottom Line (TBL)	A measure that accounts for an organization's results in terms of its effects on people, planet, and profits.