

# [Home depot case](https://assignbuster.com/home-depot-case/)

[Economics](https://assignbuster.com/essay-subjects/economics/), [Money](https://assignbuster.com/essay-subjects/economics/money/)

1. On the basis of Home Depot’s response to environmentalist issues, describe the attributes (power, legitimacy, urgency) of this stakeholder. Using the Reactive Defensive-Accommodative-Proactive Scale in Chapter 2, assess the company’s strategy and performance with environmental and employee stakeholders. In 1990 Home Depot began to work off a basis of environmental principles. People in the community pushed for the company to become more eco-friendly. These principles help to guide a number of different programs to help minimize the company’s and shopper’s impact on the environment. 2. As a publicly traded corporation, how can Home Depot justify budgeting so much money for philanthropy? What areas other than the environment, disaster relief, affordable housing, and at-risk youth might be appropriate for strategic philanthropy by Home Depot? Home Depot volunteers many hours to help the needy. They contribute money and help with disaster relief efforts. They also contribute money to charities to help the less fortunate. Home Depot can justify budgeting so much money because they do not see it as a loss. They believe they are placing money back into the local community and back into the economy. These actions build trust with customers and stakeholders. 3. Is Home Depot’s recessionary strategy of eliminating debt and halting growth a wise one? What would you recommend to the CEO? In 2007, Home Depot foresaw an economic recession coming. This recession made them pull back money from opening new stores. The basis for pulling their money back was to ensure they would be able to pay their bills without having to borrow money from the government. I wouldn’t recommend the CEO to do anything because I believe they are doing what they can to be economically responsibly for their stakeholders.