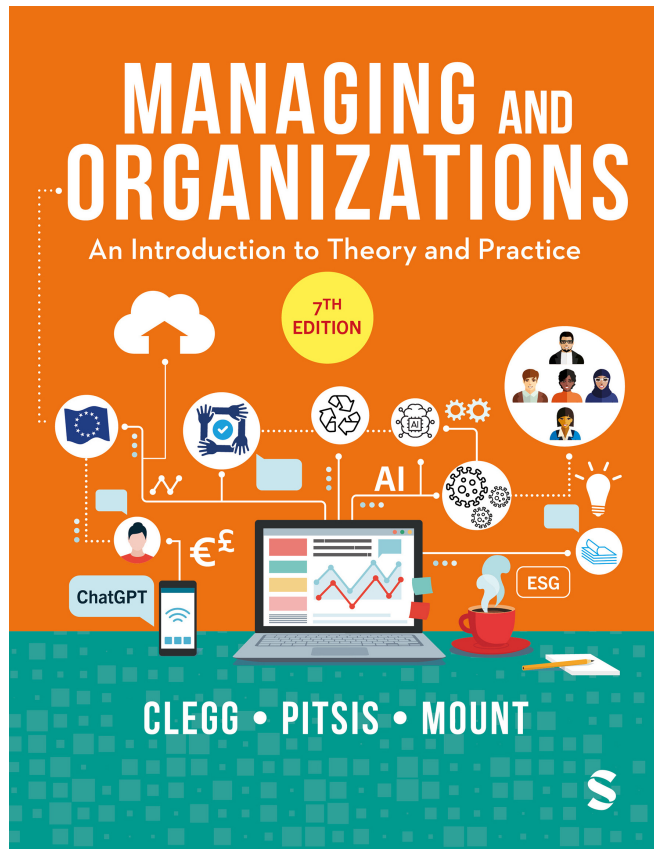




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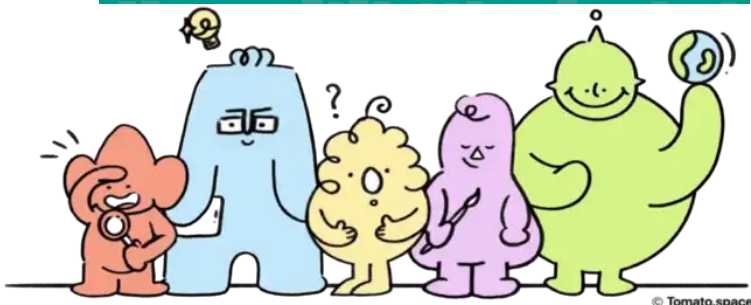
ICMB235: Management and Organizational Behavior

“MANAGING AND ORGANIZATIONS: AN INTRODUCTION TO THEORY AND PRACTICE”



DR. WALLAPA SUENGKAMOLPISUT

WEEK 5-2





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MANAGING AND ORGANIZATIONS

An Introduction to Theory and Practice

7TH EDITION

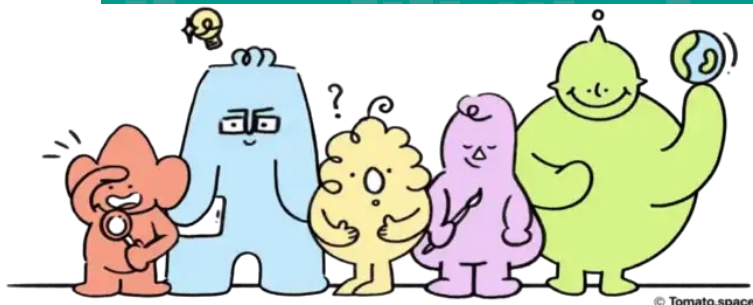


CLEGG • PITIS • MOUNT



Chapter 12

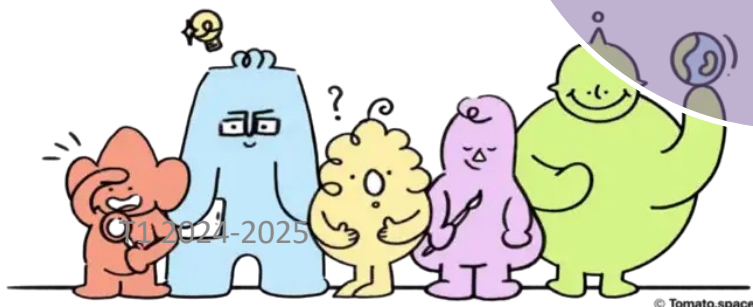
Managing Ethically and Sustainability



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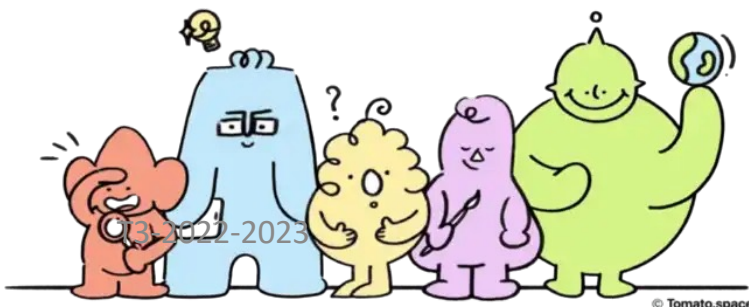


Managing Ethically and Sustainability



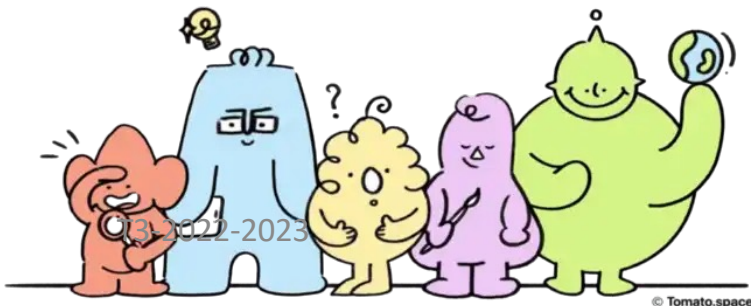
Definition of terms

- **CSR** — responsibility that corporations have to stakeholders
- **Business ethics** : A form of ethics applied to business. It is the study and evaluation of decision making within business through various moral concepts and judgments.
- **Sustainability** — ‘Meeting the needs of the present without compromising the ability of future generations to meet their own needs’ (World Commission on Environment and Development, 1987: 43).
 - A long-term maintenance of the environment and the prospects of the firm.
 - Ability to operation in long-term growth – “Sustainable business”



1. Introduction to CSR

- The risk society
 - One in which the life-threatening disasters that we might be subject to cannot be controlled within a specific territory (they spread)
- Corporate social responsibility (CSR)
 - The explicit attempt by an organization to **signal that it exceeds minimum legal obligations to stakeholders that are specified through regulation and corporate governance**, often by extending the notion of stakeholders to be more inclusive



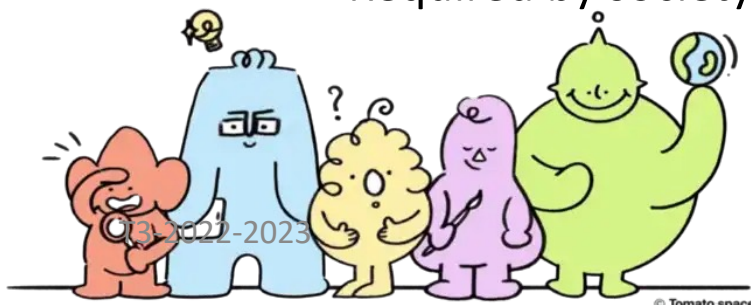
Four-Part Model of CSR (Carroll 1991)



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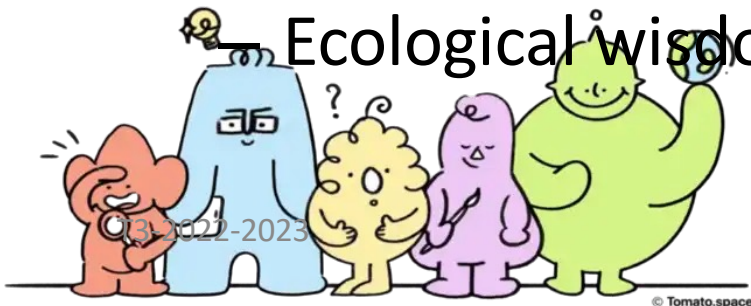
Figure 17.9.

- Philanthropic Responsibilities
 - Charitable giving
 - Desired by society / Be a good corporate citizen
- Ethical Responsibility
 - What is right and fair
 - Expected by society
- Legal Responsibilities
 - Law is codification of societies morals
 - Required by society
- Economic Responsibilities
 - Basic need, why organisations are set up, employment etc.
 - Required by society



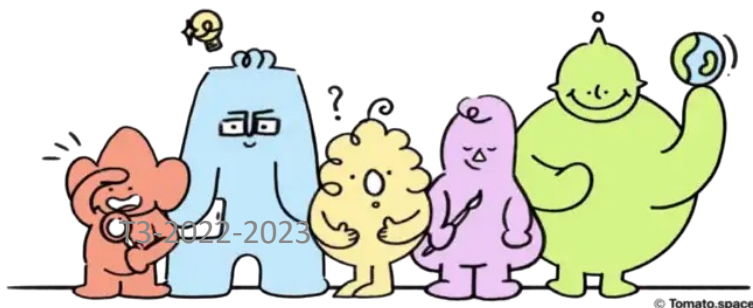
Corporate greening

- Corporate greening
 - A process that involves trying to adopt green principles and practices in as many facets of the business as it is possible to do so
- Learning to be green involves
 - Lifelong learning
 - Critical thinking
 - Citizenship capabilities
 - Environmental literacy
 - Ecological wisdom



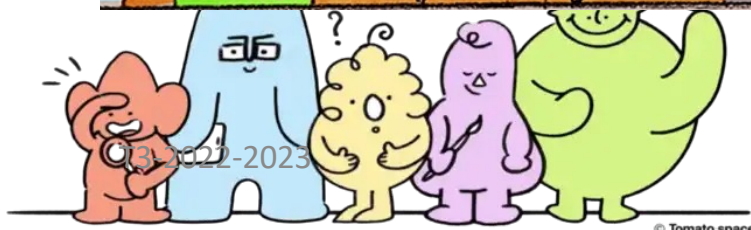


Is CSR just greenwashing?



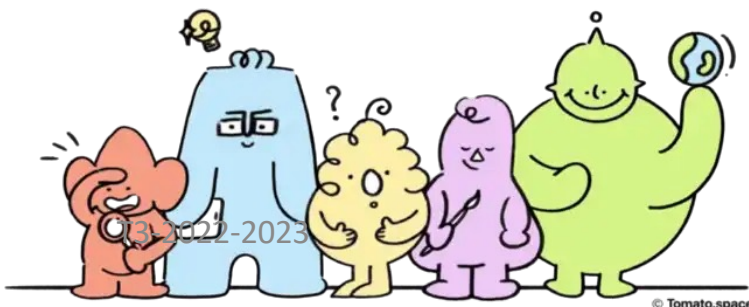
Corporate greening

- Corporate 'green-wash'?
 - Operating in a way that appears green but has a greater financial benefit for the organization than the environment
 - Governments can also be complicit in 'green washing'



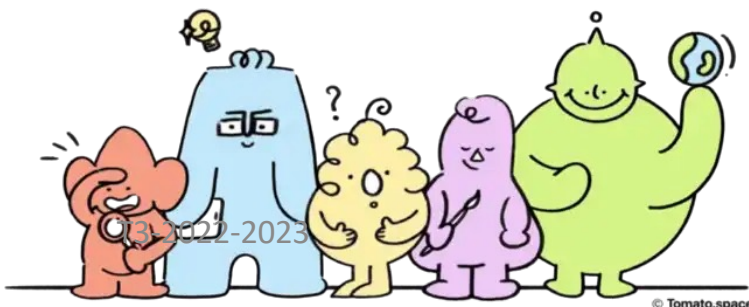
Alternative - Fairtrade

- Change way coffee is traded
- A guaranteed fair price
 - Production + investment, regardless world price
 - Long-term contract
 - Loan for investment
- Cut out middle man – local dealers
- Social premium - money invested in technology, community, school, university
- Environmental concern



Fair Trade definition

- Fair Trade USA is a non-profit organization that certifies goods like coffee, chocolate and sugar — making sure that products are made according to a set of strict standards that encourage environmental sustainability, as well as ensuring that the people involved in production were treated and compensated fairly.



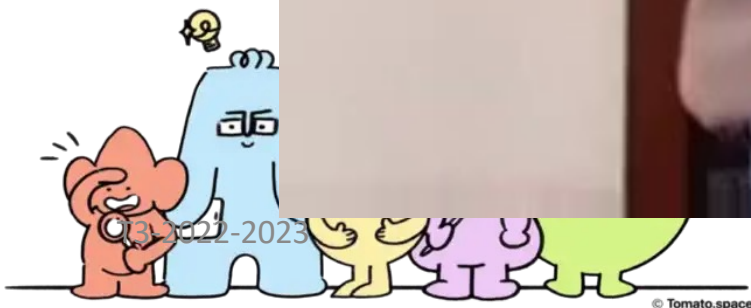


Fairtrade coffee - Starbucks



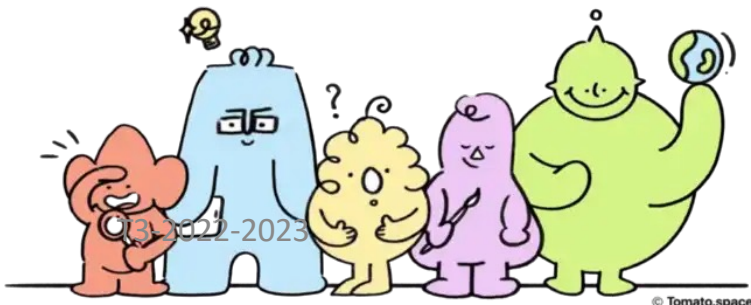
ICMB235 SECTION04 -

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2. Approaches to ethics

- Ethics as individual responsibility
 - Responsibility of the individual, not the business
 - Unethical organizational behaviour due to 'bad apples' within the organization
 - Ethics is a managerial moral task
- Ethics and bureaucracy
 - Transformations of bureaucracies to entrepreneurial-like organizations opens room for member's discretion
 - Bureaucracies preserve certain 'ethical dignities' lost in market systems

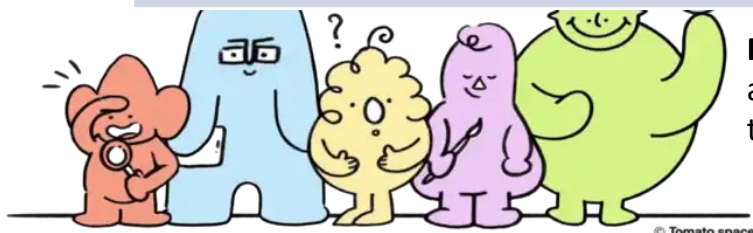




Business Ethics

Table 17:1 Ethical dilemmas in the workplace

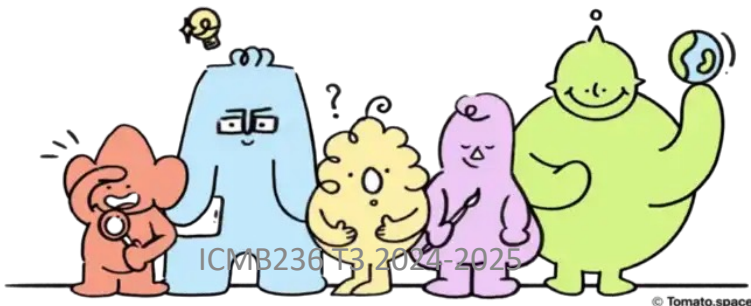
Issue	Example
<u>Cheating on the company</u>	Leaving work early, stealing pens from work, or small-scale fiddling of expenses
Cheating on clients	Misleading customers about how good a product is in order to get a sale, hiding to but something that they don't really need so that you win your monthly bonus
Working in unethical industries	Companies spamming customer with fake PPI and 'accident claim' calls
<u>Turning a blind eye to unethical acts of co-workers or manager</u>	Seeing, but not confronting or reporting, a manager who over-reports figures to meet targets, or a fellow unemployed who treats a customer badly or takes short-cuts on product safety to get the job done on time.
Selling products that are bad for the planet or people	A cashier at a petrol station selling products that will contribute to global warming, a customer service assistant at a discount retailer selling clothes made in sweatshop conditions, or a fast-food chef making burgers that are unhealthy



Payment protection insurance (PPI) is the insurance sold alongside credit cards, loans and other finance agreements to insure payments are made if the borrower is unable to make them due to sickness or unemployment.

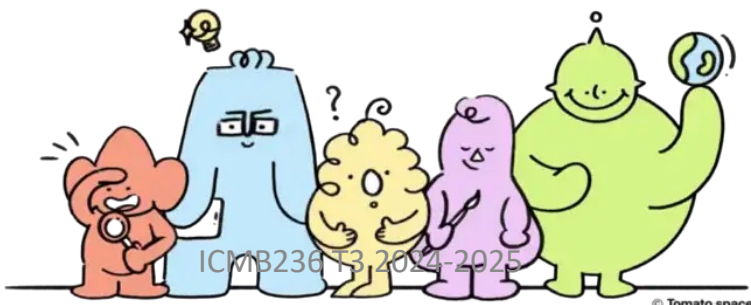


3. Business Sustainability

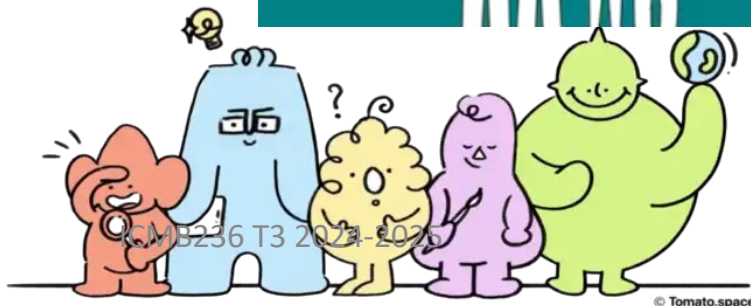
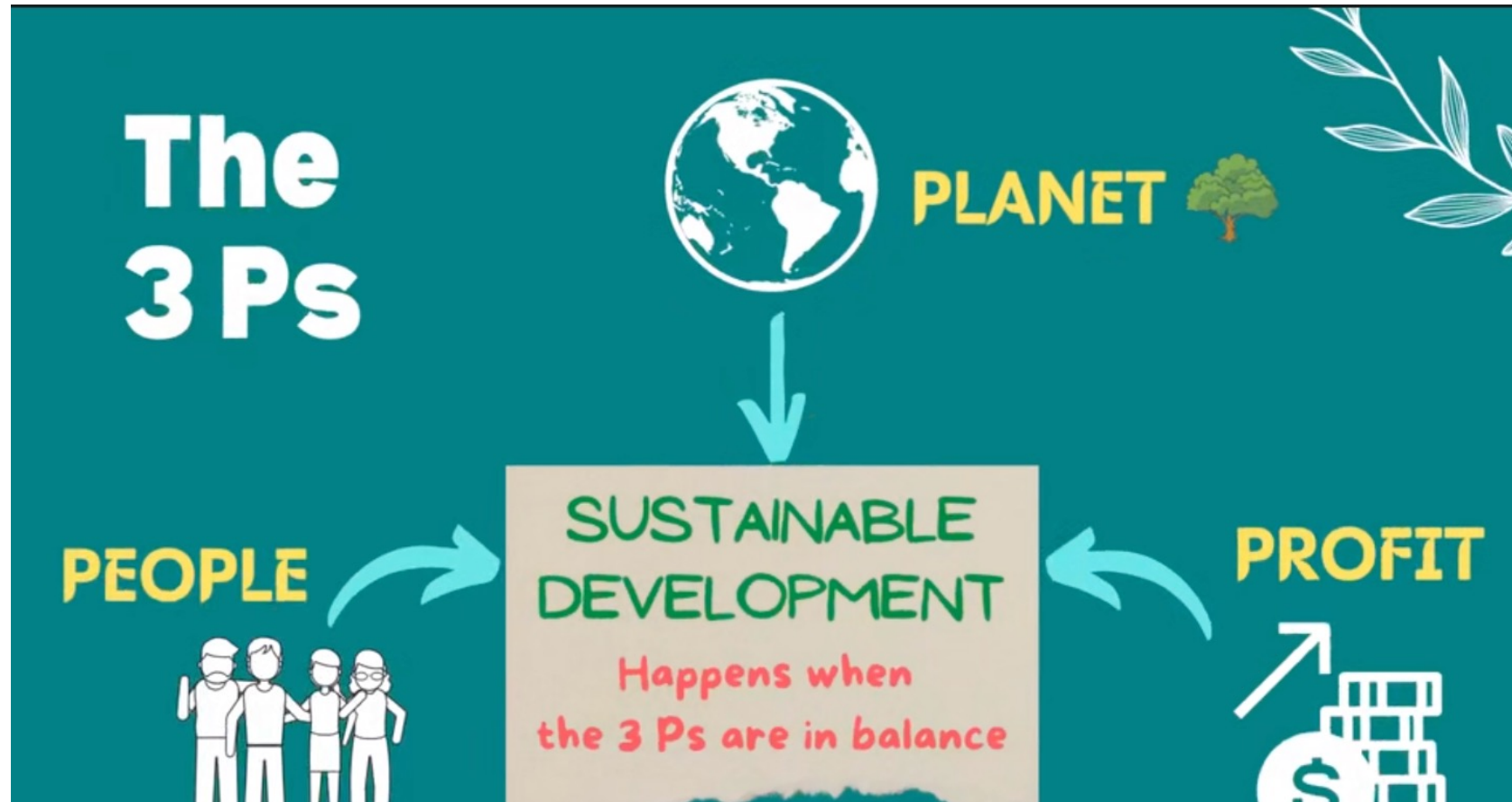




Triple Bottom line Harvard Business School



3P Triple Bottom line



3Ps of Sustainability

PLANET

ENVIRONMENTAL SUSTAINABILITY

1

- CONSIDER THE ENVIRONMENT IN THE BUSINESS STRATEGY
- SWITCH TO RENEWABLE ENERGY
- CHOOSE LOCAL SUPPLIERS
- BE MORE EFFICIENT BY LEVERAGING DIGITAL TRANSFORMATION
- PURSUE ECO-FRIENDLY DESIGN AND PRODUCTION

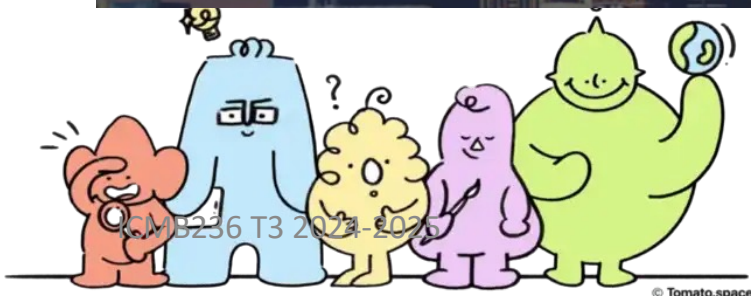


2

PROFIT

Economic Sustainability

- A business needs to be profitable to survive.
- Making a profit is an indication that the business is delivering something valuable.
- But the pursuit of profit should not come by neglecting environmental and social issues.



3

PEOPLE

SOCIAL SUSTAINABILITY

A SUSTAINABLE ORGANIZATION SHOULD:

- RESPECT THE RIGHTS OF EMPLOYEES
- OFFER FAIR WORKING CONDITIONS TO EVERYONE INVOLVED IN THE SUPPLY CHAIN
- PROMOTE THE WELL-BEING OF EMPLOYEES
- CONTRIBUTE TO THE IMPROVEMENT OF OVERALL LIVING CONDITIONS IN THE LOCAL COMMUNITY

APPROVAL AND SUPPORT OF SOCIETY IS AN ASSET

FOR THE LONG TERM SUCCESS OF THE BUSINESS





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SUSTAINABLE DEVELOPMENT GOALS



SDG supports Triple bottom line



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