

This glossary defines technical or special terms used in this book. Students may use it as a quick and handy reference for terms that may be unfamiliar without having to refer to the specific chapter(s) where they are used. It also can be a very helpful aid in studying for examinations and for writing term papers where precise meanings are needed.

A

Acid rain Rain that is more acidic than normal; occurs when emissions of sulfur dioxide and nitrogen oxides from utilities, manufacturers, and vehicles combine with water vapor in the air.

Acquisition (See Corporate merger.)

Ad hoc coalitions The bringing together of diverse groups to organize for or against legislation or regulation.

Advergaming Free online games that incorporate marketing promotions for products typically of interest to children.

Advocacy advertising A political tool used by companies to promote their viewpoint through the media.

Affirmative action A positive and sustained effort by an organization to identify, hire, train if necessary, and promote minorities, women, and members of other groups who are underrepresented in the organization's workforce.

Air pollution When more pollutants, such as sulfur dioxide or particulates, are emitted into the atmosphere than can be safely absorbed and diluted by natural processes.

Alternative dispute resolution A method for resolving legal conflicts outside the traditional court system, in which a professional mediator (a third-party neutral) works with the two sides to negotiate a settlement agreeable to both parties.

Annual meeting A yearly meeting called by a corporation's board of directors for purposes of reporting to the company's stockholders on the current status and future prospects of the firm.

Anti-Americanism Opposition to the United States of America, or to its people, principles, or policies.

Anticompetitive merger A merger of two or more companies that reduces or eliminates competition in an industry or region; usually illegal under U.S. antitrust laws.

Antitrust laws Laws that promote competition or that oppose trusts, monopolies, or other business combinations that restrain trade.

B

Balanced scorecard An approach focusing on a set of key financial and nonfinancial indicators to account for an organization's short-term and long-term accomplishments.

Biodiversity The number and variety of species and the range of their genetic makeup.

Biotechnology A technological application that uses biological systems or living organisms to make or modify products or processes for specific use.

Bioterrorism The use of deadly bioengineered diseases and poisons by terrorists.

Blogs Web-based journals or logs where individuals or organizations can post information, or raise controversial issues for discussion on the Internet.

Blowing the whistle (See Whistle-blowing.)

Board of directors A group of persons elected by shareholder votes that is responsible for directing the affairs of a corporation, establishing company objectives and policies, selecting top-level managers, and reviewing company performance.

Bottom line Business profits or losses, usually reported in figures on the last or bottom line of a company's income statement.

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Bribery A questionable or unjust payment often to a government official to ensure or facilitate a business transaction.

Bundling The collection of political contributions made by an organization's stakeholders to increase the organization's ability to influence a political agent.

Business An organization that is engaged in making a product or providing a service for a profit.

Business and society The study of the relationship between business and its social environment.

Business ethics The application of general ethical ideas to business behavior.

C

Campaign finance reform Efforts to change the rules governing the financing of political campaigns, often by limiting contributions made or received.

Carrying capacity The maximum population that an ecosystem can support. (See also Limits to growth hypothesis.)

Cartels A modern term for "trusts," describing groups of companies that join together to divide up markets and limit competition.

Central state control (system) A socioeconomic system in which economic power is concentrated in the hands of government officials and political authorities. The central government owns the property that is used to produce goods and services, and most private markets are illegal.

CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act.) The major U.S. law governing the cleanup of existing hazardous-waste sites, popularly known as Superfund.

Charity principle The idea that the wealthier members of society or profitable businesses should give voluntary aid and support to those less fortunate or to organizations that provide community services.

Chief information officer Manager who has been entrusted with the responsibility to manage the organization's technology with its many privacy and security issues.

Child care The care or supervision of another's child, such as at a day care center; offered as a benefit by some employers to working parents.

Citizenship profile Choosing a configuration of citizenship activities that fits the setting in which the company is working.

Civic engagement The active involvement of businesses and individuals in changing and improving communities.

Civil society Non-profit, educational, religious, community, family, and interest-group organizations; social organizations that do not have a commercial or governmental purpose.

Codetermination A system of corporate governance providing for labor representation on a company's board of directors.

Collaborative partnerships Alliances among business, government, and civil society organizations that draw on the unique capabilities of each to address complex social problems.

Command and control regulation A regulatory approach where the government "commands" companies to meet specific standards (such as amounts of particular pollutants) and "controls" the methods (such as technology) used to achieve these standards. This approach is often criticized to use the most cost-effective methods possible to achieve them.

Commons Traditionally, an area of land on which all citizens could graze their animals without limitation. The term now refers to any shared resource, such as land, air, or water, that a group of people use collectively.

Community A company's area of local business influence. Traditionally, the term applied to the city, town, or rural area in which a business's operations, offices, or assets were located. With the rise of large, complex business - organizations, the meaning of the term has expanded to include multiple localities.

Community Reinvestment Act A federal law requiring banks to reinvest a portion of their depositors' money back into the local community.

Community relations The involvement of business with the communities in which it conducts operations.

Competition A struggle to survive and excel. In business, different firms compete with one another for customers' dollars.

Competition policies A term used to describe antitrust laws or policies in some nations and trading groups.

Competitive intelligence The systematic and continuous process of gathering, analyzing, and managing external information on the organization's competitors.

Compliance officer (See Ethics officer.)

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (See CERCLA and Superfund.)

Computer hackers Individuals often with advanced technology training who, for thrill or profit, breach a business' information security system.

Computer virus or worm Unwanted software programs meant to disrupt business activity on the computer or to break through an organization's computer security system.

Conflicts of interest Occur when an individual's self-interest conflicts with acting in the best interest of another, when the individual has an obligation to do so.

Conglomerate merger The combination, or joining together, of two or more companies in unrelated industries into a single company. (See also Horizontal merger, Vertical merger.)

Constructive engagement When transnational corporations operate according to strong moral principles and become a force for positive change in other nations where they operate.

Consumer hot lines Telephone line or other mechanism for consumers to make inquiries or lodge complaints about a company's products and services.

Consumer movement A social movement that seeks to augment the rights and powers of consumers. (Also known as consumerism.)

Consumer protection laws Laws that provide consumers with better information, protect consumers from possible hazards, or encourage competitive pricing.

Consumer rights The legitimate claims of consumers to safe products and services, adequate information, free choice, a fair hearing, and competitive prices.

Consumerism (See Consumer movement.)

Corporate citizenship This term broadly refers to putting corporate social responsibility into practice through stakeholder partnerships, serving society, and integrating financial *and* social performance.

Corporate crisis A significant business disruption that stimulates extensive news media coverage.

Corporate culture The system of values and beliefs that guide a company's actions.

Corporate foundations Organizations chartered as nonprofits, and funded by companies, for the purpose of donating money to community organizations, programs, and causes.

Corporate giving (See Corporate philanthropy.)

Corporate governance The system of allocating power in a corporation that determines how and by whom the company is to be governed.

Corporate merger The combination, or joining together, of two or more separate companies into a single company. (See also Conglomerate merger, Horizontal merger, Vertical merger.)

Corporate philanthropy Gifts and contributions made by businesses, usually from pretax profits, to benefit various types of nonprofit and community organizations.

Corporate political strategy Those activities taken by organizations to acquire, develop, and use power to achieve a political advantage or gain.

Corporate power The strength or capability of corporations to influence government, the economy, and society, based on their organizational resources and size.

Corporate social responsibility The idea that businesses should be held accountable for any of its actions that affect people, their communities, and their environment.

Corporate volunteerism A program wherein a company engages its employees in community service as a way to improve the company's image as well as serve the communities in which the business operates.

Corporation Legally, an artificial legal "person," created under the laws of a particular state or nation. Socially and organizationally, it is a complex system of people, technology, and resources generally devoted to carrying out a central economic mission as it interacts with a surrounding social and political environment.

Cost-benefit analysis A systematic method of calculating the costs and benefits of a project or activity that is intended to produce benefits.

Crisis management The process organizations use to respond to short-term or intermediate-term, unexpected, and high consequential shocks, such as accidents, disasters, catastrophes, and injuries.

Cyberspace A virtual location where information is stored, ideas are described, and communication takes place in and through an electronic network of linked systems.

D

Debt relief The idea that the world's richest nations should forgive poor nations' obligations to pay back loans.

Deceptive advertising An advertisement that is deceptive or misleading; generally illegal under U.S. law.

Democracy A form of government in which power is vested in the people and exercised by them directly or by their elected representatives.

Department of corporate citizenship A department created in a business to centralize under common leadership wide-ranging corporate citizenship functions.

Deregulation The removal or scaling down of regulatory authority and regulatory activities of government.

Design for disassembly Designing products so that they can be disassembled, and their component parts recycled or reused at the end of their useful life.

Digital divide The gap between those that have technology and those that do not.

Digital Millennium Copyright Act The U.S. law that made it a crime to circumvent antipiracy measures built into most commercial software agreements between the manufacturers and their users.

Directors (See Board of directors.)

Discrimination (in jobs or employment) Unequal treatment of employees based on non-job-related factors such as race, sex, age, national origin, religion, color, and physical or mental handicap.

Diversity Variation in the characteristics that distinguish people from one another, such as age, ethnicity, nationality, gender, mental or physical abilities, race, sexual orientation, family status, and first language.

Diversity council A group of managers and employees responsible for developing and implementing specific action plans to meet an organization's diversity goals. (See also Diversity.)

Divestment Withdrawing and shifting to other uses the funds that a person or group has invested in the securities (stocks, bonds, notes, etc.) of a company. Investors sometimes have divested the securities of companies doing business in countries accused of human rights abuses.

Dividend A return-on-investment payment made to the owners of shares of corporate stock at the discretion of the company's board of directors.

Drug testing (of employees) The testing of employees, by the employer, for the presence of illegal drugs, sometimes by means of a urine sample analyzed by a clinical laboratory.

E

Eco-efficiency Occurs when businesses or societies are simultaneously economically efficient and environmentally responsible.

Ecological footprint One method of measuring the earth's carrying capacity, and how far human society has exceeded it.

Ecologically sustainable organization (ESO) A business that operates in a way that is consistent with the principle of sustainable development. (See also Sustainable development.)

Ecology The study, and the process, of how living things—plants and animals—interact with one another and with their environment.

E-commerce Electronic business exchanges where the buying and selling goods and services is done electronically via the Internet.

Economic leverage A political tool where a business uses its economic power to threaten to relocate its operations unless a desired political action is taken.

Economic regulation The set of rules and standards that govern the operation of financial institutions and markets.

Ecosystem Plants and animals in their natural environment, living together as an interdependent system.

Egoist (See Ethical egoist.)

Elder care The care or supervision of elderly persons; offered as a benefit by some employers to working children of elderly parents.

Electronic monitoring (of employees) The use by employers of electronic technologies to gather, store, and monitor information about employees' activities.

Emissions charges or fees Fees charged to business by the government, based on the amount of pollution emitted.

Employee assistance programs (EAPs) Company-sponsored programs to assist employees with alcohol abuse, drug abuse, mental health, and other problems.

Employment-at-will The principle that workers are hired and retained solely at the discretion of the employer.

Enlightened self-interest The view that a business can be socially aware without giving up its own economic self-interest.

Entitlement mentality A view that a person or group is guaranteed an economic or social benefit by virtue of being a member of the designated group. (See also Right [human].)

Environmental analysis The system that provides managers with information about external issues and trends.

Environmental audit A company audit, or review, of its progress toward meeting environmental goals, such as pollution prevention.

Environmental intelligence The acquisition of information gained from analyzing the multiple environments - affecting organizations.

Environmental justice The efforts to prevent inequitable exposure to risk, such as from hazardous waste.

Environmental partnerships A voluntary, collaborative partnership between or among businesses, government regulators, and environmental organizations to achieve specific environmental goals.

Environmental Protection Agency (EPA) The United States federal government agency responsible for most - environmental regulation and enforcement.

Environmental scanning Examining an organization's environment to discover trends and forces that could have an impact on the organization.

Environmental standards Standard amounts of particular pollutants allowable by law.

Equal employment opportunity The principle that all persons otherwise qualified should be treated equally with respect to job opportunities, workplace conditions, pay, fringe benefits, and retirement provisions.

Equal Employment Opportunity Commission (EEOC) U.S. agency charged with enforcing equal employment - opportunity laws and executive orders.

Ergonomics Adapting work tasks, working conditions, and equipment to minimize worker injury or stress.

Ethical climate An unspoken understanding among employees of what is and is not acceptable behavior.

Ethical egoist A person who puts his or her own selfish interests above all other considerations, while denying the ethical needs and beliefs of others.

Ethical principles Guides to moral behavior, such as honesty, keeping promises, helping others, and respecting others' rights.

Ethical relativism A belief that ethical right and wrong are defined by various periods of time in history, a society's traditions, the specific circumstances of the moment, or personal opinion.

Ethics A conception of right and wrong conduct, serving as a guide to moral behavior.

Ethics assist or help line A program available for employees when they are troubled about some ethical issue but may be reluctant to raise it with their immediate supervisor.

Ethics audit An assessment used by an organization to target the effectiveness of their ethical safeguards or to document evidence of increased ethical employee behavior.

Ethics officer, compliance office, or ombudsperson A manager designated by an organization to investigate breaches of ethical conduct, promulgate ethics statements, and generally promote ethical conduct at work.

Ethics policies or code A written set of rules used to guide managers and employees when they encounter an ethical dilemma.

European Union (EU) The political and economic coalition of European countries.

Executive compensation The compensation (total pay) of corporate executives, including salary, bonus, stock - options, and various benefits.

Fair labor standards Rules that establish minimum acceptable standards for the conditions under which a company's employees (or the employees of its suppliers or subcontractors) will work. For example, such standards might include a ban on child labor, establishment of maximum work hours per week, or a commitment to pay wages above a certain minimum level.

F

Fairness and balance issue Raises the question of whether the media reports business activities impartially, showing both sides of a controversy.

Fairness Doctrine Required television and radio broadcasters to cover both sides of important or controversial issues and to give the opportunity for contrasting viewpoints to be aired. The law was repealed in 1987.

Family-friendly corporation A company that removes gender discrimination from all aspects of its operations and that supports both men and women in their efforts to balance work and family responsibilities.

Family leave A leave of absence from work, either paid or unpaid, for the purpose of caring for a family member.

Fiscal policy The patterns of spending and taxation adopted by a government to stimulate or support the economy.

527 organizations Groups organized under section 527 of the Internal Revenue Service tax code for the purpose of donating money to candidates for public office and influencing elections.

Flextime A plan that allows employees limited control over scheduling their own hours of work, usually at the - beginning and end of the workday.

Fraud Deceit or trickery due to the pursuit of economic gain or competitive advantage.

Free enterprise system A socioeconomic system based on private ownership, profit-seeking business firms, and the principle of free markets.

Free market A model of an economic system based on voluntary and free exchange among buyers and sellers. Competition regulates prices in all free market exchanges.

Free speech issue Presents the challenge of finding a balance between the constitutional right to free expression and the trustworthiness of information used by stakeholders to make purchases, seek employment, and other actions.

Functional regulation Regulations aimed at a particular function or operation of business, such as competition or - labor relations.

G

General systems theory A theory that holds that all organisms are open to, and interact with, their external - environments.

Genetic engineering The altering of the natural make-up of a living organism, which allows scientists to insert virtually any gene into a plant and create a new crop, or an entire new species.

Genetically modified foods Food processed from genetically engineered crops.

Glass ceiling A barrier to the advancement of women, minorities, and other groups in the workplace.

Glass wall A barrier to the lateral mobility of women, minorities, and other groups in the workplace, such as from human resources to operations that could lead to top management positions.

Global codes of conduct Codes of conduct that seek to define acceptable and unacceptable behavior for today's transnational corporations.

Global corporate citizenship A phrase that describes the efforts of some companies to provide leadership on key social issues wherever they do business in the world.

Global warming The gradual warming of the earth's climate, believed by some scientists to be caused by an increase in carbon dioxide and other trace gases in the earth's atmosphere resulting from human activity, mainly the burning of fossil fuels.

Globalization The movement of goods, services, and capital across national borders.

Greenhouse effect The warming effect that occurs when carbon dioxide, methane, nitrous oxides, and other gases act like the glass panels of a greenhouse, preventing heat from the earth's surface from escaping into space.

Greening of management The process by which managers become more proactive with respect to environmental issues.

Green marketing A concept that describes the creation, promotion, and sale of environmentally safe products and services by business.

H

Harmonization The coordination of laws and enforcement efforts among nations.

Hazardous waste Waste materials from industrial, agricultural, and other activities capable of causing death or - serious health problems for those persons exposed for prolonged periods. (See also Toxic substance.)

Honesty testing Written psychological tests given to prospective employees that seek to predict their honesty on the job.

Horizontal merger The combination, or joining together, of two or more companies in the same industry and at the same level or stage of production or sales into a single company. (See also Conglomerate merger, Vertical merger.)

Hostile takeover The acquisition of one firm by another, in which the target firm does not wish to be acquired.

Human genome Strands of DNA developing a unique pattern for every human.

Human rights An ethical approach emphasizing a person or group's entitlement to something or to be treated in a certain way, such as the right to life, safety, or to be informed.

I

Ideology A set of basic beliefs that define an ideal way of living for an individual, an organization, or a society.

Incumbents Individuals who are seeking re-election to their political office.

Industrial ecology Designing factories and distribution systems as if they were self-contained ecosystems, such as using waste from one process as raw material for another.

Industrial society A society in which the building and mechanical processing of material goods dominates work and employs the largest proportion of the labor force.

Information technology The methods and processes used to store and disseminate information.

In-kind contributions Corporate charitable contributions of products or services, rather than cash.

Insider trading Occurs when a person gains access to confidential information about a company's financial condition and then uses that information, before it becomes public knowledge, to buy or sell the company's stock.

Institutional investor A financial institution, insurance company, pension fund, endowment fund, or similar organization that invests its accumulated funds in the securities offered for sale on stock exchanges.

Institutionalized activity (ethics, corporate citizenship, public affairs, etc.) An activity, operation, or procedure that is such an integral part of an organization that it is performed routinely by managers and employees.

Intangible assets Nonphysical resources of the organization that enable it to achieve its goals and objectives, including intellectual property and corporate reputation.

Intellectual property Ideas, concepts, and other symbolic creations of the human mind that are recognized and protected under a nation's copyright, patent, and trademark laws.

Interactive social system The closely intertwined relationships between business and society.

International financial and trade institutions Institutions, such as the World Bank, International Monetary Fund, and World Trade Organization, that establish the rules by which international commerce is conducted.

International Monetary Fund An international financial institution that lends foreign exchange to member nations so they can participate in global trade.

International regulation A form of regulation in which more than one nation agrees to establish and enforce the same rules of conduct for international business activities.

Internet (or World Wide Web) A global communications network linking individuals and organizations.

Iron law of responsibility The belief that those who do not use their power in ways that society considers responsible will tend to lose their power in the long run.

Issue management The structured and systematic process of identifying, analyzing, and selecting public issues that warrant organizational action.

Issue management process A five-step process where the issue progresses from issue identification through issue analysis, option generation, evaluation and selection, and program implementation to assessment of results and continuous improvement.

J

Justice An ethical approach that emphasizes whether the distribution of benefits and burdens are fair among people, according to some agreed-upon rule.

K

Knowledge economy An economy in which new knowledge, in its many forms, is reshaping and transforming old industries and creating new ones.

Kyoto Protocol An international treaty negotiated in 1997 in Kyoto, Japan, that committed its signatories to reduce emissions of greenhouse gases, such as carbon dioxide.

L

Labor force participation rate The proportion of a particular group, such as women, in the paid workforce.

Labor standards Conditions affecting a company's employees or the employees of its suppliers or subcontractors.

Labor union An organization that represents workers on the job and that bargains collectively with the employer over wages, working conditions, and other terms of employment.

Laws Society's attempt to formalize into written rules the public's ideas about what constitutes right and wrong conduct in various spheres of life.

Legal challenges A political tool that questions the legal legitimacy of a regulation.

Legal obligations A belief that a firm must abide by the laws and regulations governing the society.

License to operate The right to do business informally conferred by society on a business firm; must be earned through socially responsible behavior.

Life-cycle analysis Collecting information on the lifelong environmental impact of a product in order to minimize its adverse impacts at all stages, including design, manufacture, use, and disposal.

Limits to growth hypothesis The idea that human society is now exceeding the carrying capacity of the earth's ecosystem and that unless corrective action is taken soon, catastrophic consequences will result. (See also Carrying capacity.)

Lobbying The act of trying to directly shape or influence a government official's understanding and position on a public policy issue.

M

Marine ecosystems This term refers broadly to oceans and the salt marshes, lagoons, and tidal zones that border them, and well as the diverse communities of life that they support.

Market-based mechanism A form of regulation, used in environmental policy, that uses market mechanisms to control corporate behavior.

Market failure Inability of the marketplace to properly adjust prices for the true costs of a firm's behavior.

Market stakeholder A stakeholder that engages in market transactions with a company. (Also called a primary stakeholder.)

M-commerce Commerce conducted by using mobile or cell telephones.

Media A means of communication that widely reaches or influences people. Media businesses include many channels, including television, radio, books, magazines, and the Internet, and uses multiple technologies.

Media training A public relations strategy where executives and employees who are likely to have contact with the media are educated in how to effectively communicate with the press.

Merger (See Corporate merger.)

Military dictatorship A repressive regime ruled by a dictator who exercises total power through control of the armed forces.

Monetary policy Government actions to control the supply and demand of money in the economy.

Monopoly Occurs when one company dominates the market for a particular product or service.

Montreal Protocol An international treaty limiting the manufacture and use of chlorofluorocarbons and other ozone-depleting chemicals. (See also Ozone.)

Moral development stages A series of progressive steps by which a person learns new ways of reasoning about ethical and moral issues. (See Stages of moral development.)

Morality A condition in which the most fundamental human values are preserved and allowed to shape human thought and action.

N

Nanotechnology The ability to create manmade structures only a few billionths of a meter in size.

National competitiveness The ability of a nation to compete effectively with other nations in international markets through the actions of its privately and publicly owned business firms.

Natural monopolies Where a concentration of the market is acquired by a few firms due to the nature of the industry rather than because of company practices.

Negative externalities (or spill-over effects) When the manufacture or distribution of a product gives rise to unplanned or unintended costs (economic, physical, or psychological) borne by consumers, competitors, neighboring communities, or other business stakeholders.

Noisy withdrawal The action required of an attorney when seeing evidence of a client's company committing a material securities law violation if unable to get the company to stop the illegal act.

Nongovernmental organizations (NGOs) Nonprofit organizations that are created and work to advocate on behalf of particular causes, issues, and interests.

Nonmarket stakeholder A stakeholder that does not engage in direct economic exchange with a company, but is affected by or can affect its actions. (Also called a secondary stakeholder.)

Nonrenewable resources Natural resources, such as oil, coal, or natural gas, that once used are gone forever. (See also Renewable resources.)

O

Occupational Safety and Health Administration (OSHA) U.S. government agency that enforces worker safety and health standards.

Occupational segregation The inequitable concentration of a group, such as minorities or women, in particular job categories.

Ombudsperson (See Ethics officer.)

Ownership theory of the firm A theory that holds that the purpose of the firm is to maximize returns to shareholders. (Also called the property or finance theory of the firm.)

Ozone A gas composed of three bonded oxygen atoms. Ozone in the lower atmosphere is a dangerous component of urban smog; ozone in the upper atmosphere provides a shield against ultraviolet light from the sun. (See also Montreal Protocol.)

P

Parental leave A leave of absence from work, either paid or unpaid, for the purpose of caring for a newborn or adopted child.

Pay gap The difference in the average level of wages, salaries, and income received by two groups, such as men and women (called the *gender pay gap*) or whites and persons of color (called the *racial pay gap*).

Performance-expectations gap The perceived distance between what a firm wants to do or is doing and what the stakeholder expects.

Personal spirituality A personal belief in a supreme being, religious organization, or the power of nature or some other external, life-guiding force.

Philanthropy (See Corporate philanthropy.)

Phishing The practice of duping computer users into revealing their passwords or other private data under false pretences.

Pirated music Music acquired illegally by ignoring the artist's or publisher's legal copyright to benefit from the use of the recording.

Political action committee (PAC) A committee organized according to election law by any group for the purpose of accepting voluntary contributions from individual donors and then making contributions to candidates for election to public office.

Pollution prevention (See Source reduction.)

Pornography Adult-oriented, sexual material of an offensive nature.

Predatory pricing The practice of selling below cost for the purpose of driving competitors out of business; usually illegal under U.S. antitrust laws.

Price-fixing When two or more companies collude to set — or “fix” — the price of a product or service; usually illegal under U.S. antitrust laws.

Privacy (See Right of privacy.)

Privacy policy Business policies that explain what use of the company's technology is permissible and how the business will monitor employee activities.

Privacy rights Protecting an individual's personal life from unwarranted intrusion by the employer.

Private property A group of rights giving control over physical and intangible assets to private owners. Private ownership is the basic institution of capitalism.

Privately held corporation A corporation that is privately owned by an individual or a group of individuals; its stock is not available for purchase by the general investing public.

Product liability The legal responsibility of a firm for injuries caused by something it made or sold.

Product recall An effort by a business firm to remove a defective or sometimes dangerous product from consumer use and from all distribution channels.

Profits The revenues of a person or company minus the costs incurred in producing the revenue.

Proxy A legal instrument giving another person the right to vote the shares of stock of an absentee stockholder.

Proxy statement A statement sent by a board of directors to a corporation's stockholders announcing the company's annual meeting, containing information about the business to be considered at the meeting, and enclosing a proxy form for stockholders not attending the meeting.

Public affairs management The active management of an organization's external relations with such stakeholders as legislators, government officials, and regulatory agencies.

Public issue An issue that is of concern to an organization's stakeholders.

Public policy A plan of action by government to achieve some broad purpose affecting a large segment of the public.

Public policy process All of the activities and stages involved in developing, carrying out, and evaluating public policies.

Public-private partnerships Community-based organizations that have a combination of businesses and government agencies collaborating to address important social problems such as crime, homelessness, drugs, economic - development, and other community issues.

Public relations A program that sends a constant stream of information from the company to the public and opens the door to dialogue with stakeholders whose lives are affected by company operations.

Public Relations Society of America A professional association of public relations officers committed to maintaining individual dignity and the free exercise of human rights within the media industry.

Public trustee A concept that a business owner or manager should base company decisions on the interests of a wide range of corporate stakeholders or members of the general public. In doing so, the business executive acts as a trustee of the public interest. (See also Stewardship principle.)

Publicly held corporation A corporation whose stock is available for purchase by the general investing public.

Q

Quality management Measures taken by an organization to assure quality, such as defining the customer's needs, monitoring whether or not a product or service consistently meets these needs, analyzing the quality of finished products to assure they are free of defects, and continually improving processes to eliminate quality problems.

Questionable payments Something of value given to a person or firm that raises significant ethical questions of right or wrong in the host nation or other nations.

Quotas (job, hiring, employment) An employment plan based on hiring a specific number or proportion of minorities, women, or other groups who may be underrepresented in an organization's workforce.

R

Racial harassment Harassment in the workplace based on race, such as ethnic slurs, derogatory comments, or other verbal or physical harassment based on race that creates an intimidating, hostile, or offensive working environment or that interferes with an individual's work performance. (See also Sexual harassment.)

Rain forest Woodlands that receive at least 100 inches of rain a year. They are among the planet's richest areas in terms of biodiversity.

Regulation The action of government to establish rules by which industry or other groups must behave in conducting their normal activities.

Renewable resources Natural resources, such as fresh water or timber, that can be naturally replenished. (See also Nonrenewable resources.)

Reputation The desirable or undesirable qualities associated with an organization or its actors that may influence the organization's relationships with its stakeholders.

Reregulation The imposition of regulation on activities that were deregulated earlier.

Reverse discrimination The unintended negative impact experienced by an individual or group as a result of legal efforts to overcome discrimination against another individual or group.

Revolving door The circulation of individuals between business and government positions.

Right (human) A concept used in ethical reasoning that means that a person or group is entitled to something or is entitled to be treated in a certain way. (See also Entitlement mentality.)

Right of privacy A person's entitlement to protection from invasion of his or her private life by government, business, or other persons.

S

~~Shareholder~~

Securities and Exchange Commission (SEC) U.S. government agency whose mission is to protect stockholders' rights by making sure that stock markets are run fairly and that investment information is fully disclosed.

Sexual harassment Unwanted and uninvited sexual attention experienced by a person, and/or a workplace that is hostile or threatening in a sexual way. (See Racial harassment.)

Shareholder (See Stockholder.)

Shareholder lawsuit A lawsuit initiated by one or more stockholders to recover damages suffered due to alleged actions of the company's management.

Shareholder resolution A proposal made by a stockholder or group of stockholders and included in a corporation's notice of its annual meeting that advocates some course of action to be taken by the company.

Social accountability The condition of being held responsible to society or to some public or governmental group for one's actions, often requiring a specific accounting or reporting on those activities.

Social assistance policies Government programs aimed at improving areas such as health care and education.

Social auditing A systematic study and evaluation of an organization's social and ethical performance. (See also - Social performance auditing.)

Social capital The norms and networks that enable collective action; goodwill engendered by social relationships.

Social contract An implied understanding between an organization and its stakeholders as to how they will act toward one another.

Social investment The use of stock ownership as a strategy for promoting social objectives.

Social

Social regulation Regulations intended to accomplish certain social improvements such as equal employment opportunity, on-the-job safety and health, and the protection of the natural environment.

Social responsibility (See Corporate social responsibility)

Social responsibility shareholder resolution A resolution on an issue of corporate social responsibility placed before stockholders for a vote at a company's annual meeting, usually by social activist groups.

Society Refers to human beings and to the social structures they collectively create; specifically refers to segments of humankind, such as members of a particular community, nation, or interest group.

Soft money Funds donated to a political party to support party-building activities such as televised commercials that do not specify a candidate, get-out-the-vote drives, and opinion polling. Soft money is often criticized as a loophole in the political campaign finance laws.

Software piracy The illegal copying of copyrighted software.

Source reduction A business strategy to prevent or reduce pollution at the source, rather than to dispose of or treat pollution after it has been produced. (Also known as pollution prevention.)

Spam Unsolicited e-mails (or junk e-mails) sent in bulk to valid e-mail accounts.

Stages of moral development A sequential pattern of how people grow and develop in their moral thinking, - beginning with a concern for the self and growing to a concern for others and broad-based principles.

Stakeholder A person or group that affects, or is affected by, a corporation's decisions, policies, and operations. (See also Market stakeholder and Nonmarket stakeholder.)

Stakeholder analysis An analytic process used by managers that identifies the relevant stakeholders in a particular situation and seeks to understand their interests, power, and likely coalitions.

Stakeholder coalitions Temporary alliances among company's stakeholders to pursue a common interest.

Stakeholder dialogue Face-to-face conversations between representatives of a company and its stakeholders about issues of common concern.

Stakeholder engagement An ongoing process of relationship building between a business and its stakeholders.

Stakeholder interests The nature of each group, its concerns, and what it wants from its relationship with the firm.

Stakeholder network A connected assembly of concerned individuals or organizations defined by their shared focus on a particular issue, problem, or opportunity.

Stakeholder power The ability of one or more stakeholders to achieve a desired outcome in their interactions with a company. The four types are voting power, economic power, political power, and legal power.

Stakeholder theory of the firm A theory that holds that the purpose of the firm is to create value for all of its - stakeholders.

Stem-cell research Research on nonspecialized cells that have the capacity to self-renew and to differentiate into more mature cells.

Stewardship principle The idea that business managers, as public stewards or trustees, have an obligation to see that everyone—particularly those in need—benefits from the company’s actions.

Stockholder A person, group, or organization owning one or more shares of stock in a corporation. (Also known as shareholder.)

Stock option A form of compensation. Options represent the right (but not obligation) to buy a company’s stock at a set price for a certain period of time. The option becomes valuable to its holder when, and if, the stock price rises above this amount.

Stock screening Selecting stocks based on social or environmental criteria.

Strategic philanthropy A form of philanthropy in which donor organizations direct their contributions to recipients in order to achieve a direct or indirect business objective.

Streaming A customized, on-demand radio service developed by music distributors to protect their copyrights to music.

Strict liability A legal doctrine that holds that a manufacturer is responsible (liable) for injuries resulting from the use of its products, whether or not the manufacturer was negligent or breached a warranty.

Superfund A U.S. law, passed in 1980, designated to clean up hazardous or toxic waste sites. The law established a fund, supported mainly by taxes on petrochemical companies, to pay for the cleanup. (Also known as the Comprehensive Environmental Response, Compensation, and Liability Act [CERCLA].)

Sustainability report A single report integrating a business’s social, economic, and economic results.

Sustainable development This term refers to development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sweatshop Factories where employees—sometimes including children—are forced to work long hours at low wages, often under unsafe working conditions.

T

Technology A broad term dealing with the use and knowledge of humanity’s tools and crafts.

Technology superpowers Businesses that built and controlled the global information technology system.

Telecommunications The transmission of information over great distances via electromagnetic signals.

Tissue engineering The rejuvenation or replication of healthy cells or tissues to replace failing human organs and aging cells.

Toxic substance Any substance used in production or in consumer products that is poisonous or capable of causing serious health problems for those persons exposed. (See also Hazardous waste.)

Tradable permits A market-based approach to pollution control in which the government grants companies “rights” to a specific amount of pollution (permits), which may be bought or sold (traded) with other companies.

Trade association A coalition of companies in the same or related industries seeking to coordinate their economic or political power to further their agenda.

Transnational corporation Corporations that operate and control assets across national boundaries.

Transparency Clear public reporting of an organization’s decision-making process or performance.

Triple bottom line The measurement of an organization on the basis of its economic results, environmental impact, and contribution to social well-being.

Tying When a firm requires someone to buy an unwanted product or service in order to get another one they want. This is illegal under U.S. antitrust law.

U

United Nations Global Compact Voluntary agreement of business, labor, and nongovernmental organizations to work for sustainable development goals.

U.S. Corporate Sentencing Guidelines Standards to help judges determine the appropriate penalty for criminal violations of federal laws and provide a strong incentive for businesses to promote ethics at work.

U.S. Foreign Corrupt Practices Act Federal law that prohibits businesses from paying bribes to foreign government officials, political parties, or political candidates.

Unethical A judgment that a business action is not morally right or just.

Utility (social) A concept used in ethical reasoning that refers to the net positive gain or benefit to society of some action or decision.

V

Values Fundamental and enduring beliefs about the most desirable conditions and purposes of human life.

Vertical merger The combination, or joining together, of two or more companies in the same industry but at different levels or stages of production or sales into a single company. (See also Conglomerate merger, Horizontal merger.)

Virtue ethics Focuses on character traits to define a good person, theorizing that values will direct a person toward good behavior.

Vlogs Video Web logs produced by a digital camera that captures moving images which are then transferred to the Internet.

Volunteerism The uncompensated efforts of people to assist others in a community.

W

Wall Street A customary way of referring to the financial community of banks, investment institutions, and stock exchanges centered in the Wall Street area of New York City.

Water pollution When more wastes are discharged into waterways, such as lakes and rivers, than can be naturally diluted and carried away.

Whistle-blowing An employee's disclosure of alleged organizational misconduct to the media or appropriate government agency, often after futile attempts to convince organizational authorities to take action against the alleged abuse.

White collar crime Illegal activities committed by corporate managers, such as embezzlement or fraud.

Workforce diversity Diversity among employees. (See also Diversity.)

World Bank An international financial institution that provides economic development assistance and loans to member nations.

World Business Council for Sustainable Development (WBCSD) A group of companies from several nations whose goal is to encourage high standards of environmental management and to promote cooperation among businesses, governments, and other organizations concerned with sustainable development.

World Trade Organization An organization of member nations committed to advancing free trade and open markets in all countries.