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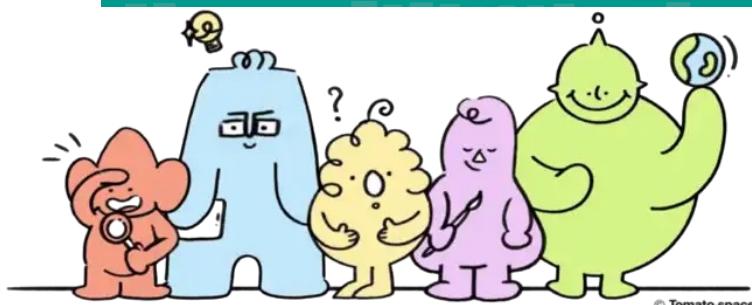
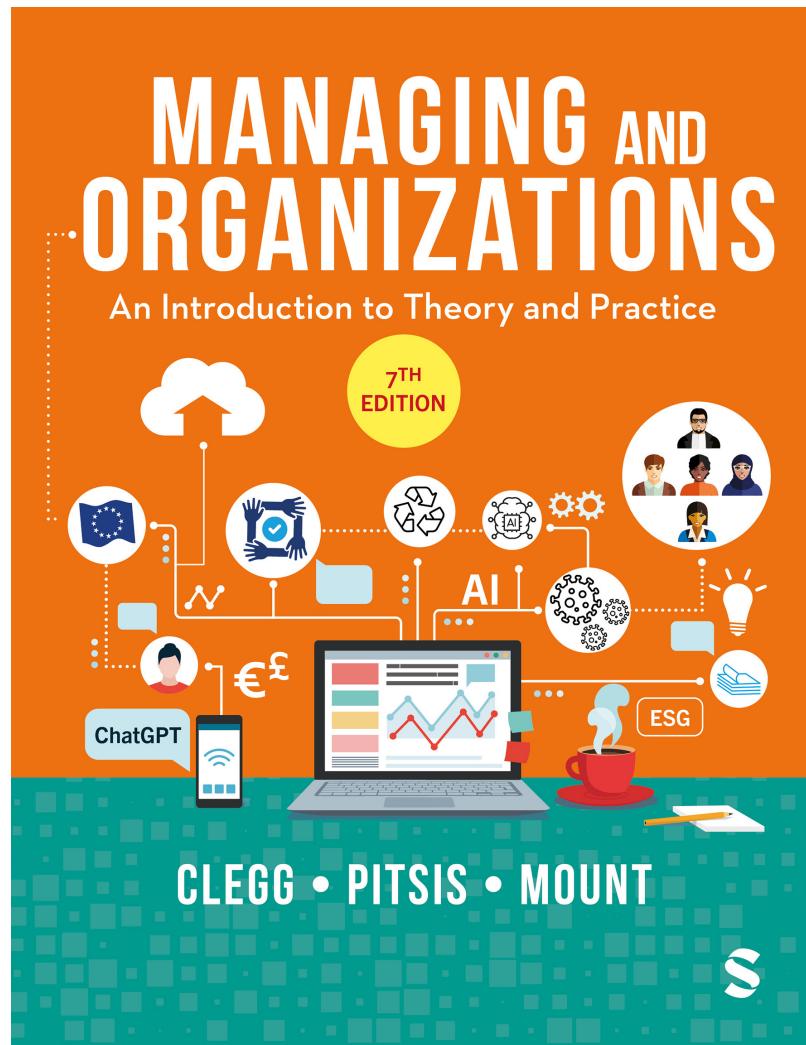
## ICMB235: Management and Organizational Behavior

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

DR. WALLAPA SUENGKAMOLPISUT  
WEEK 5-2



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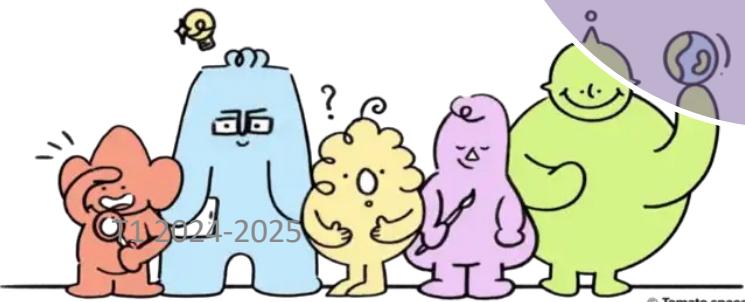


## Chapter 12

### Managing Ethically and Sustainability



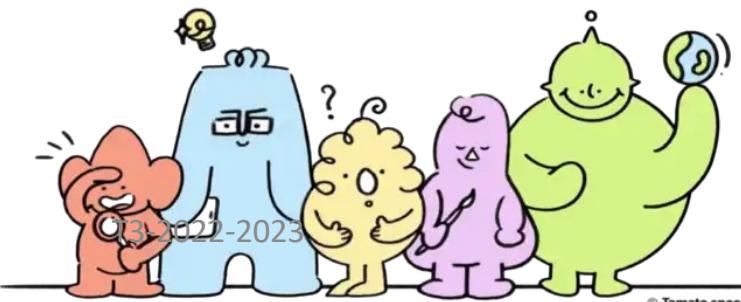
# Managing Ethically and Sustainability





# Definition of terms

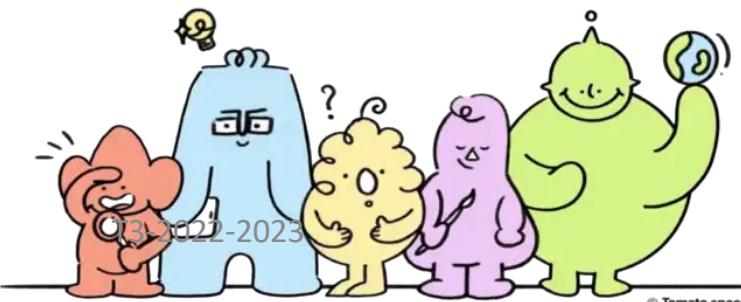
- **CSR** – responsibility that corporations have to stakeholders
- **Business ethics** : A form of ethics applied to business. It is the study and evaluation of decision making within business through various moral concepts and judgments.
- **Sustainability** – ‘Meeting the needs of the present without 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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- 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

Figure 17.9.

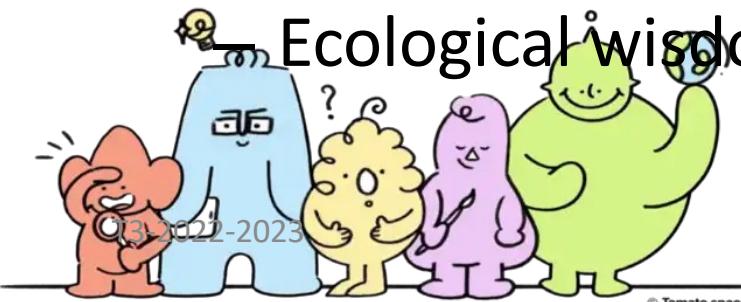




# Corporate greening

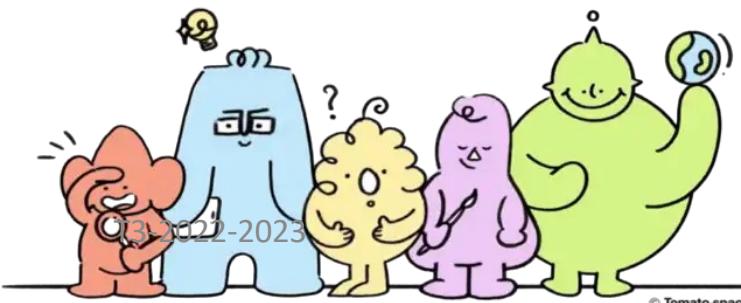
- Corporate greening
  - A process that involves trying to adopt green principles and practices in as many facets of the business as it is possible to do so
- Learning to be green involves
  - Lifelong learning
  - Critical thinking
  - Citizenship capabilities
  - Environmental literacy

Ecological wisdom



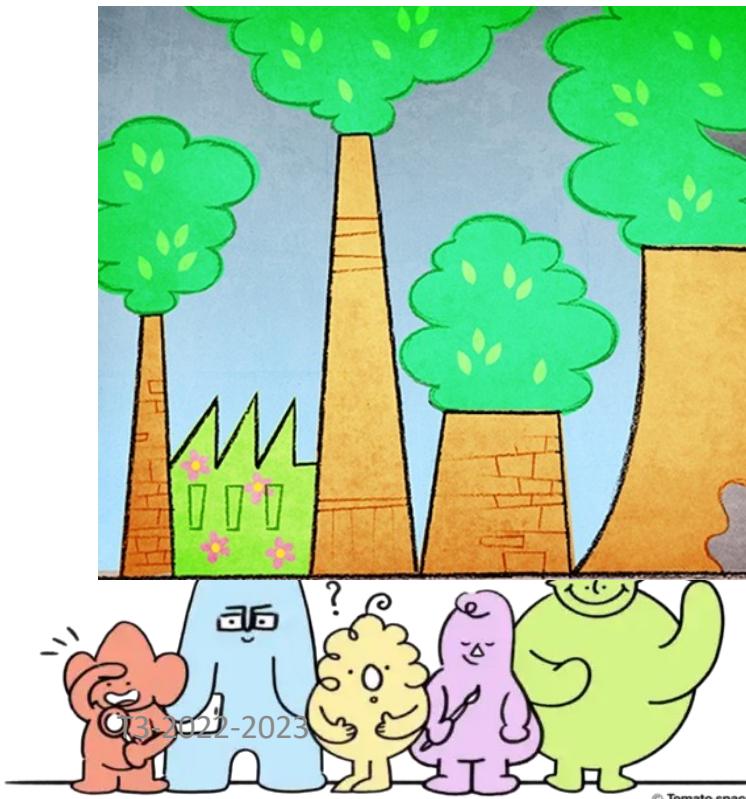


# Is CSR just greenwashing?



# Corporate greening

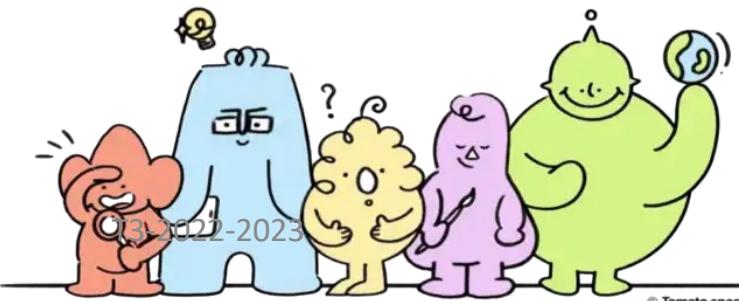
- Corporate ‘green-wash’?
  - Operating in a way that appears green but has a greater financial benefit for the organization than the environment
  - Governments can also be complicit in ‘green washing’





# Alternative - Fairtrade

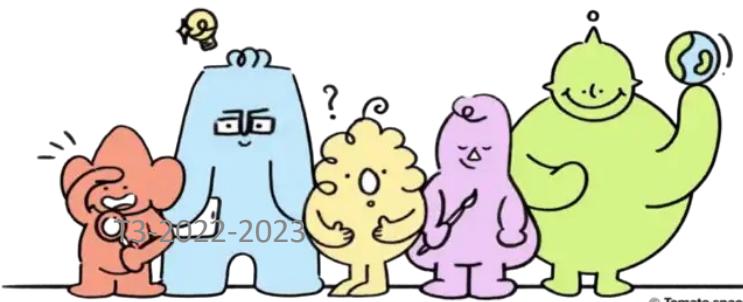
- Change way coffee is traded
- A guaranteed fair price
  - Production + investment, regardless world price
  - Long-term contract
  - Loan for investment
- Cut out middle man – local dealers
- Social premium - money invested in technology, community, school, university
- Environmental concern





# 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.





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# Fairtrade coffee - Starbucks

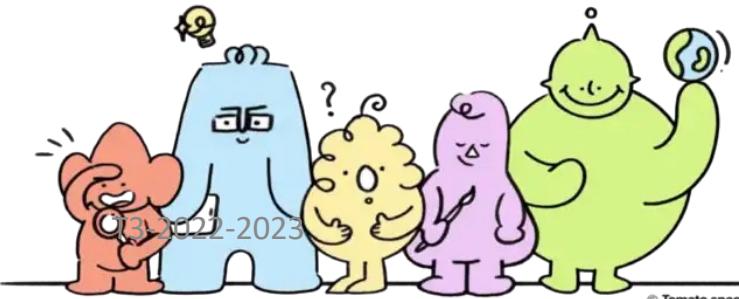


ICMB235 SECTION04 -  
DR.WALLAPA SUENGKAMOLPISUT



## 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

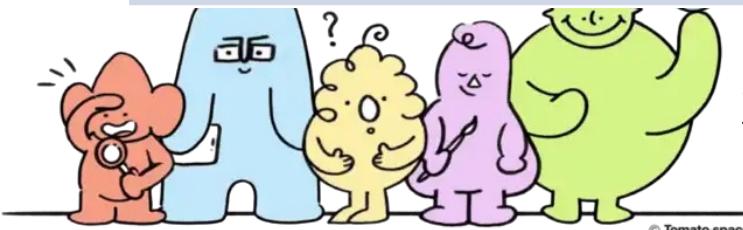




# Business Ethics

Table 17:1 Ethical dilemmas in the workplace

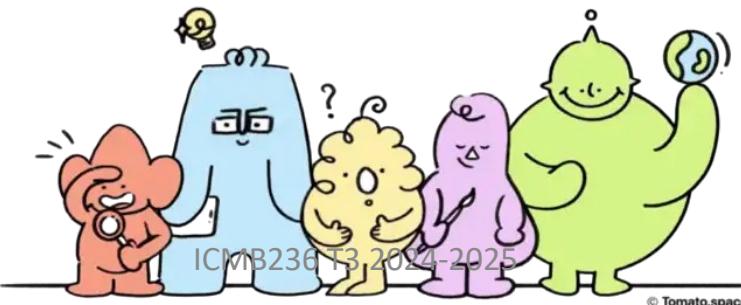
Issue	Example
<b>Cheating on the company</b>	Leaving work early, stealing pens from work, or small-scale fiddling of expenses
Cheating on clients	Misleading customers about how good a product is in order to get a sale, hiding to but something that they don't really need so that you win your monthly bonus
Working in unethical industries	Companies spamming customer with fake PPI and 'accident claim' calls
<b>Turning a blind eye to unethical acts of co-workers or manager</b>	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.

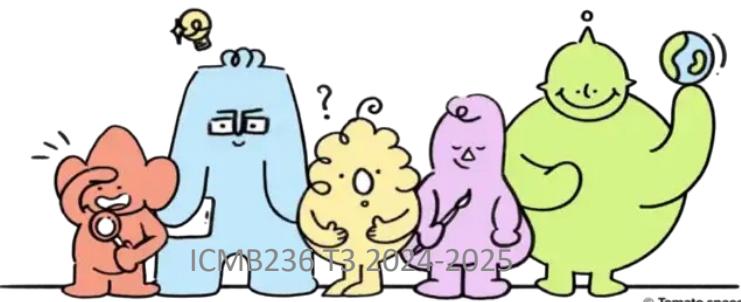


### 3. Business Sustainability



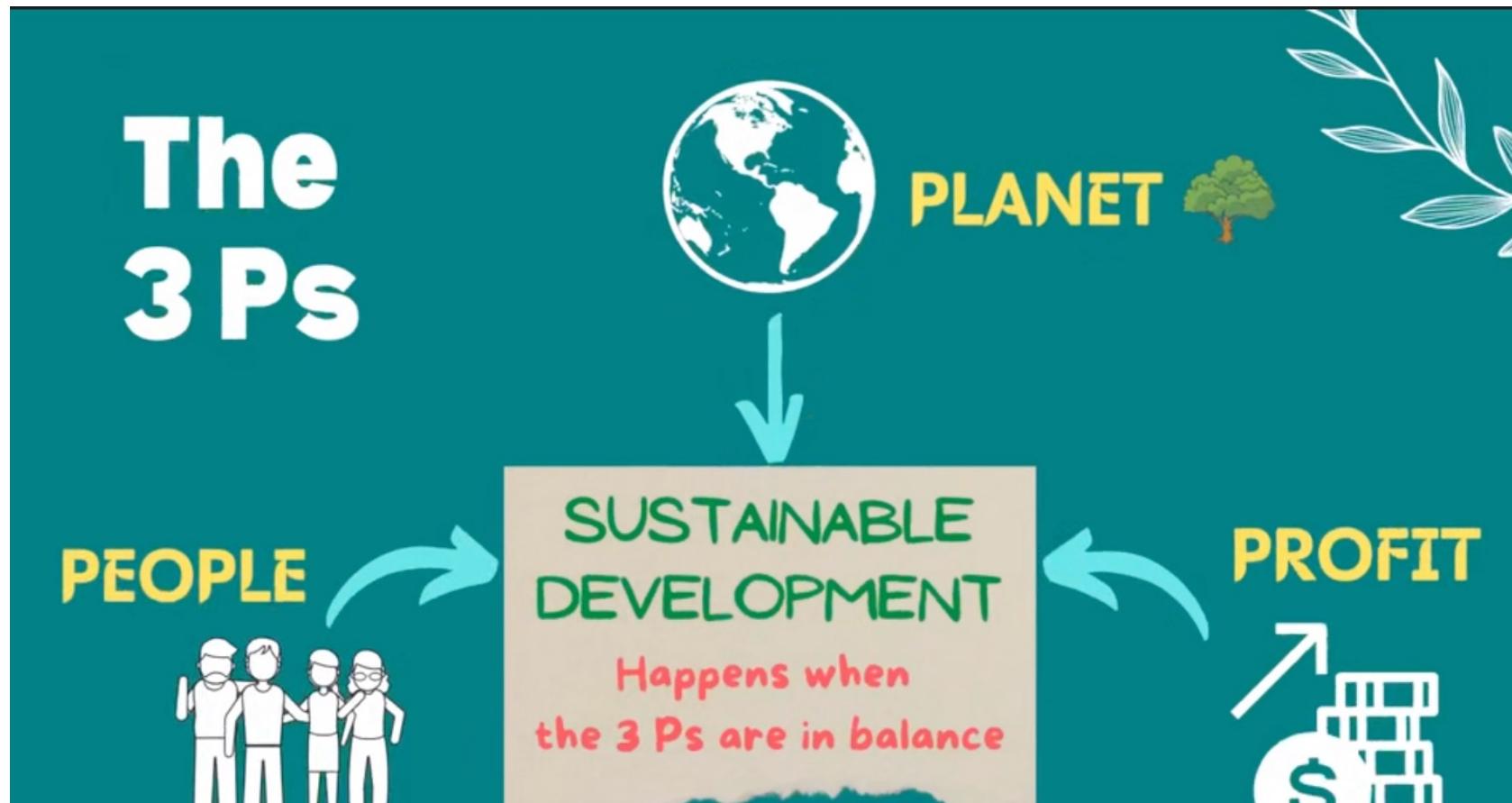


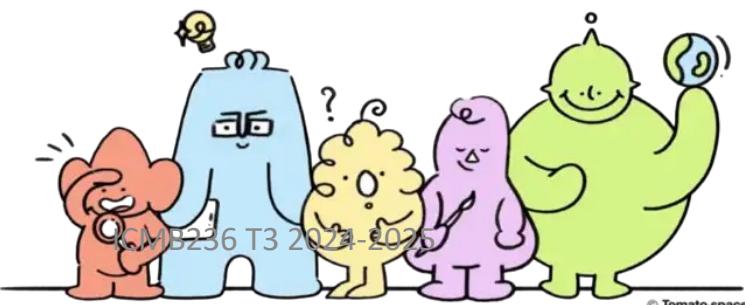
## Triple Bottom line Harvard Business School





# 3P Triple Bottom line







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

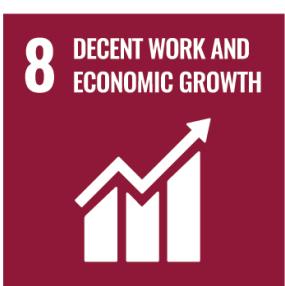
APPROVAL AND SUPPORT OF SOCIETY IS AN ASSET

FOR THE LONG TERM SUCCESS OF THE BUSINESS





# SUSTAINABLE DEVELOPMENT GOALS





# SDG supports Triple bottom line

