CHAPTER 2
MANAGEMENT: BASICS AND PROCESSES

GET IN TOUCH!

This instructor's manual can only cover a small initial selection of relevant advice. Please visit the website of the Center for Responsible Management Education www.responsiblemanagement.net or write to Oliver Laasch through olaasch@responsiblemanagement.net to share your ideas for new content, experiences in teaching with the book, constructive criticism, and, of course, questions. The textbook is a snapshot of a quickly developing field that aims to educate responsible managers and create responsible businesses, and which requires constant updating. We invite you to become part of a growing community of academics and practitioners taking on this task.

THE INSTRUCTOR'S MANUAL

This Instructor's Manual contains a brief chapter introduction, a listing of chapter objectives, an expanded outline, chapter summary, teaching points, answers to end of chapter questions and exercises, and test questions.

INTRODUCTION

This chapter focuses on the internal structures and processes of responsible management. In the first section we have a close look at how the background domains of sustainability, responsibility, and ethics can be integrated into management practice and into the elements of management (goals, resources, efficiency, effectiveness, performance). We also review classic mainstream management theories and their significance for responsible management. In the second section, we focus on the responsible manager, her important role in facilitating change, the different hierarchical levels of managers, and the competencies required to be a successful responsible manager. The third section illustrates how to be responsible, sustainable, and ethical throughout the four management tasks of planning, organizing, leading, and controlling.

CHAPTER OBJECTIVES

After reading this chapter, students should…

- ✓ *. . . understand how traditional management evolves to responsible management.*
- ✓ *. . . be able to identify the skills necessary to be a responsible manager.*
- ✓ *. . . understand how to conduct the traditional management tasks of planning, organizing, leading, and controlling responsibly.*

CHAPTER OUTLINE

I.   Management Basics and the Evolution to Prime Management: Responsible management is an approach that embraces sustainability (triple bottom line), responsibility (stakeholder value), and ethics (moral excellence). If responsible management succeeds in creating a superior management performance, which is socially, environmentally, and economically sustainable, and which optimizes stakeholder value and creates moral excellence, then we may call it prime management.

        A.   What Is Management and How Do We Make It Responsible?: Management is the process of working with people and resources to achieve performance effectively, efficiently, and in line with preestablished goals. We can distinguish the following elements of management, which must be aligned with sustainability, responsibility, and ethics (SRE) in order to make management responsible:

- *Goals* describe the outcome aspired to in the management process and have to be in line with creating value for all stakeholders, in all three dimensions of the triple bottom line, and with high moral quality.
- *Resources* are the input used in the management process to achieve predefined goals. Responsible management resources are social, environmental, and economic capital (triple bottom line), stakeholder value, and moral capital.
- *Effectiveness* describes the degree to which the management process has contributed to the preestablished managerial goals. Responsible management effectiveness is measured in the amount of triple bottom line value and stakeholder value created and the degree of moral excellence achieved.
- *Efficiency* describes the proportion between resource input and management output. Responsible management efficiency is measured by the ratios between the triple bottom line capital used and created, the stakeholder input and value created, and the moral issues encountered and moral excellence achieved throughout the management process.
- *Performance* is the output of the management process. Responsible management performance is a product of the responsible management effectiveness and efficiency achieved.

        B.   Evolution of Management Thought: This section elaborates on the relationship between classic management thought and new approaches. As a knowledge basis about management an overview of main streams of thought in management theory are summarized and interpreted regarding their relevance for responsible management. Additionally to these classic theories the top-three recommendations for the future development of management theory are presented, based on a Harvard Business Review Article by Gary Hamel, as they strongly align with responsible management themes:

- Higher purpose of Management, oriented toward noble, socially significant goals.
- Integrate community, citizenship, and stakeholder thinking in management systems.
- Reconstruct management´s philosophical foundations.

II.   The Responsible Manager: Managers are in an influential position that allows them to be change agents through their companies. Managers may significantly influence their companies' actions, which in turn influences the economic sphere and society as a whole.

        A.   The Role of Managerial Hierarchies: Managers are typically divided into three hierarchical levels:

- *Frontline managers (operational managers),* who are directly involved with non-management employees and supervise the company´s operations.
- *Middle managers (tactical managers)*, who translate the organizational goals and strategy into specific objectives and actions.
- *Top managers ("C-suite")*, who are in charge of defining the organization´s normative structure and overall strategy.

Responsible management may and should take place on each hierarchical level and can be subdivided into two distinct responsible manager profiles:
- *Mainstream (responsible) managers* integrate sustainability, responsibility, and ethics (SRE) into their main job.
- *Specialized responsible managers* manage SRE as their main job.

B.   Competencies for Prime Managers: Responsible managers require competencies additional to and often different from mainstream management skills. Such competencies (mainstream and responsible management competencies) can be divided into the following groups:
- *Domain competencies* refer to the knowledge that makes one proficient in a certain field.
- *Methodological competencies* describe the ability to perform a certain type of task or procedure, either physically or mentally.
- *Social competencies* are skills directed at interaction with others.
- *Self-competencies* are personal characteristics affecting a person´s self-perception and management, such as values, attitudes, beliefs, and other psychological conditions.

III.   The Responsible Management Process: The managerial process consists of the four management tasks: planning, organizing, leading, and controlling. In responsible management, each of these tasks has to integrate considerations related to the triple bottom line, stakeholders, and moral issues.

A.   Planning: Planning is the process of making decisions about goals and activities that will be pursued in the future. Planning in strategic management will be illustrated in great depth in Chapter 6, Strategy, which is why the focus in this chapter is on responsible decision making as a crucial part of the responsible planning task.
- *Decision making* is a process that consists of four steps: analyzing the situation, generating alternative solutions, evaluating alternative solutions, and selecting the solution to be implemented.
- *Responsible decision making* bases the judgment on how the decision affects the triple bottom line, stakeholders, and ethical desirability and how effective the respective option solves the managerial task at hand. The responsible decision making matrix is introduced as a tool to make responsible decisions.

B.   Organizing: Organizing is the process of building the structure, systems, and culture needed to implement a plan. In the organizing process a manager needs to make important choices best described by the following bullet points:
- Mechanistic versus organic
- Differentiation and integration
- Delegation, collaboration, and decentralization

C. **Leading:** Leadership is the process of influencing others to attain goals. Responsible leadership is the process of building stakeholder relationships to lead toward the fulfillment of a shared vision and goals. Leadership is based on power, the ability to influence others which can be derived from the following sources:

- Legitimate power, based on a legal or contractual relationship
- Coercive power, based on control over punishment
- Reward power, based on controlling rewards
- Referent power, based on appealing personal characteristics
- Expert power, based on expertise and knowledge

D. **Controlling:** Controlling is the process of assessing and steering business activities and outcomes within a set of predefined goals. Chapter 14, Accounting and Controlling, will extensively illustrate controlling methods for responsible management. The controlling process consists of the following four phases:

1. Defining performance standards
2. Measuring performance
3. Assessing performance fulfillment
4. Taking corrective actions

PRINCIPLES OF MANAGEMENT: BASICS AND PROCESSES (SUMMARY)

   I. *Responsible management* (i.e., *prime management*) is management that embraces sustainability (triple bottom line), responsibility (stakeholder value), and ethics (morally favorable decisions).

   II. The *three dimensions of responsible management* are: sustainability, responsibility, and ethics.

   III. Responsible managers can be at the center of a *virtuous circle of change* in moving toward the achievement of more responsible companies, economies, and societies.

   IV. A responsible manager requires a set of *competencies* (domain, methodological, social, and self-competencies) that is different from the set required in mainstream management.

   V. The responsible or prime management process is based on the traditional four management tasks of *planning, organizing, leading,* and *controlling,* which evolve around sustainability, responsibility, and ethics.

   VI. *Responsible decision making* must assess stakeholder value, triple bottom line impact, and the moral value created by alternative choices.

   VII. Responsible leadership is the process of building stakeholder relationships to lead toward the fulfillment of a shared vision and goals.

TEACHING POINTS

1. *Take away message:* It is necessary to critically question and adapt management theory and practice for sustainability, responsibility, and ethics and everyone can do so, no matter in what hierarchical position in an organization, no matter if student or professor.

2. *Knowledge basics:* Students should understand the basic elements of the management process and the four managerial task areas. The chapter covers a very basic, representative overview of theories, models and frameworks with the goal to create a basis for a better understanding of later chapters, where concepts, especially of mainstream management disciplines, will be illustrated with much greater detail.

3. *Developing a (good) habit:* The three background domains of responsible management—sustainability, responsibility, ethics (SRE)are applied with great detail on the general management process in this chapter. This application should train students to develop a habit of reinterpreting management theories and tools to integrate SRE. This integration task will be pursued further through Chapters 6-15, where established management topics from strategy to finance are reinterpreted to integrate SRE.

4. *Empowerment of the individual:* After Chapter 1 has shown the complexities of the responsible management environment and the need for change, this second chapter aims to make students understand and, more importantly, feel that they as individuals can make a difference. This perspective is especially prevalent in the section on the "spheres of managerial influence," and through the special perspective on becoming a "Big Bang Being," which covers the more spiritual component of becoming a change agent. The last set of questions in every chapter, titled "Change and Create" is designed to make students experience how resourceful and powerful they are and that they can make a change as individuals.

5. *Development of additional competencies:* This book primarily develops knowledge as a competence. As has been illustrated in the middle section of this chapter, there are many more competencies necessary to become a truly responsible manager. It is an important task for the educator to find out which competencies students are lacking most if they want to become responsible managers. One idea is to find this out through discussion. Students with job experience especially will have a very good feeling for why they were or were not able to manage responsibly in their jobs. Also, educators should consider the possibility of didactical alternatives to classic lecture-style that are more suitable to developing methodological, social, and self-competencies for responsible management. Examples could include problem-based or case-based learning, experiential immersions, and action learning.

6. *Tricky terminology:* An initial hurdle (for students AND lecturers alike) might be the use of the central terms *responsible management* and *responsible business* and their sub-domains of *business sustainability, business responsibility, business ethics.* Unfortunately, there are no universally accepted definitions for these terms yet. Many, often even contradictory, definitions exist in theory and practice. Developing a unifying framework for this book, which follows an internal logic, has been a challenge and a process involving many days of discussion and reviews with academics and practitioners. The logic followed here is that the umbrella terms "responsible management" and "responsible business" include the responsibility for the triple bottom line (sustainability), for stakeholders (responsibility), and for moral dilemmas (ethics). This second chapter focuses on the two umbrella terms, while subsequent chapters illustrate the three sub-domains mentioned. Chapter 3 focuses on business sustainability and sustainability management, the management of the triple bottom line. Chapter 4 is centered on business responsibility and responsibility management, the management of stakeholder relationships. Chapter 5 revolves around business ethics and ethics management, the management of ethical dilemmas and opportunities. The terms prime management and prime business aim at expressing that a management practice or a business has succeeded in all three domains of sustainability, responsibility, and ethics. This ordering scheme chosen competes with many different interpretations and the self-perception of practitioners in the domains, which is why it has been designed to represent a very open understanding.

8. *Decision making matrix:* The application of the responsible decision making matrix should be seen as just one possibility to consider sustainability, responsibility, and ethics in the decision making process. Students typically feel challenged when asked to assign a concrete value to an alternative of qualitative nature. A trick here may be to ask for a "majority gut feeling," where students jointly vote. If an educator decides to explain the matrix, it is recommendable to co-develop it around a concrete case with the students, as this involves them in the whole reasoning process, and is an excellent practice for them to develop their own responsible decision making skill.

9. *PRME Initiative:* The end-of-chapter interview with Jonas Härtle, head of the PRME Secretariat, may be a good opportunity for lecturers to either understand how students think about a potential membership of their school in the PRME initiative or, in case the academic institution is already a member, to inform students about it and provide an overview of activities and engagement opportunities.

ANSWERS TO END-OF-CHAPTER QUESTIONS AND EXERCISES

A. Remember and Understand

A.1. Describe the three dimensions of responsible management, mention each dimension´s core concept, and define prime management.

Responsible management is a management for sustainability (optimizing the triple bottom line), for responsibility (optimizing stakeholder value), and for ethics (creating moral excellence). Prime management is when a manager succeeds in all three dimensions of responsible management.

A.2. Describe the different layers of managerial influence that can lead toward a more responsible society.

Managers, no matter on which hierarchical level, may influence the practices of the company they are working in, which in turn may influence the practices common in the surrounding economic system, and society in general.

A.3. Explain each type of competency required by a responsible manager: domain, procedural, social, and self-competencies. Provide an example for each type of competency.

- *Domain competencies refer to the knowledge that makes one proficient in a certain field. For instance, a responsible manager in the marketing department would need to know about new sustainable consumption movements.*
- *Methodological competencies describe the ability to perform a certain type of task or procedure, either physically or mentally. As an example, a responsible manager in the accounting department would need to know, how to establish a social and environmental indicator.*
- *Social competencies are skills directed at interactions with others. Responsible managers in contact with many different stakeholders need to be able to relate and adapt to different stakeholders different needs, attitudes, and communication styles.*
- *Self-competencies are personal characteristics affecting a person´s self-perception and management, such as values, attitudes, beliefs, and other psychological conditions. Many responsible managers pioneering the topic in their respective organization´s require substantial self-confidence and motivation to successfully manage organizational transitions, often against internal resistance.*

A.4. Briefly describe the four main tasks of the management process.

The managerial process consists of the four management tasks: planning, organizing, leading, and controlling. In responsible management, each of these tasks has to integrate considerations related to the triple bottom line, stakeholders, and moral issues.

Planning is the process of making decisions about goals and activities that will be pursued in the future. Organizing is the process of building the structure, systems, and culture needed to implement a plan. Leadership is the process of influencing others to attain goals. Responsible leadership is the process of building stakeholder relationships to lead toward the fulfillment of a shared vision and goals. Controlling is the process of assessing and steering business activities and outcomes within a set of predefined goals.

B. Apply and Experience

B.5. Use the competencies list in Table 2.4 to check whether you are equipped to become a responsible manager. Can you think of helpful competencies for a responsible manager that are not mentioned in that list?

The answers expected here take the form of a self-assessment and personal reflection and will therefore vary considerably from student to student. The same holds true for potential additional competencies.

B.6. Talk to a manager of your choice and ask whether—and if so, how—the topics of stakeholder value, triple bottom line, and morally desirable decisions affect that person´s work.

In most cases, students will talk to managers in their family and among their friends. The goal of the task is to get an immediate impression of the importance of sustainability, responsibility, and ethics topics in practice, and to engage in discussion with course-external individuals who might enrich the experience with new points of view.

B.7. Look up the Global Business Oath for Managers at www.globalbusinessoath.org/businessoath.php. How does this oath relate to the contents of this chapter?

The global business oath is an oath for responsible managers, similar to the hippocratic oath for doctors, that touches on many of the points seen in this chapter. Lecturers might want their students to mention specific points of overlap of the oath and chapter contents.

C. Analyze and Evaluate

C.8. Analyze the answers of the manager you interviewed in Exercise B.6, and evaluate whether you would consider the person a responsible manager.

Here, students are expected to think in the three domains sustainability (triple bottom line), responsibility (stakeholders) and ethics (moral dilemmas and opportunities) and to analyze the information given by the manager using those three frameworks. The person would be a responsible manager if she/he excels in all three domains. Concrete examples why and how the manager succeeds or fails in each domain are expected.

C.9. Search online for a management decision for which a manager has been publicly criticized. Corporate scandals are interesting for this purpose. Use the responsible decision-making matrix in Table 2.5 to score decision alternatives in that management situation. Then decide what you would have done had you been in that manager's situation.

DOW Chemical was and still is largely criticized for acquiring a company that was responsible for the Bopal chemical spill in India, where thousands of people died and millions had to fight the consequences. Apparently, the acquisition was made without factoring in the still open claims of injured community members. Comment: The independent movie "The Yes Men Fix the World" might be an inspiring movie to discuss with students and could serve as a basis for a deeper analysis of the case using the responsible decision matrix.

C.10. Imagine you could rewrite management theory to make it responsible management theory. Which of the classic mainstream management theories summarized in Table 2.2 would you integrate, and which ones would you completely exclude?

Students are expected to review the theories and their application on responsible management and to decide which theories are beneficial, which are detrimental to responsible management as the student understands it. Students are expected to provide concrete reasons for integration and inclusion.

D. Change and Create

D.11. Propose concrete changes that the manager discussed in Exercises B.6 and C.8 could make in order to become a more responsible manager. Refer to the three dimensions responsibility, sustainability, and ethics.

Students are expected to deeply reflect on the manager´s job and provide realistic alternative actions that improve the triple bottom line outcomes, stakeholder value, or moral value of what the manager does and how she/he works.

D.12. Imagine you want to hire a responsible manager for your organization. Write a one-page job profile, describing the exact tasks to be performed on the job and the skills and experience you would want that person to possess. Imagine you will post this job letter in order to attract interested applicants.

Exemplary tasks:
- *Collaboration with stakeholders*
- *Assessment of the triple bottom line of products*
- *Employee ethics trainings*
- *Development of social policies*

Exemplary skills and experience
- *Social and communication skills for stakeholder networking*
- *Knowledge about basic stakeholder assessment and triple bottom line management tools*
- *Strong values*
- *Management experience in diverse company departments*

TEST QUESTIONS

1. Which of the following statements about responsible management is wrong? Responsible management
   a. incorporates the three dimensions of sustainability, responsibility and ethics.
   b. should aim to optimize the triple bottom line and stakeholder value and to create moral excellence.
   c. may also be called prime management if it succeeds in all three domains of sustainability, responsibility, and ethics. .
   d. is a synonym for responsibility management, the management of stakeholder relations.

   ANS: D

2. Which of the following statements about management is wrong? Management
   a. can be divided into the three phases: input, process, and output.
   b. is the process of working with people and resources to achieve performance effectively, efficiently, and in line with pre-established goals.
   c. can be judged by its effectiveness, which describes how well human input and resources are used to create a certain output.
   d. can be judged by its efficiency, which describes the proportion between resources input and management output.

   ANS: C

3. What is measured by the ratios between the triple bottom line capital used and created, the stakeholder input and value created, and the moral issues encountered and moral excellence achieved throughout the management process?
   a. Effectiveness of responsible management.
   b. Efficiency of responsible management.
   c. Resources used in the responsible management process.
   d. Responsible management performance.

   ANS: B

4. Which of the following statements about traditional management theories and their relevance for responsible management is true? Traditional management theories
   a. include Mayo´s human relations approach, which can be used to better govern stakeholder relations.
   b. includes lean management, which is incompatible with responsible management, as it furthers inefficient and wasteful use of environmental resources.
   c. includes McGregor´s Theory x and Theory y, which both are excellent tools to manage responsibly.
   d. have to be avoided completely in order to build a new responsible management theory from scratch.

   ANS: A

5. Imagine you come to a job interview at a Korean multinational electronics company where you are introduced to Mooyoung Han, a sourcing manager for raw-materials. Mr. Han explains that after recent scandals, a major part of his job has become ensuring that the minerals used in appliance displays are sourced from responsible mining operations. This is why Mr. Han visits mines worldwide to speak to employees and check the health, safety, and environmental conditions, based on responsible business standards. Which of the following assessments is justified?
   a. Mr. Han must be one of the top-managers of the company if he personally takes care of such an important part of the operations.
   b. Mr. Han must be one of the company´s frontline managers, if he personally ensures the responsible management performance of the sourcing operations.
   c. Mr. Han must be part of the middle management, as he translates the operations strategy into operational goals which are then implemented by other managers of the company.
   d. Mr. Han must be a frontline manager of the company, as he takes important strategic decisions on

the highest hierarchical level.

ANS: B

6. Which of the following job profiles describes a mainstream responsible manager?
    a. A marketing director who uses a social marketing campaign.
    b. The environment, health, and safety (EHS) manager of a plant.
    c. The Chief Sustainability Officer.
    d. The community engagement manager.

    ANS: A

7. Which of the following statements about the competency model is wrong? Competencies
    a. describe an individual´s abilities, which can be subdivided into domain, methodological, social, and self-competencies.
    b. include the methodological competences, which describe how much a person knows.
    c. include social competencies, which describe how well a person is able to interact with others.
    d. include self-competencies, such as values, attitudes, and beliefs.

    ANS: B

8. Rogelio, community manager of a Columbian mining company, was asked to support his direct boss Francisco, who was in charge of the technical aspects of the mining operations. The issue was that Francisco had run into trouble with a group of representatives of the local rural community who complained that the noise from recurrent explosions frightened their livestock. Francisco already had told the group that the explosions are a regular part of the mining operations and that the noise was within the legally allowed range, so he would not waste his time talking to them again. The group reacted by blocking the gates of the mine and stateing they would not go away until the problem was solved. Which of the following responsible management competencies is least likely to help Rogelio solve the problem?
    a. The domain competencies in ethics and responsibility.
    b. The self-competence empathy.
    c. The social competency of delegation.
    d. The social competency of stakeholder communication.

    ANS: C

9. The operations manager of a small supermarket chain has been asked to constantly measure the energy consumption and CO_2 emissions of the new refrigeration system to see if the company can meet its greenhouse gas targets. How would you categorize the management task?
    a. Organizing.
    b. Controlling.
    c. Planning.
    d. Leading.

    ANS: B

10. Which of the following terms fits the definition "the process of building the structure, systems, and culture needed to implement a strategy"?
    a. Organizing.
    b. Planning.
    c. Controlling.
    d. Leading.

    ANS: A

11. Which of the following examples is not part of the planning stage in responsible management?
    a. Setting your targets for employee, customer, and community satisfaction.
    b. Assessing if you should work on either a fair trade or forest stewardship council certification for your product.
    c. Preparing an indicator list for the company sustainability report.
    d. Identifying a market segment for the launch of a sustainable innovation product.

    ANS: C

12. Which of the following statements about responsible decision making is true? Responsible decision making
    a. is part of the managerial controlling task.
    b. is based on solution effectiveness as its most important criterion for decision making.
    c. cannot consider mainstream management, as it goes against sustainability, responsibility, and ethics.
    d. requires managers to assess several alternatives using criteria related to mainstream management, sustainability, responsibility, and ethics.

    ANS: D

13. Which of the following tasks is a typical example for organizing in responsible management?
    a. Using an environmental scorecard to monitor if you meet the given targets for environmental sustainability.
    b. The decision to buy either biodiesel or electric cars for the new company fleet.
    c. Delivering a motivational speech about the importance of good stakeholder relations, and introducing a new responsible performance initiative.
    d. Putting together a team for community engagement that jointly will improve the role the company plays in the local community.

    ANS: D

14. Which of the following statements about responsible leadership is the most accurate? Responsible leadership
    a. primarily refers to treating your direct subordinates responsibly.
    b. is the process of leading stakeholders to support your managerial goal.
    c. is leading stakeholders toward the fulfillment of a shared vision.
    d. is a synonym for responsible management.

    ANS: C

15. The proprietor of the small local German engineering company AUTOCORP, Anna Staebele, was well known for her brilliant strategic thinking and for being an honest and reliable person. It was for those reasons that other local business people followed her when she called for a joint initiative for green business. On what source of power is Staebele´s leadership based?
    a. Referent power.
    b. Coercive power.
    c. Legitimate power.
    d. Reward power.

    ANS: A

16. A sourcing manager chairs an initiative that involves efforts of suppliers, customers, employees, and governmental agencies that work together for the shared vision of a sustainable supply chain for one of the company´s main product groups. Which of the following terms best describes the initiative of the manager?
    a. Responsible decision making.

    b.   Responsible management performance.
    c.   Responsible business.
    d.   Responsible leadership.

    ANS: D

17.   You have been asked by your company's director of risk management to develop a system to monitor and control ethical misconduct among employees. You establish an ethics hotline, where stakeholders can report ethical misconduct, and through active communication you determine that a majority of main stakeholders uses the hotline. You find that you receive one report of ethical misconduct per 100 employees, but feel there is still something missing in the process, so you ask several people for advice. Which suggestion is the most likely to make your controlling process complete?
    a.   The head of controlling: "You have a fine tool there for measuring, but there is still one step missing- you have to define what we call 'corrective actions,´ to improve your performance."
    b.   A colleague from the strategic planning department: "Look, you measure the right thing, but you need to find out if this 1/100 ratio is actually good or bad performance, so define your performance standards, and if you do not reach them, take corrective action!"
    c.   An old college friend who is an accountant: "Your measurement system is bad because performance indicators always have to be measurable in monetary terms. How much does an ethical misconduct cost you?"
    d.   An external consultant who specializes in quality management: "Your system is complete, but now we have to certify it with the ISO 9000 standard."

    ANS: B

18.   Bird's eye view: Which of the following conceptual statements about the chapter topic is wrong?
    a.   The main management tasks are planning, decision making, organizing and leading.
    b.   Responsible management consists of managing the triple bottom line, stakeholders, and moral dilemmas.
    c.   Responsible managers can be subdivided into specialized responsible managers, who concentrate on responsible management as their main job, and mainstream responsible managers who integrate responsible management into their main job.
    d.   The four main competency groups are domain, procedural, social, and self-competencies.

    ANS: A

19.   Which of the following statements about responsible management at AXA Winterthur is wrong?
    a.   The company works with responsible management specialists in a department and assigned employees throughout the mainstream business functions.
    b.   AXA Mainly measures its responsible management performance through the Dow Jones Sustainability Index.
    c.   AXA organizes a high-level corporate responsibility (CR) steering committee as powerful leadership tool.
    d.   Responsible management at AXA mainly focuses on ethics and moral dilemmas, but also covers stakeholder topics and the triple bottom line.

    ANS: D

20.   In Practice: Which of the following short case descriptions is summarized incorrectly?
    a.   The Songhai Centre in Nigeria helps to develop environmentally and socially sustainable farming practices.
    b.   E-Choupal helps to diminish dishonest trade practices by creating a virtual marketplace.
    c.   Olivetti has established a complex system of social services for their customers and managers.
    d.   AXA Winterthur uses a company-wide corporate responsibility (CR) Committee to lead responsible management throughout the company.

    ANS: C