Managing for Organisational Sustainability

GBAT9119

Course Overview
Summer Term 2015
Important Notice

The material contained in this study guide is in the nature of general comment only and is not advice on any particular matter. No one should act on the basis of anything contained in this guide without taking appropriate professional advice upon the particular circumstances. The Publisher, the Editors, and the Authors do not accept responsibility for the consequences of any action taken or omitted to be taken by any person, whether a subscriber to this guide or not, as a consequence of anything contained in or omitted from this guide.
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## Summer Term 2015 course schedule

| Week 1         | 24 November | Unit 1  | The contextual backdrop for sustainability |
|               |            | Unit 2  | Understanding organisational sustainability |

| Week 2         | 1 December | Unit 3  | Foundations of sustainability |
|               |            | Unit 4  | Corporate social responsibility and stakeholder management |

| Week 3         | 8 December | Unit 5  | Managing people for sustainability |
|               |            | Unit 6  | Organising for sustainability |

**Mid-term recess: Saturday 13 December – Sunday 4 January**

| Week 4         | 5 January  | Unit 7  | Leadership for sustainability |
|               |            | Unit 8  | Sustaining organisational culture and change |

| Week 5         | 12 January | Unit 9  | Overcoming the barriers to organisational sustainability |
|               |            | Unit 10 | Managing and measuring performance |

| Week 6         | 19 January | Unit 11 | Governance and sustainability |
|               |            | Unit 12 | Course review: looking back and looking forward |

| Week 7         | 26 January*| Independent reflective learning and review |

| Week 8         | 2 February | Examination week |

*Monday 26 January is a Public Holiday*
Course staff

Course Coordinator

Each course has a Course Coordinator who is responsible for the academic leadership and overall academic integrity of the course. The Course Coordinator selects content and sets assessment tasks, and takes responsibility for specific academic and administrative issues related to the course when it is being offered. Course Coordinators oversee Class Facilitators and ensure that the ongoing standard of facilitation in the course is consistent with the quality requirements of the program.

The Course Coordinator is:

Dr Tracy Wilcox
BAppSc MCom PhD
t.wilcox@unsw.edu.au

Tracy is a lecturer in HRM and organisation studies at the UNSW School of Management in the UNSW Business School. She has taught in the MBT Program since 1996, and has also taught in the AGSM Executive MBA program and the Graduate Certificate in Social Impact. Tracy’s current research interests include organisational change agency, legitimation strategies and business ethics and sustainability education. She has contributed publications on organisational change, performance management and skills for the federal Departments of Workplace Relations, and Equal Opportunity in the Workplace, and the UNSW Industrial Relations Research Centre, and has published internationally on sustainability, ethics and corporate social responsibility.

Tracy has consulted to manufacturing and service organisations in the areas of strategic human-resource management, management development and TQM. She has a Master’s degree in organisational change leadership and a PhD in HR management-legitimation strategies, both from UNSW.

Tracy is a member of the Academy of Management, the International Association of Business and Society, the Australian Human Resources Institute, the Australasian Association of Professional and Applied Ethics, the Australasian Business Ethics Network and the European Group for Organization Studies.
Class Facilitator

The role of your Class Facilitator is to support the learning process by encouraging interaction amongst participants, providing direction in understanding the course content, assessing participant progress through the course and providing feedback on work submitted. MBT Class Facilitators comprise academics and industry practitioners with relevant backgrounds.

You will be notified of your Class Facilitator’s name and contact details in your class confirmation email sent by MBT Student Services. Details will also be available in the gallery section of your online class for both face-to-face and distance classes.

Course authors

The Course Coordinator, Tracy Wilcox, is the main author of this course. Janis Wardrop contributed Unit 11 Governance and sustainability.

Acknowledgement

Loretta O’Donnell and Craig Tapper both contributed to earlier versions of this course.
Course information

Aims

Good management must comprise more than the creation of efficient, effective commercial enterprises, more than the identification and emulation of best practices.

At its core, the management conversation should be about the efficacy, sustainability and fundamental fairness of human interaction that underpins not just commercial enterprise, but culture, social policy and emerging global realities.

(Magura 2002)

Over the past two decades, sustainability has become an increasingly important part of the ‘management conversation’. Managers now face increasing pressure to broaden their field of view and balance short- and long-term needs for economic, social and environmental sustainability. A profound shifting of values has occurred as we come to appreciate the impact that each of our day-to-day decisions has on larger social, economic and ecological systems. Understanding sustainability involves a broadening and re-orientating of the patterns of thinking and understanding that we once accepted unquestioningly.

Organisational sustainability is built on a foundation of sustainable development, social responsibility, stakeholder thinking and accountability. This course is interdisciplinary in its approach to sustainability. This means that we draw from a range of disciplines and knowledge bases to understand sustainability and manage accordingly. You will find arguments in the various Units that draw from knowledge and research in the fields of organisational behaviour, sociology, business ethics and philosophy, political economics, ecology, systems theory and organisational studies.

Hawken, Lovins and Lovins use the metaphor of a tapestry to describe the ideas and arguments behind sustainability. As you work through the Units you will see how, like a tapestry, the threads of the concepts, arguments and disciplines weave in and out of each other to build a big picture. Some of these ideas and arguments may challenge your conceptions of management and organisations.

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3 For those of you who are used to the discourse of physical science or engineering, these arguments may at face value look more like opinions than facts. This is because, unlike the physical sciences, in the complex world of social relationships, ethics and values, facts are contestable and value-laden – even those gleaned ‘scientifically’. Think about the once well-respected science of phrenology in the 19th century. We no longer accept that a people’s intelligence or behaviour can be understood in terms of the bumps on their heads! In more recent times, behavioural
Effective management is not about acquiring the answers in a step-by-step way. It is about understanding your actions and the actions of others so that the unintended consequences and multiple perspectives can be anticipated. It is about valuing and harnessing the full potential of those working in and for our organisations, communities and societies. It is about creating a learning environment where people can work collaboratively and innovatively. In this course, we aim to help you to develop the analytical and thinking skills that will allow you to gain insight into your own organisational practices and contexts. These insights will help you to manage more effectively and more sustainably, and contribute to the sustainable strategic success of your organisation.

In *Managing for Organisational Sustainability*, you are encouraged to anchor your understanding of the concepts we introduce to your own organisational experience. For example, we may ask you to reflect on your organisation’s environment, or systems; or to critically evaluate your own actions, or the actions of others. The assessment items and exercises throughout the course are designed to encourage you to do this.

The UNSW Business School and the MBT program are signatories to the United Nations’ *Principles for Responsible Management Education* (www.unprme.org). These principles inform the design and delivery of *Managing for Organisational Sustainability*.

**Structure**

This course examines how organisations and their management can support sustainable organisational strategies. We see how holistic and integrated approaches to stakeholder relations and people management can increase an organisation’s capability for continuous renewal and long-term viability.

The focus in this course is on the human and organisational systems and processes that contribute to organisational sustainability. In this course, organisations are defined broadly, and encompass small and family-owned enterprises, public sector and third-sector (or not-for-profit) organisations as well as conventional corporations.

The course is structured into 12 Units, as shown in the diagram below. Each of the Units deals with a different element of organisational and social sustainability.

We do not explicitly develop the environmental side of sustainability: this is comprehensively covered in the MBT course GBAT9103 *Business Management for a Sustainable Environment*.

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*psychology (based on controlled animal experiments) was the source of scientific facts and explanations for human behaviour. Both of these sets of facts were laden with assumptions and values. Nonetheless, you can differentiate between strong and weak arguments, and between sound and faulty reasoning. We can and should consider what we see in organisations from alternative perspectives, even if this takes us outside our comfort zones.*
Unit 1, The contextual backdrop for sustainability. Unit 1 introduces you to new ways of thinking about organisations and the global business environment. The complexity that managers face in this environment is outlined, and the limitations of conventional management thinking are presented, along with the need for new ways of thinking. You will learn about the sense-making practices we use in our workplaces and how these can impact on what we ‘see’ in organisations. We canvass the importance of systems thinking, and of adopting multiple perspectives on organisations and managing.

Unit 2, Understanding organisational sustainability, deals with the nature of organisations and the need for a more pluralistic and outward-looking perspective. We consider a model for organisational sustainability that underpins the course. We trace out the trajectory of the way organisational sustainability has been conceptualised, and examine the antecedents of sustainability concepts.

Unit 3, Foundations of sustainability. In Unit 3, the theoretical base of sustainable people and stakeholder management is considered. The interconnection between organisational sustainability and people-related
capabilities is explored. You will also learn about the relationship between an organisation’s strategic actions, its reputation and ultimately, its legitimacy. The role that people play in sustainability is outlined, along with arguments for ‘human capital advantages’ with an introduction to the implications of this thinking for management. We introduce you to some of the management systems and practices that can enhance sustainability.

Unit 4, *Corporate social responsibility and stakeholder management*. In this Unit, we consider the concept of corporate social responsibility, applied to all forms of organisation, and its interconnection with stakeholder management. An understanding of organisational stakeholders and the importance of stakeholder management is a key factor in organisational sustainability. We consider narrow and broad views of corporate social responsibility encompassed in ‘shareholder vs stakeholder’ debates. You will also consider how we can use these concepts in practical stakeholder management.

Unit 5, *Managing people for sustainability*. Unit 5 looks more closely at how people-related capabilities can be developed and nurtured. We consider the human-resource management systems and practices that can enhance organisational competencies, and the cultural and informational enablers of organisational sustainability. From this, we explore organisational commitment and the people-management practices that promote this.

Unit 6, *Organising for sustainability*. This Unit builds on the ideas introduced in the previous Units, and links social architecture and work organisation with sustainability. The role of work design, collaborative networks and empowerment in contributing to innovation and renewal is covered. In addition, we consider organisational processes and architectures outside organisational boundaries, including sustainable and socially responsible supply-chain management.

Unit 7, *Leadership for sustainability*. In this Unit, we consider one of the central management capabilities needed for sustainability – leadership. Leadership is not just the responsibility of senior executives; it is a process, not a position, and needs to be seen as distributed throughout an organisation. We examine current thinking on the age-old, multifaceted question of leadership effectiveness, and reflect on the ways in which leaders face adaptive challenges like sustainability. The Unit also considers the ethical responsibilities of leaders and how they are linked to contemporary ideas about professional management practice and ethical leadership.

Unit 8, *Sustaining organisational change and culture*. Managing for Organisational Sustainability entails ongoing changes to systems, practices and frames of thinking in organisations. In this Unit, learning and change-management issues are developed. We also introduce you to the idea of culture as complex, shared and socially constructed, rather than something an organisation ‘has’. The role of managers in influencing and legitimating particular value sets is covered and we explore models for enabling cultural change.
Unit 9, *Overcoming the barriers to organisational sustainability*. In this Unit, we move to some of the internal and external barriers to sustainability. These barriers can be real and exist in and around organisations, or they can result from the sense-making practices we use. We explore some of the familiar examples of why ‘sustainability won’t work here’, and provide some tools for analysing the problems you might encounter. We then turn to a scrutiny of some human resource and people-management practices, and move to influencing strategies and processes of legitimation. Practical responses such as issue-selling and business cases can incorporate evidence of business improvements and increased customer preferences for products from socially responsible firms. We also consider a decision-making framework that helps overcome some of the taken-for-granted barriers we encounter.

Unit 10, *Managing and measuring performance*. The ways in which we define and manage performance in organisations can either constrain or enable the journey towards sustainability. Different lenses on performance management are considered, and alternative models of performance management are outlined.

Unit 11, *Governance and sustainability*. In this Unit, we consider how governance processes and practices are central planks of organisational sustainability. We also examine the role of boards and the importance of accountability systems.

Unit 12, *Course review: looking back and looking forward*. In this final Unit, you are encouraged to reflect on organisational sustainability and also your own learning experience. We consider the notion of ‘21st century enlightenment’, and how the various elements of the course come together to provide a holistic and value-centred approach to managing for organisational sustainability. You will be guided through some review questions that will help you to integrate the concepts into your own sustainability model and develop a Personal Action Plan for your own sustainability practices.
Learning outcomes

When you have completed this course, you should be able to:

- explain why sustainability imperatives have emerged in response to the current global business environment
- consider the interconnections between the economic, social, political and ecological spheres of human activity, and apply systems thinking to your analysis of organisational issues and practices
- outline the concepts and philosophies underpinning organisational sustainability, including corporate social responsibility, stakeholder management and financial, social and ethical accountability
- describe the various perspectives on sustainability and its links to management capabilities and management practice
- outline the approaches to people management, work organisation, leadership and change that enable organisational sustainability
- reflect on the internal and external factors that enable or constrain organisational sustainability
- critically reflect on your own approaches to and practices of management for sustainability.

Skills and experience you will need

There are no pre-requisites for this course.

Please refer to the AGSM Learning Guide (available in Moodle) for information you will find very useful in pursuing your studies.

Relationship to other courses in the MBT program

This course examines the management of organisations to promote organisational sustainability. It is best taken after you have developed some basic people-management knowledge and skills either via experience, or by completing the MBT courses GBAT9125 Fundamentals of People Management and GBAT9100 Introduction to Management

Many MBT courses look at managing specific aspects of the organisation, e.g. GBAT9123 Fundamentals of Corporate Finance examines the financial management of organisations and GBAT9106 Information Systems Management looks at managing the information technology in organisations.

This course, however, looks more broadly at the organisation, and how best to manage for long-term survival and sustainable growth. It is a companion course to GBAT9103 Business Management for a Sustainable Environment, which addresses the environmental aspects of sustainability.
Assessment

There are two assignments and a take-home examination for GBAT9119 Managing for Organisational Sustainability.

NB: Note that the assignments and the examination must be received by 9.30am Sydney time on the due dates.

<table>
<thead>
<tr>
<th>Participation</th>
<th>Throughout the semester</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment 1</td>
<td><strong>Monday 15 December 2014</strong> (Mid-term recess)</td>
<td>10%</td>
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<tr>
<td>Assignment 2</td>
<td><strong>Friday 23 January 2015</strong> (Week 6)</td>
<td>40%</td>
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</tbody>
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| Examination (unsupervised ‘take home’.) | **Available online Friday 30 January 2015**  
Submit online Friday 6 February 2015 | 35% |

Extensions to assignment deadlines will be granted only in exceptional circumstances, and where adequate supporting documentation can be provided. Please note that work commitments do not constitute grounds for an extension. Your Class Facilitator may approve an extension of up to two days, after which requests must be made through the special consideration process. For details about this process, see: https://student.unsw.edu.au/special-consideration

In the case of late lodgement without an approved extension, 10% of the assignment weighting will be deducted for each day late.

Exams that are not submitted by the due date will not be accepted unless supported by a medical certificate or similar evidence of misadventure – see the special consideration process outlined here: https://student.unsw.edu.au/special-consideration
Continual course improvement

MBT courses are revised each time they run, with updated course overviews and assessment tasks. All courses are reviewed and revised every three years and significant course updates are carried out in line with industry developments, and also when new editions of prescribed textbooks are published.

The MBT surveys students via the UNSW CATEI system each time a course is offered. The data collected provides anonymous feedback from students on the quality of course content and materials, class facilitation, student support services and the MBT Program in general. This student feedback is taken into account in all course revisions.

The UNSW Business School also monitors the quality of students’ learning experiences in all its programs. A random selection of completed assessment tasks may be used for quality-assurance purposes. This information will be aggregated and used:

- to determine the extent to which program learning goals are being achieved for accreditation purposes
- to improve the quality of UNSW Business School programs.

All material used will be treated as confidential and these processes will have no bearing on course grades.

Student evaluations from the last presentation of the course

In *Managing for Organisational Sustainability* we evaluate and use your course-level feedback, both quantitative and qualitative, to guide our continued review and redesigning of the course. Your feedback and comments regarding the parts of the course you found valuable, and those you think might be improved, are vital in this regard. For this reason, we encourage you to complete your online course evaluations at the end of the semester.

When this course was last offered, student feedback was overwhelmingly positive. In online discussions, students have observed that they have experienced significant changes in their own thinking and management practices as a result of taking this course.
Coordinator’s response

The course you are doing is the result of a major review and revision exercise carried out recently. Significant changes were made to the course content, readings, class exercises and assessment. Since the course was first written in 2004, we have seen major contextual changes — not the least of which has been the global financial crisis and its flow-on effects — accompanied by a questioning of taken-for-granted principles and values. Sustainability is no longer a fringe issue; it has become a mainstream concern for businesses, managers and society as a whole.

The changes made to the course reflect new thinking and debates on organisational sustainability. In revising the course, we have also taken into account feedback from students and the teaching team on the issues and topics, on what has worked well and not so well. Comments on workload in weekly online classes have been taken on board in the design of classroom exercises, and the first assignment instructions have been completely rewritten following recent student feedback. We have also included a link to the UNSW Learning Centre’s Guidelines on Reflective Writing in the instructions for Assignment 1.