



IPSAS Summit Seminar SOCIAL AND ENVIRONMENTAL PERFORMANCE IN ORGANIZATIONS

Presentation by:

Dr. Lilian Ogendo, PhD
Consultant, Emerald-El Jay Management Consultants
Friday, 27th July 2018

Session Outline



- ❑ What Sustainable Development Entail
- ❑ Social and Environmental Phenomena
- ❑ The Impact of Social and Environmental Performance
- ❑ Interactive Session

Sustainable Development



- ❑ Sustainable development involve corporate social responsibility pertaining to social and environmental concerns.
- ❑ Kofi Annan, former UN Secretary General ones observed that and I quote,
- ❑ *‘Our biggest challenge this century is to take an idea that seems abstract – sustainable development – and turn it into a reality for all the people of the world.’*



Sustainable Development



- ❑ There is emanating appreciation of major effect of the activities that organizations have on their customers, competitors, investors, business partners, shareholders, governments, employees, communities, the environment and others.
- ❑ Businesses are vital to the communities in which they operate



Sustainable Development



- Niali Fitzgerald, former CEO & Chairman, Unilever once said that and I quote,
- *'We believe that the leading global companies of 2020 will be those that provide goods and services and reach new customers in ways that address the world's major challenges – including poverty, climate change, resource depletion, globalization and demographic shifts.'*



Social & Environmental Phenomena



- ❑ High quality executives are acquainted with long-term achievement supported by sustained superior dealings with spacious range of institutions, groups and individuals.
- ❑ <https://www.youtube.com/watch?v=yQfHuoQnajs>
- ❑ Smart organizations are familiar with unsuccessful businesses in societies that fail as a result of either environmental or social disputes or government challenges.



Social & Environmental Phenomena



- ❑ The public expects responsible activities.
- ❑ Consumers expect services and products to replicate accountable environmental and social business activities at viable prices.



- ❑ Shareholders are systematic in financial performance that integrate environmental and social concerns in terms of opportunities and risks.

Social & Environmental Phenomena



❑ Even companies which have excellent reputation at times risk losing their well merited name when they fail to be efficient by ensuring continued positive performance.



❑ In order for organizations to exhibit constructive business, they need to adapt best practices, initiatives and analyze local contexts and situations, practical level of corporate social responsibility and environmental performance.

The Impact of Social & Environmental Performance



❑ Mwazaru (2016) confirms that organizations improve community relationship by increasing philanthropic investment or revenue through community days for social performance.

❑ <https://www.youtube.com/watch?v=FyT9TMI>

❑ Ogaga (2017) established that the influence of corporate structure on strategy and social performance is not significant in most organizations.



The Impact of Social & Environmental Performance



- ❑ The triple bottom line performance measurement focuses on corporate economic, environmental and social performance (Norman & MacDonald, 2004).



- ❑ Ogendo (2014) established that the influence of strategy and dynamic environment have no significant effect on the transfer of knowledge on social and environmental concerns.

The Impact of Social & Environmental Performance



❑ Raminya (2015) confirmed that Corporate Social Responsibility has a positive effect on the financial performance of commercial banks.



❑ He recommends that bank managers should improve their corporate social responsibility towards social and economic aspects to enhance financial success.

The Impact of Social & Environmental Performance



- ❑ Raminya (2015) further suggests that the banks need to invest and abide by the environmental laws and regulations bordering on their operations as it could provide opportunity for enhanced financial performance in the long term.
- ❑ McWilliams & Siegel (2001) suggests that the relationship between environmental and firm performance is neutral.



The Impact of Social & Environmental Performance



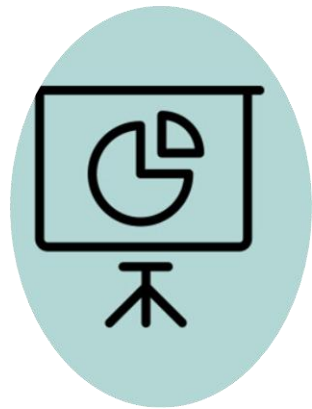
- ❑ McWilliams & Siegel (2001) argue that using a supply and demand model of corporate social / environmental performance guides the firm to produce a profit - maximizing level.
- ❑ Luzzi & Weber (2006) determined that the significant performance in micro finance as interest rate ceiling, the number of clients, competitiveness and the number of days for processing a first loan.



The Impact of Social & Environmental Performance



- They confirmed that the higher the interest rate, the higher the Micro Finance Institution financial return. The higher the number of clients, the higher the financial return.
- The more the competitors, the less the profits; and the shorter the processing time, the more profitable for the Micro Finance Institution.



The Impact of Social & Environmental Performance



□ They confirmed that the concept of social performance seem to overshadow the financial health of these institutions.



□ Bielak et al. (2007) established 90% of the 400 CEOs who participated in the UN Global Compact, had challenges in managing supply chains across countries with different regulations and norms for social responsibility.



The Impact of Social & Environmental Performance



❑ Organizations that focus to maintain secure niche in relatively stable market segments and are engineering oriented convey environmental knowledge in documents and email.



❑ Also in data bases as well as through meetings and later transfer the same or groups explicit knowledge to individuals who deal with respective sections to ensure efficient environmental performance.

The Impact of Social & Environmental Performance



□ Mwazaru (2016) posits that environmental performance consist of key material use, energy use, water use, effluent, waste and emission.



□ Ogaga (2017) argues that an elaborate fit between organizational structure and corporate strategy enables an organization to effectively confront environmental contingencies for the ultimate superior firm performance.

Interactive Session



❑ Individual Organizational Evaluation -
Questionnaire

❑ <https://www.mckinsey.com/Videos/video?vid=2341023250001&plyrid=HkOJqCPWdb&aid=A7B270BC-2DEA-4AD8-85EE-A2C13D6C7CEF>

When sustainability means more than ‘green’
Author Adam Werbach discusses the ideas and
background to his book Strategy for Sustainability.

❑ Group Discussion - Quiz



Thank You