

Business, Society & Ethics

21 February, 2019 | Lecture #15

Stakeholder Management



Unit #2 Knowledge Festival

The unit #2 exam is this Tuesday, 26 February.

You will have the full 50 minutes to complete the 50 multiple-choice questions on the exam.

The exam is open book and open notes, but closed technology.

It will only cover material from unit #2 of the course.

THANK YOU
GOOGLE, WIKIPEDIA,
CUT-AND-PASTE,
THE BABY JESUS, AND MOM

ACADEMIC INTEGRITY

THE PURPOSE- BASED APPROACH TO BUSINESS

**HOW DO WE ENCOURAGE
GOOD BUSINESS?**

WHAT IS GOOD BUSINESS?

WHAT IS THE PURPOSE OF BUSINESS?

THE DOMINANT
CONCEPTION OF
BUSINESS

PHILANTHROPIC OBLIGATIONS

ETHICAL OBLIGATIONS

LEGAL OBLIGATIONS

ECONOMIC OBLIGATIONS

Is ethics *externally*
imposed on business?



Or may it be found *within*
business itself?



The purpose of business is the
production and distribution of
goods & services



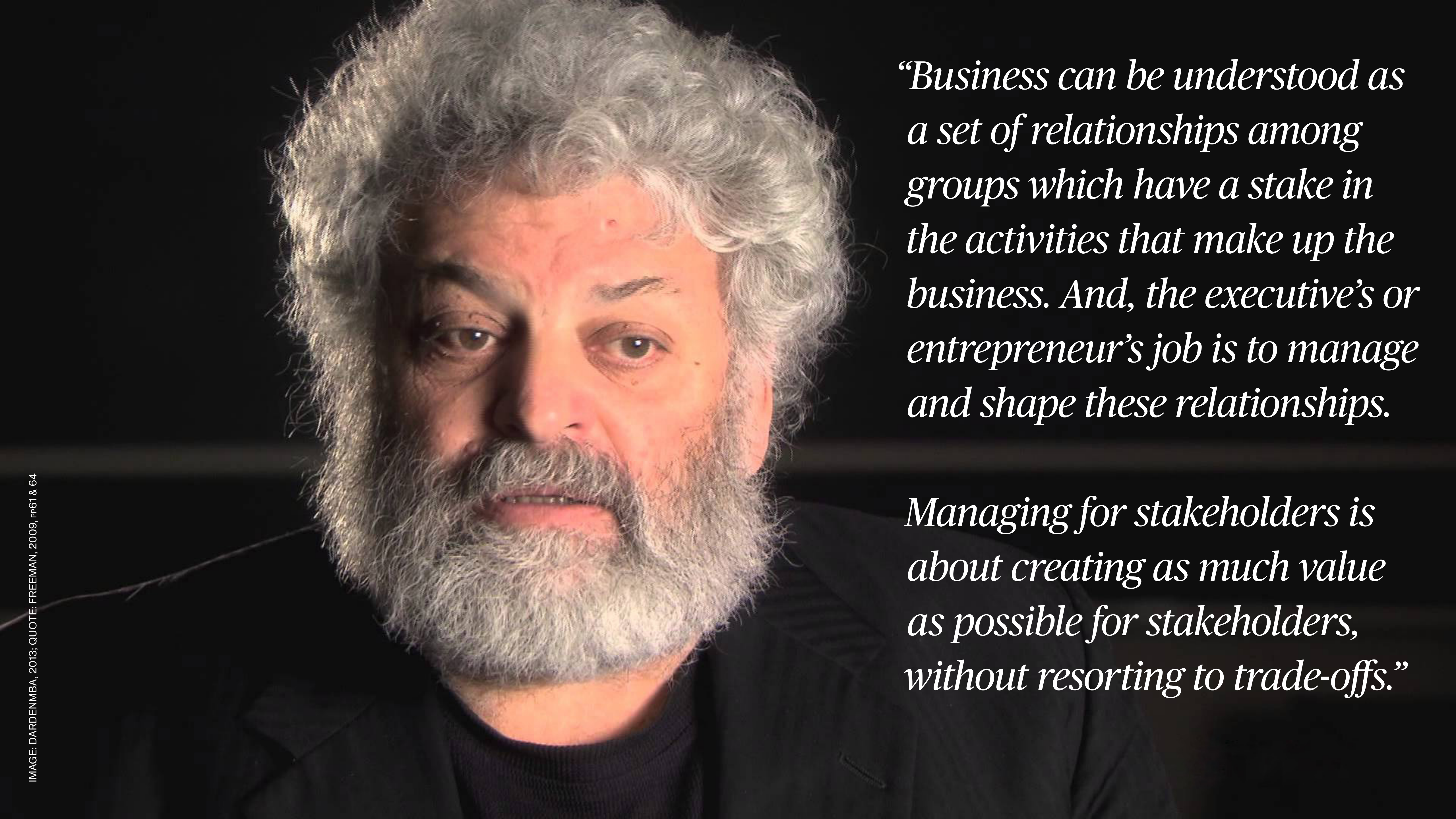
The purpose of
business is shared
community
and responsible
citizenship



CLOCKWISE FROM TOP CENTER: GEORGHIOU, N.D.;
RAWPIXEL, N.D.; HORWOOD, 2014; HINKLE, 2011.



CONSEQUENTIALISM & RESPONSIBILITY



“Business can be understood as a set of relationships among groups which have a stake in the activities that make up the business. And, the executive’s or entrepreneur’s job is to manage and shape these relationships.

Managing for stakeholders is about creating as much value as possible for stakeholders, without resorting to trade-offs.”

The Mutual Concerns Model

**Social
Interests**

**Business
Interests**



O U R C R E D O

WE BELIEVE OUR FIRST RESPONSIBILITY IS TO THE DOCTORS, NURSES AND PATIENTS, TO MOTHERS AND FATHERS AND ALL OTHERS WHO USE OUR PRODUCTS AND SERVICES. IN MEETING THEIR NEEDS FOR THING WE MUST BE OF HIGH QUALITY. WE MUST CONSTANTLY STRIVE TO REDUCE OUR COSTS IN ORDER TO MAINTAIN REASONABLE PRICES. CUSTOMERS' ORDERS MUST BE SERVED PROMPTLY AND ACCURATELY. OUR SUPPLIERS AND DISTRIBUTORS MUST HAVE AN OPPORTUNITY TO MAKE A FAIR PROFIT.

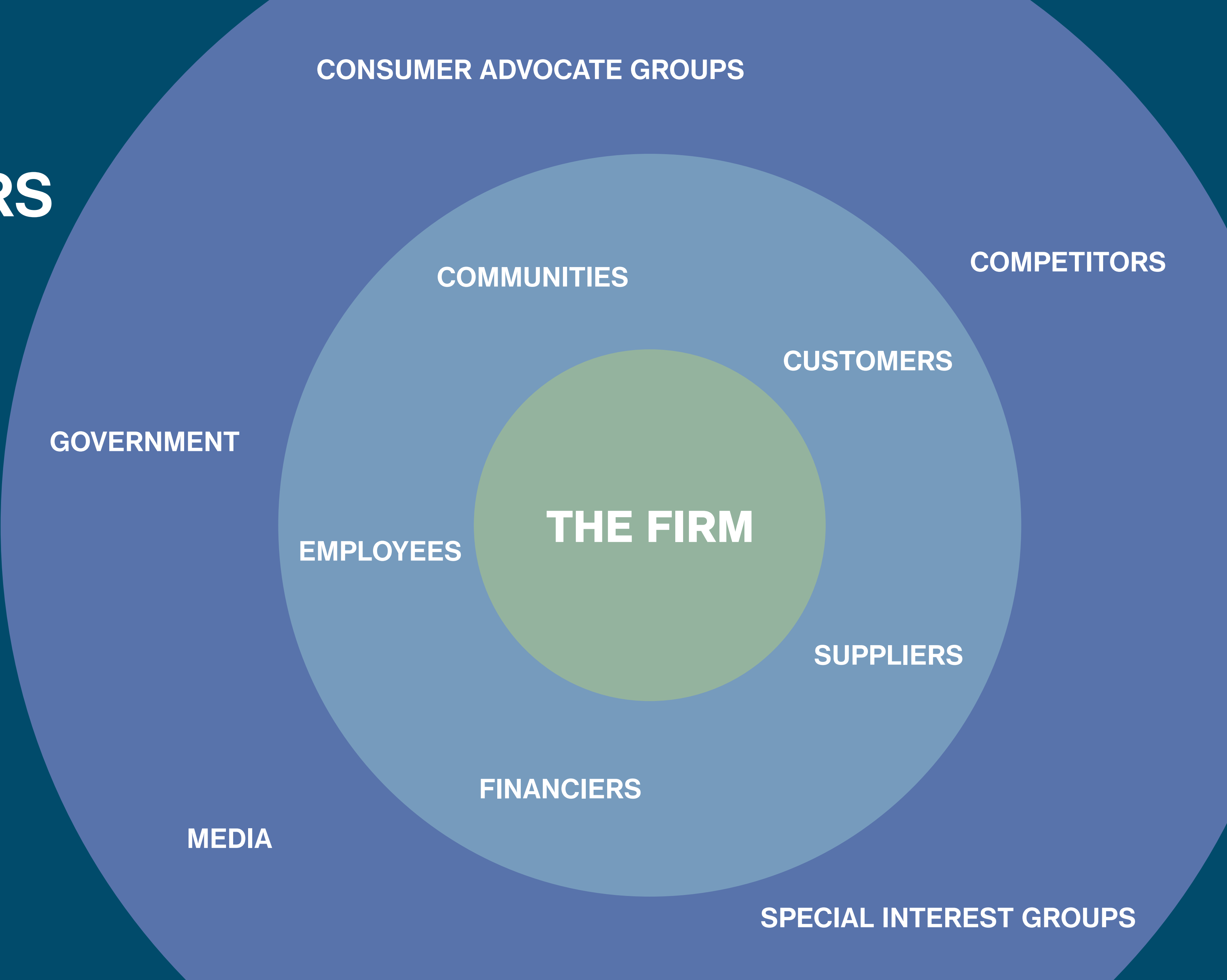
WE ARE RESPONSIBLE TO OUR EMPLOYEES, TO MEN AND WOMEN WHO WORK WITH US THROUGHOUT THE WORLD. EVERYONE MUST BE CONSIDERED AS AN INDIVIDUAL. WE MUST RESPECT THEIR RIGHTS AND RECOGNIZE THEIR MERIT. THEY MUST HAVE A SENSE OF SECURITY IN THEIR JOBS. COMPENSATION MUST BE FAIR AND QUALITY WORKING CONDITIONS MUST BE MAINTAINED. ONLY A COMPANY MUST BE MINDFUL OF WAYS TO HELP OUR EMPLOYEES FULFILL THEIR FAMILY RESPONSIBILITIES. EMPLOYEES MUST FEEL FREE TO MAKE SUGGESTIONS AND COMPLAINTS. THERE MUST BE EQUAL OPPORTUNITY FOR EMPLOYMENT, DEVELOPMENT AND ADVANCEMENT FOR THOSE QUALIFIED. WE MUST PROVIDE COMPETENT MANAGEMENT, AND THEIR ACTIONS MUST BE JUST AND ETHICAL.

WE ARE RESPONSIBLE TO THE COMMUNITIES IN WHICH WE LIVE AND WORK AND TO THE WORLD COMMUNITY AS WELL. WE MUST BE GOOD CITIZENS — SUPPORT GOOD WORKS AND CHARITIES, BEAR OUR FAIR SHARE OF TAXES. WE MUST ENCOURAGE CIVIL IMPROVEMENTS AND BETTER HEALTH AND EDUCATION. WE MUST MAINTAIN IN GOOD ORDER THE PROPERTY WE ARE PRIVILEGED TO USE, PROTECTING THE ENVIRONMENT AND NATURAL RESOURCES.

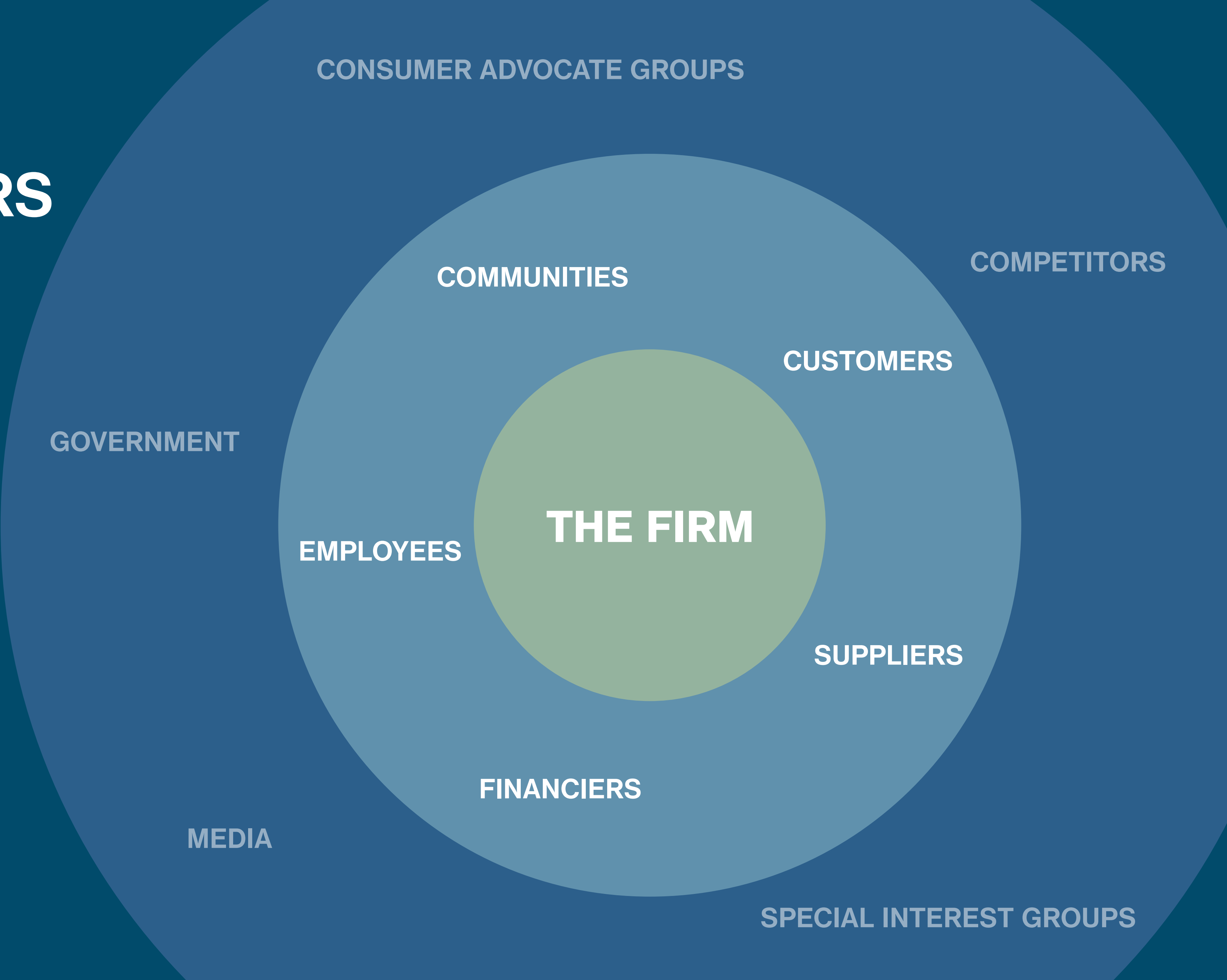
OUR FINAL RESPONSIBILITY IS TO OUR STOCKHOLDERS. BUSINESS MUST MAKE A FAIR RETURN AND PROFIT. WE MUST EXPEND OUR RESOURCES WISELY. RESEARCH MUST BE CARRIED ON, OVER THE PROGRAM DEVELOPED AND MISTAKES PAID FOR. NEW INVESTMENTS MUST BE PURCHASED, NEW FACILITIES PROVIDED, NEW PRODUCTS DEVELOPED. RESERVES MUST BE MAINTAINED TO PROVIDE FOR UNEXPECTED REVERSE TIMES. WHEN THESE PRINCIPLES, THE STOCKHOLDERS SHOULD REALIZE A FAIR RETURN.

Johnson & Johnson

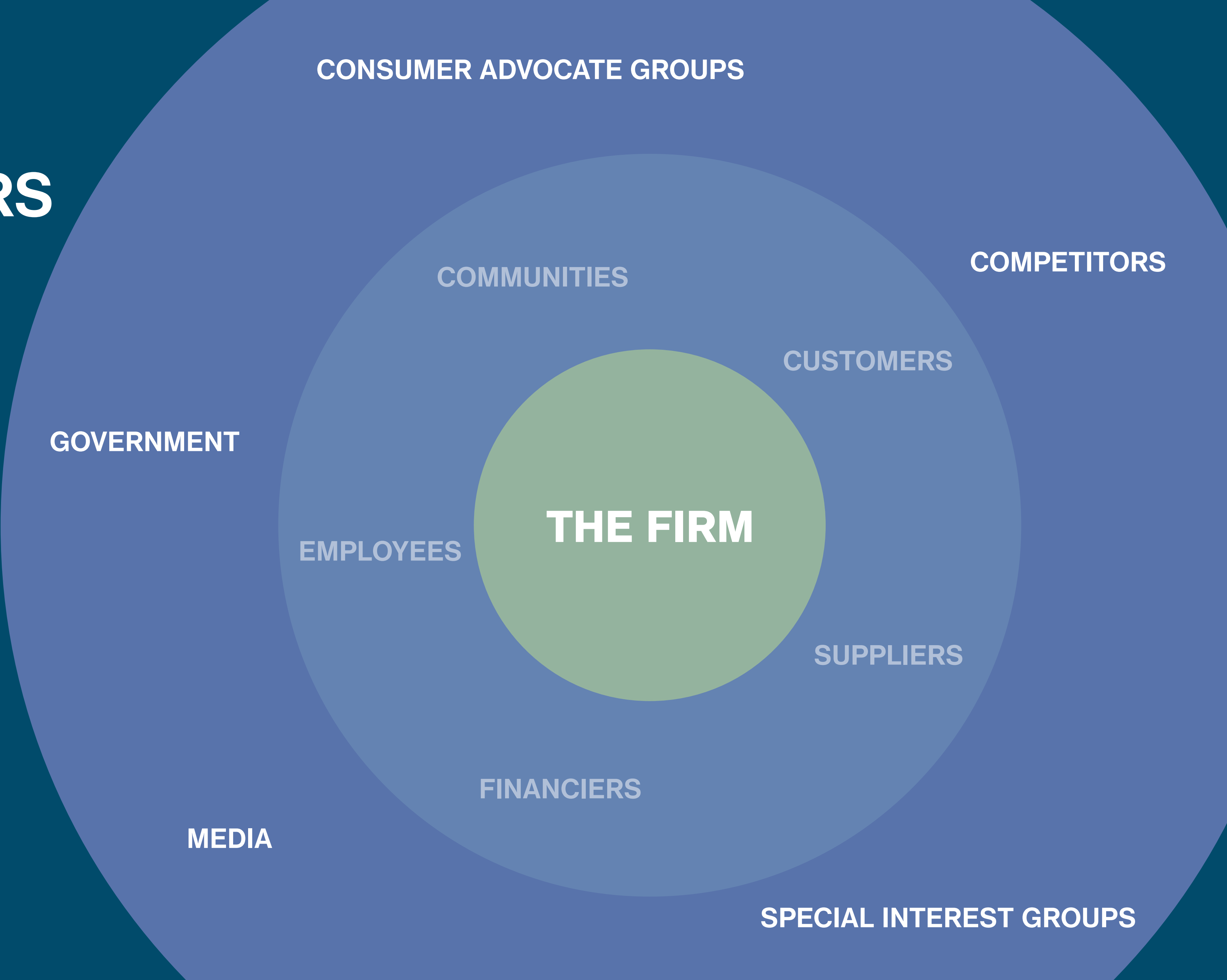
STAKES & STAKEHOLDERS IN BUSINESS



STAKES & STAKEHOLDERS IN BUSINESS



STAKES & STAKEHOLDERS IN BUSINESS



Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group

Stakeholder		Type and Frequency of Engagement
Employees		<ul style="list-style-type: none">Akhbarna Newsletter, Vodafone Hub, Emajlis, Vodafone TubeSharePoint WorkspaceSnapCommsPeople Managers updateTeam HuddlesLine manager briefing sessionsEmployees Satisfaction SurveyIndependent Sustainability Stakeholder Engagement Study (2014)
Investors		<ul style="list-style-type: none">Annual General Meeting (AGM)Communicate through Investor Relations departmentIssue annually audited financial statementsAnalyst MeetingsIndependent Sustainability Stakeholder Engagement Study (2014)
Customers		<ul style="list-style-type: none">Serve customers through call centersConduct surveys (customer satisfaction, store experience, and brand tracker)Independent Sustainability Stakeholder Engagement Study (2014)TechShowTech NightsTech NewsletterUnboxing Videos
Enterprise Customers		<ul style="list-style-type: none">Independent Sustainability Stakeholder Engagement Study (2014)
Business Channels	Distributors	<ul style="list-style-type: none">Regular one-on-one engagements
	Mass Retailers	<ul style="list-style-type: none">Independent Sustainability Stakeholder Engagement Study (2014)Zone Retails Meet
	Vodafone Retailers	<ul style="list-style-type: none">Vodafone Al Momayaz
Regulators		<ul style="list-style-type: none">Compliance with ICT QatarIndependent Sustainability Stakeholder Engagement Study (2014)
Suppliers		<ul style="list-style-type: none">Tenders and RFPsIndependent Sustainability Stakeholder Engagement Study (2014)
Community, NGOs and Pressure Groups		<ul style="list-style-type: none">Independent Sustainability Stakeholder Engagement Study (2014)Vodafone CSR MajlisAs part of the Engagement work led by the Sustainability divisionCommunity Engagement through social activitiesAmantTechTechshowTechNewsletter
Environmentalists		<ul style="list-style-type: none">Independent Sustainability Stakeholder Engagement Study (2014)
Media		<ul style="list-style-type: none">Regular one-on-one engagementsPR Events

Stakeholder		Key Sustainability Issues Raised During the Engagement Process	Our Response - Page Numbers
Employees		<ul style="list-style-type: none">Talent Attraction and DevelopmentTransparency. Reward & recognition strategyHow competitive are we in salary & benefits & rewards/retention schemesCareer development plans, health and safe work environmentPromotion of people well-beingVisibility of CSR activities and impact on the Qatari community	49
Investors		<ul style="list-style-type: none">Future investments plansInternal audits and controls.The way Vodafone's plans and integrates Sustainability at all levels.Governance models and functionality. Governance structure.Shareholder and investors relations management.	12-16
Customers		<ul style="list-style-type: none">Affordability. Preventing unexpectedly high billsAvailability of networkDelivering simpler and relevant products and servicesShowing more appreciation for our most loyal customers.	38-42
Enterprise Customers		<ul style="list-style-type: none">Customer satisfactionPrivacy and securityOnline service qualityNew ways of connectivity and business collaboration	32, 40, 60
Business Channels	Distributors	<ul style="list-style-type: none">Plans to produce comprehensive reporting which will facilitate time and resourcesSustainability plans that may impact distributors directly or indirectly	41, 30-33
	Mass Retailers		
	Vodafone Retailers		
Regulators		<ul style="list-style-type: none">Privacy and securityNetworks and infrastructureCompliance	58,60
Suppliers		<ul style="list-style-type: none">Implications of Sustainability in Supply chain. How does Vodafone work with suppliers to mitigate its social and environmental impact? Any plans to involve vendors in future sustainability plans?The way Vodafone selects suppliers.	37
Community, NGOs and Pressure Groups		<ul style="list-style-type: none">Migrants' welfare best practices.Initiative supporting achievement of Qatar Foundation Standards.Future sustainability plans. Social investment pillarsWhat's the social value created? How does Vodafone measure it impact. Any systematic model used for that?Why they pulled out of the brazil projectHow Vodafone Qatar supports local social media and digital entrepreneurship	42-45
Environmentalists		<ul style="list-style-type: none">Environmental sustainability measures, E-waste managementEnvironmental impact report and limited radiationNext year's Sustainability targets and approach. Investments to reduce radiations effects and risks on local communityCompliance with Ministry of Environment requirements on environmental performance. Carbon Emissions. Radiations and plan to reduce risks	31, 45-48
Media		<ul style="list-style-type: none">Accessibility of spokespeopleRelevant news and updates	41



Lego ends Shell partnership following Greenpeace campaign

Toymaker will not renew current multimillion pound deal, that sees Shell-branded Lego sets sold at petrol stations, following a viral video against Arctic drilling by the green group



Mini activist figures at a Shell gas station in Legoland in Billund, Denmark, part of a global campaign targeting Lego and highlighting Shell's plans for Arctic oil exploration. Photograph: Uffe Weng/Greenpeace

Lego will not renew its marketing contract with Shell after [coming under sustained pressure from Greenpeace](#) to end a partnership that dates to the 1960s.

Shell abandons Alaska Arctic drilling

Oil giant's US president says hugely controversial drilling operations off Alaska will stop for 'foreseeable future' as drilling finds little oil and gas

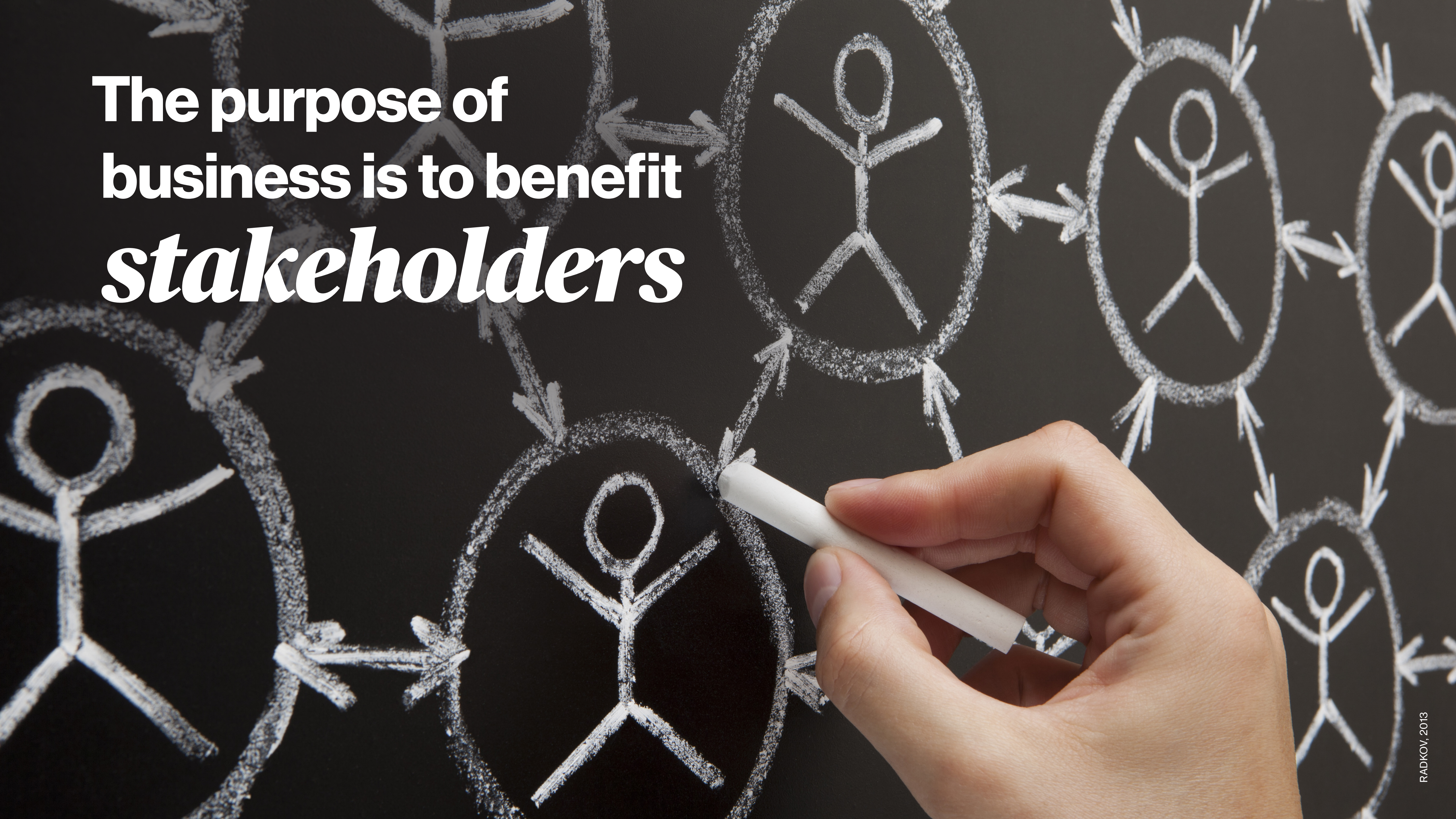


The Transocean Polar Pioneer, a semi-submersible drilling unit leased by Shell, was used to explore Arctic deposits. Photograph: Daniella Beccaria/AP

Shell has abandoned its controversial drilling operations in the Alaskan Arctic in the [face of mounting opposition](#) in what jubilant environmentalists described as “an unmitigated defeat” for big oil.

The Anglo-Dutch company had repeatedly stressed the enormous hydrocarbon potential of the far north region in public, but in private began to admit it had been surprised by the popular opposition it faced.

**The purpose of
business is to benefit
*stakeholders***



The background is a dark blue-grey color, densely populated with a variety of small, semi-transparent icons. These icons include common digital symbols such as hearts, smiley faces, speech bubbles, musical notes, and the letters 'SMS'. Some icons are in shades of red, while others are in shades of yellow or green, creating a vibrant, textured effect behind the text.

“Ethics is a conversation about how we can reason together and solve our differences so that we can all flourish without resorting to coercion and violence.”

SECURE LEGITIMATE COOPERATION



Building Construction & Safety After Villaggio

With these broader obligations to stakeholders in mind, we will look at fire safety in Qatar after the deadly fire at the Villaggio Mall on 28 May, 2012. What led to this fire, and can anything be done to ensure something like this does not happen again?

References for Images Used in the Consequentialism and Responsibility Mosaic

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Acknowledgements

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