

Topic 8 (Week 14)

Responsibility and Stakeholders

The logo for Stamfordonline is positioned behind the word "and" in the title. It features a stylized orange and blue swirl icon to the left of the text "stamfordonline" in a blue sans-serif font. Below this, the tagline "EDUCATION BEYOND BORDERS" is written in a smaller, grey, all-caps sans-serif font.

Learning Outcomes:

By the end of the session students have to revise how important are stakeholders to a business organisation and the legal & social responsibilities the business organisations have towards them.

Stakeholder interests

Stakeholders are certain groups which have specific interests in an organisation. These interests may differ from one group to another, and sometimes the interests of different groups may actually conflict with one another.

Stakeholders groups:

- Shareholders
 - are the owners of a company
 - ensure the direction of the organisation
 - expect the organisation to grow
 - expect to receive a return on their investment of funds in the organisation.

- Customers

- interested in getting quality products & services

- fair price of the products & services

- availability of the products & services

- after sales service

- trust on the products & services



- Suppliers

- good relationship with the organisation

- to be paid on time

- suppliers can exert great power over the organisation, e.g.

cutting off sources of funds in

the case of banks or causing a

breakdown in the supply chain if

their interests are not met.

- Competitors

- all organisations have an interest in the markets in which they operate

- to ensure that there is fair competition

- to ensure that they are regulated by legislation



- Employees

- personal goals which may be pursued through employment

- remunerations and benefits

- working environment

- appreciation and recognition from organisation

- equitable and fair treatment at work



Legal Responsibilities

Organisations are subject to the law in the same way as ordinary citizens and must act at all times within it. If they do not, they risk prosecution under specific legislation or action in the courts by aggrieved individuals or groups under civil law.

Legal Responsibilities towards :

- Owners
- Employees
- Markets
- Customers
- Consumers
- Competitors



Responsibilities to Staff

The responsibilities of an organisation to its employees are both legal and moral. There are laws and regulations governing the employment of people in organisations, but good management goes beyond these and recognises that the provision of employment and good working conditions is a moral obligation in a civilised society.

The Promotion of Fair and Equitable Treatment

Most organisations have responded to the requirements of legislation and the general interests of employees in respect of discrimination against individuals or groups by adopting policies about the fair and equitable treatment of staff. These have been translated into procedures which regulate the behaviour of staff – both as between managers and workers and between individuals and groups in the workplace.

Examples of areas in which such policies and procedures are developed and applied include the following:

- equal opportunities
- discipline
- grievances
- harassment



Corporate Social Responsibility (CSR)

CSR refers to the moral obligations placed on organisations to act in ways which protect and improve the interests of the communities with which they interact. This may be in respect of local, regional, national or international communities, and relates both to social institutions and culture, and the physical environment.

Some of the main strategies for implementing social responsibility are as follows:

- Environmentally conscious “green” working practices and outputs
- Participation in governmental bodies
- Support for community projects
- Ethical outsourcing



Management Ethics

Acceptable standards of behaviour for the management of an organisation. About how organisations and individual managers should act in their dealings with others.

Examples:

- always to act within the law
- treat others with respect, as you would expect to be treated yourself
- Not to pursue one's own interests through the organisation's activities