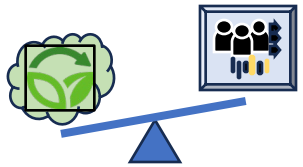
Teaching ‘Responsible Operations’

A webinar by Nigel Slack, Alistair Brandon-Jones and Nicola Burgess

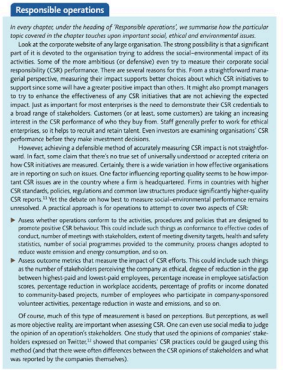
Teaching ‘Responsible Operations’ - Some issues

How much ‘responsible’ content vs. core OM?



How to position responsible operations within an OM course?

How to use the responsible operations features in the texts?



Responsible operations

In every chapter, under the heading of 'Responsible operations', we summarise how the particular topic covered in the chapter touches upon important social, ethical and environmental issues.

Look at the corporate website of any large organisation. The strong possibility is that a significant part of it is devoted to the organisation trying to address the social–environmental impact of its activities. Some of the more ambitious (or defensive) even try to measure their corporate social responsibility (CSR) performance. There are several reasons for this. From a straightforward managerial perspective, measuring their impact supports better choices about which CSR initiatives to support since some will have a greater positive impact than others. It might also prompt managers to try to enhance the effectiveness of any CSR initiatives that are not achieving the expected impact. Just as important for most enterprises is the need to demonstrate their CSR credentials to a broad range of stakeholders. Customers (or at least, some customers) are taking an increasing interest in the CSR performance of who they buy from. Staff generally prefer to work for ethical enterprises, so it helps to recruit and retain talent. Even investors are examining organisations' CSR performance before they make investment decisions.

However, achieving a defensible method of accurately measuring CSR impact is not straightforward. In fact, some claim that there's no true set of universally understood or accepted criteria on how CSR initiatives are measured. Certainly, there is a wide variation in how effective organisations are in reporting on such an issues. One factor influencing reporting quality seems to be how important CSR issues are in the country where a firm is headquartered. Firms in countries with higher CSR standards, policies, regulations and common law structures produce significantly higher-quality CSR reports.[1] Yet the debate on how best to measure social–environmental performance remains unresolved. A practical approach is for operations to attempt to cover two aspects of CSR:

- Assess whether operations conform to the activities, procedures and policies that are designed to promote positive CSR behaviour. This could include such things as conformance to effective codes of conduct, number of meetings with stakeholders, extent of meeting diversity targets, health and safety statistics, number of social programmes provided to the community, process changes adopted to reduce waste emission and energy consumption, and so on.
- Assess outcome metrics that measure the impact of CSR efforts. This could include such things as the number of stakeholders perceiving the company as ethical, degree of reduction in the gap between highest-paid and lowest-paid employees, percentage increase in employee satisfaction scores, percentage reduction in workplace accidents, percentage of profits or income donated to community-based projects, number of employees who participate in company-sponsored volunteer activities, percentage reduction in waste and emissions, and so on.

Of course, much of this type of measurement is based on perceptions. But perceptions, as well as more objective reality, are important when assessing CSR. One can even use social media to judge the opinion of an operation's stakeholders. One study that used the opinions of companies' stakeholders expressed on Twitter,[2] showed that companies' CSR practices could be gauged using this method (and that there were often differences between the CSR opinions of stakeholders and what was reported by the companies themselves).

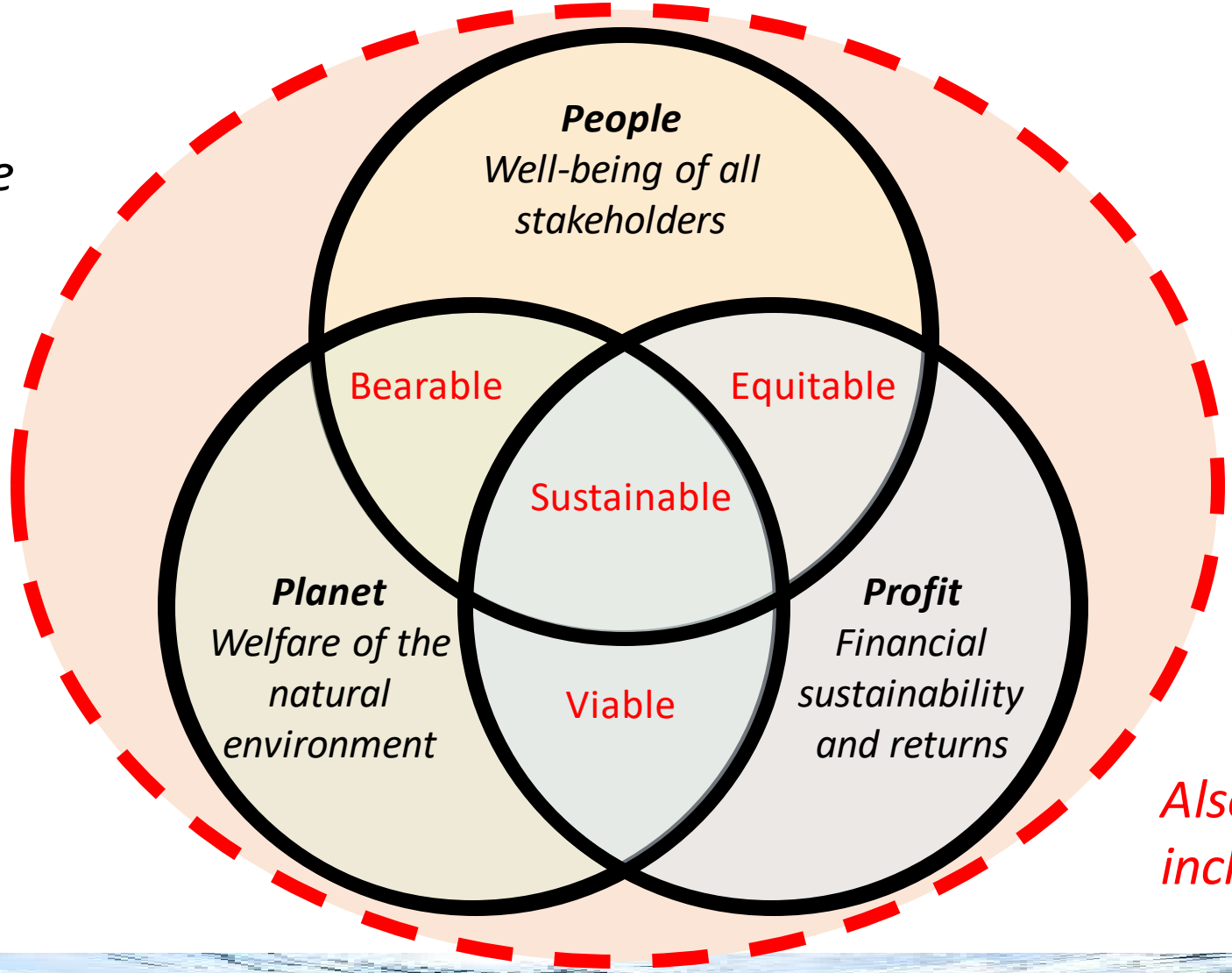
How to use the ‘boxed examples’ as responsible operations learning exercises

The FareShare case study

FareShare
fighting hunger, tackling food waste

What do we mean by ‘Responsible Operations’ performance?

We use the conventional ‘triple bottom line (TBL) framework



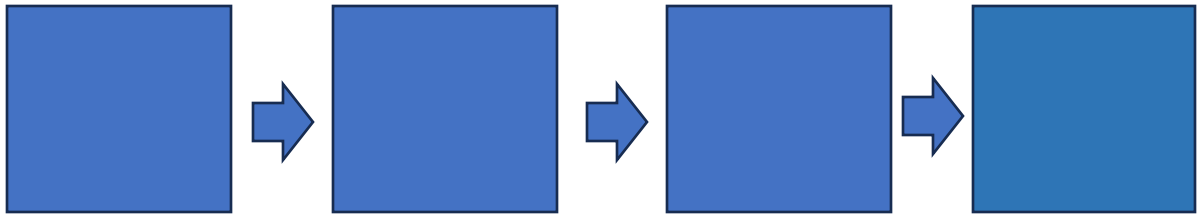
But it is important to put it in the context of ethical behaviour for dealing with trade-offs

Also – should we include counter-views?

How to position ‘Responsible Operations’ within an OM course?

At a course/unit level

From ….



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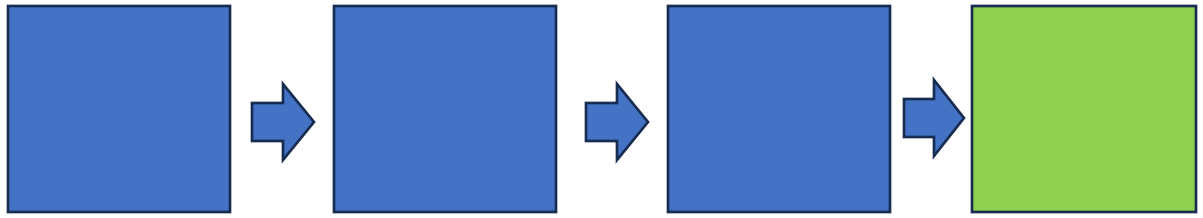

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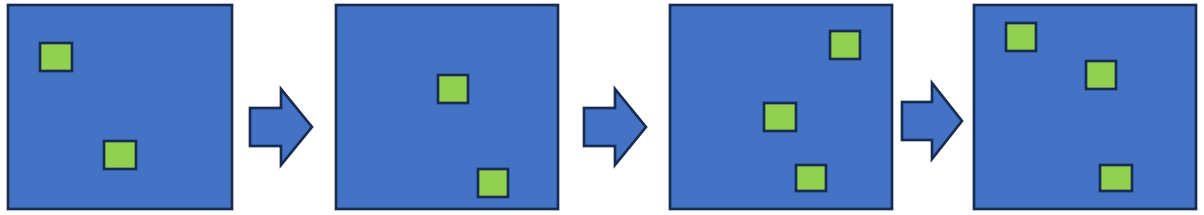

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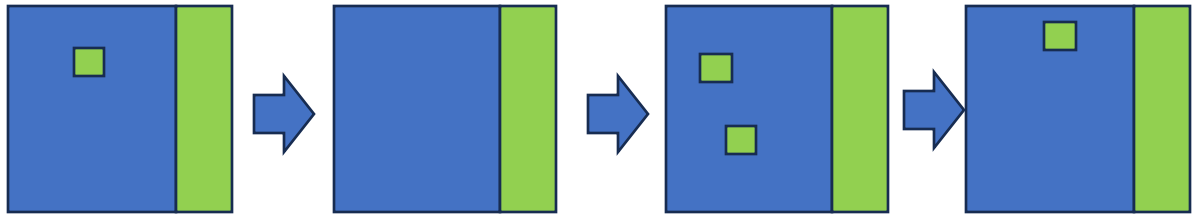


OM topics

Sustainability topics

Why are we emphasizing responsible operations?

Responsible issues are clearly important and urgent

Operations practice directly impacts responsible performance

Investors are taking increasing notice of responsible performance

Responsibility is fashionable!

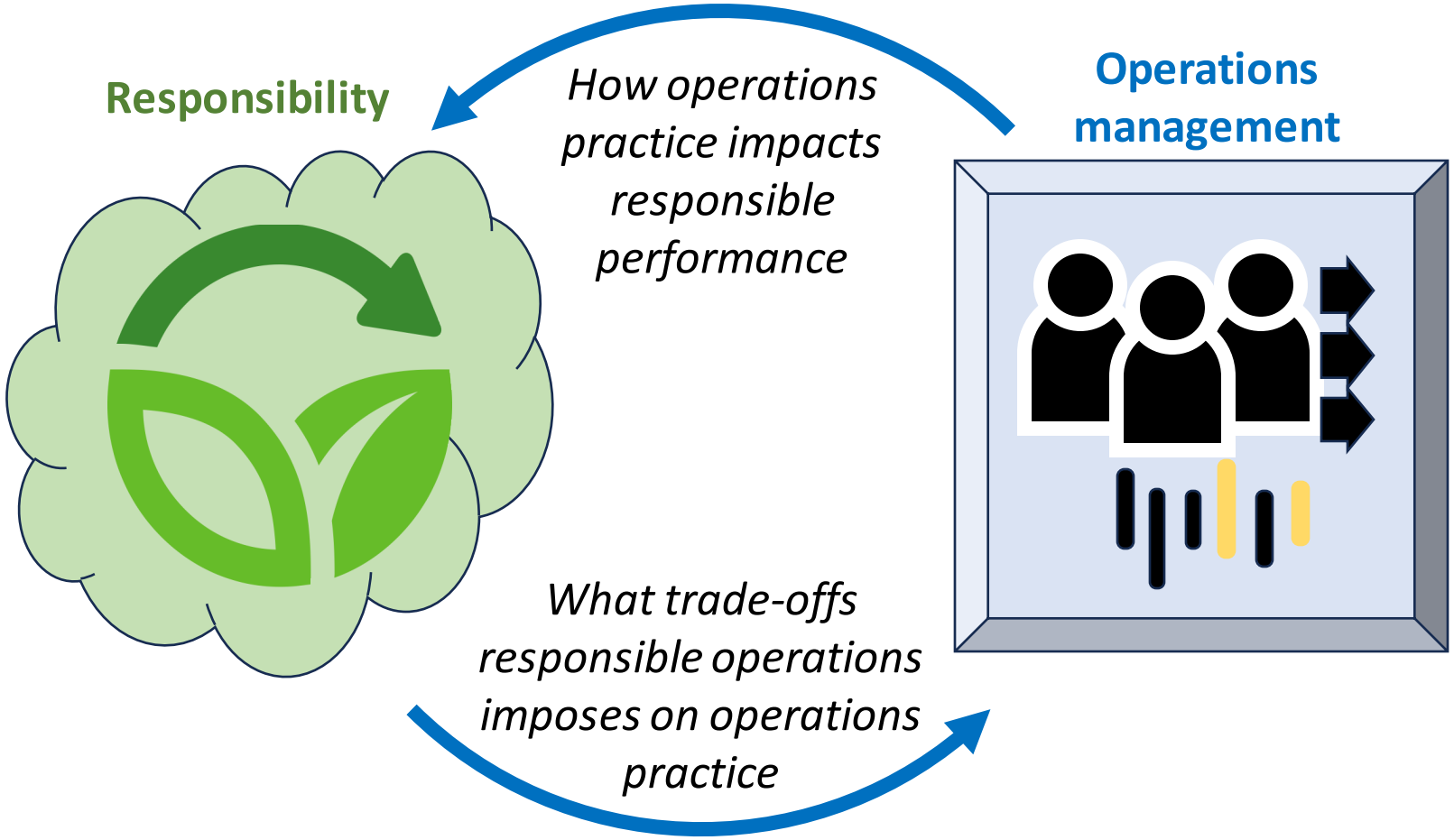
Our students are increasingly committed to responsible performance

There seems to be a wide range of responses to '*How much weight to give the topic?*'

"I always start my course with an Ocean scientist talking about the reality of global warming. It sensitizes students to environmental issues."

"No, I try not to get into all that [sustainability]. It only detracts from 'core' OM issues and techniques."

Treating the relationship between operations practice and responsibility



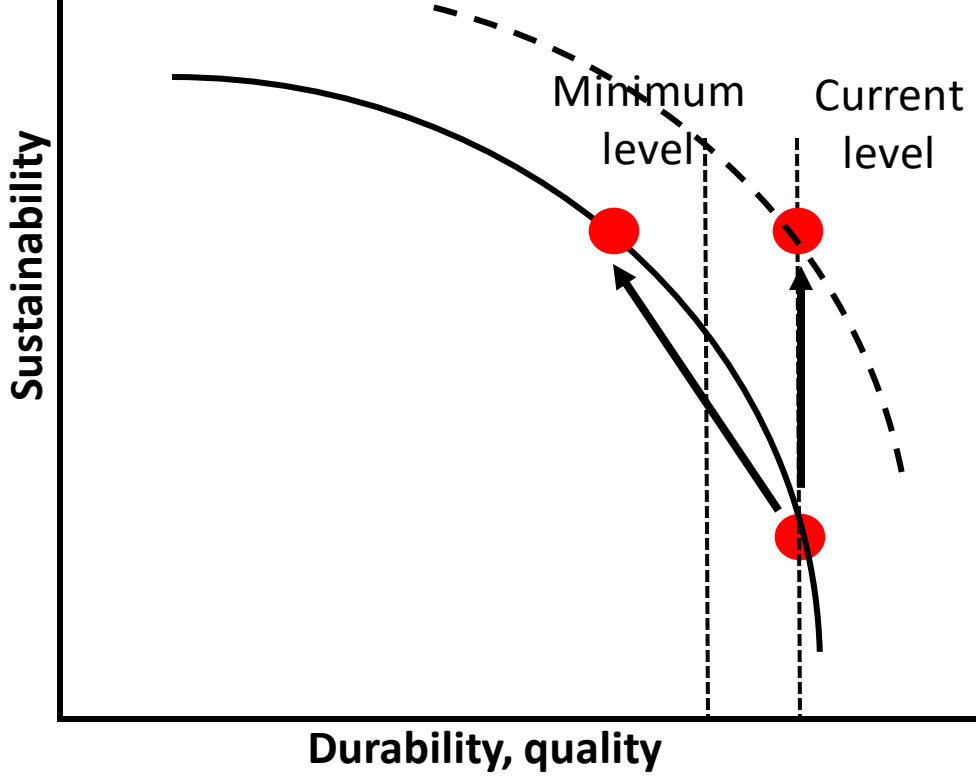
Using the trade-off concept in ‘Responsible Operations’

Lego isn’t giving up on oil-free bricks, despite sustainability setback

Lego pledged to eliminate petroleum-based materials from its products by 2030. Reality has proven to be more complicated

DiazJ (2023) Lego pledged to eliminate petroleum-based materials from its products by 2030. Reality has proven to be more complicated, Fast Company, 26 Sept.

“We tested hundreds and hundreds of materials. It’s just not possible to find a material like that”

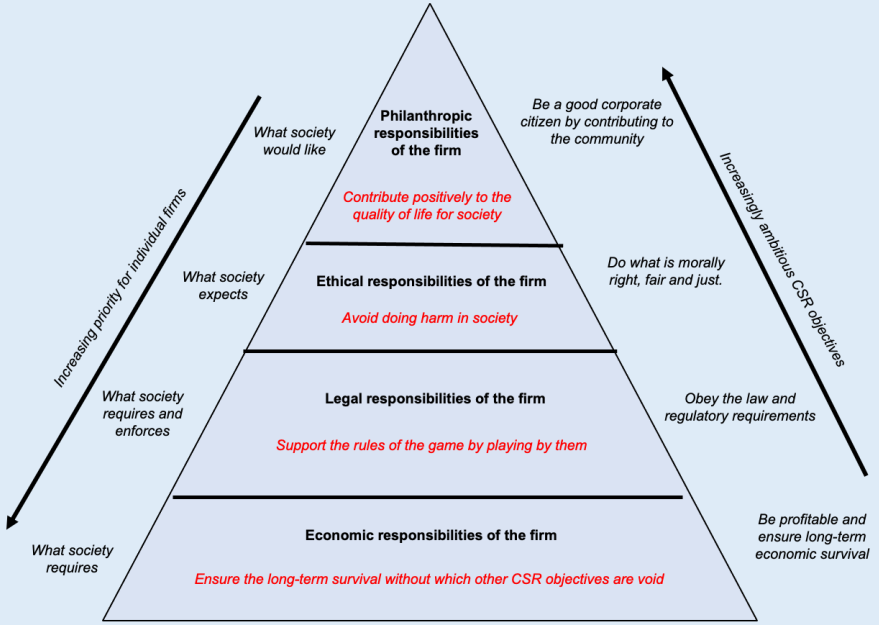


Using the ‘Responsible Operations’ features from the text

As a class exercise

Responsible operations exercise

In Chapter 2, the text uses the Carroll pyramid to explore the extent of philanthropic activities an operation can engage in.



For the following two enterprises, suggest possible activities at each of the levels of the Carroll pyramid that would demonstrate their commitment (omit the base level if you want).

A ***video game publisher*** that commissions games from independent games studios and streams the finished games through its own and others’ websites.

A ***manufacturer of potato-based snacks*** that has several of its own brands of snack and also manufactures some supermarkets’ own-brand products.

Using ‘Responsible Operations’ exercises

As a class exercise

In Chapter 1 we suggests 3 reasons why firms want their operations to be socially responsible.

- Because they are altruistic – it’s a good thing to do.
- Because social responsibility and operations management objectives coincide.
- Because social responsibility provides other business benefits.

Dumps the lids

[Chilled dairy products maker] has announced that from next year it is eliminating the secondary plastic lids on its cream and yogurt pots. This will save over 500 millio… plastic a year, most of which are n… by consumers. “It is all part of our … commitment to …..

Unpacking the multi-pack

Dr Ernst Kalsh, CEO of [Superstore] said today that it has now eliminated almost all … wrapping on its … *customers include at … multi-pack in their weekly shop. Now the discount will be automatically applied at the checkout.”*

Internal announcement

…m the start of next month, all staff on …les C to A will be able to request up to four (4) hours per week to devote their time to pro bono ‘Social projects’. Full details of project eligibility and how to apply are available on the HR website.

Question –What is their motivation and what are the implications for their operations?

Using the ‘Responsible Operations’ features from the text

As a pre-course exercise

Responsible operations

These ‘responsible operations’ examples illustrate how Operations Management topics touch upon important social, ethical and environmental issues. Your task is to read both and consider the dilemma outlined. Then write a short reflection for option 1 or option 2 and post on the discussion.

OPTION 1: The ethics of the gig economy

The gig economy (also referred to as zero-hours contracting) describes the trend of organisations to employ subcontractors on a freelance basis rather than relying on full-time employees. In these settings, an employer does not offer any guarantee of a specific number of hours of work for an individual. Neither is any person working under a zero-hours (or gig) contract obliged to accept those hours when they are offered. From a capacity management perspective, these developments have helped to maintain high levels of customer service even in the face of changeable demand, while

OPTION 2: Embedding environmental and ethical practices in supply networks

Global supply networks continue to be subject to extensive criticism and controversy when considering the subject of responsibility. Many commentators have argued that organisations have typically failed to do enough to tackle the major disconnect between their corporate social responsibility standards and the business practices of those suppliers operating in their supply chains.

Considering the environment, global supply networks are accused of creating significant harm to the planet. Concerns include the use of fossil

Published | Edit

This is a graded discussion: 100 points possible | due Oct 11

Short Pre-Course Reflection Assignment

Oct 3 at 10:46am

56 134

Under "Pre-course assignment" on your Assignment page you will find two '*Responsible operations'* boxes (text boxes inserted into chapters of textbooks) that Professor Brandon-Jones recently wrote for the latest edition of Operations and Process Management (7th ed forthcoming 2024). These illustrate how Operations Management topics touch upon important social, ethical and environmental issues.

Your task is to read both of these and consider the dilemma outlined. Then write a short reflection for option 1 OR option 2 and post your answer here. You are expected to write around a paragraph (100-200 words) but it can be more; and to comment on at least one other post (10-50 words).

You cannot see your colleagues' posts until you post yourself.

This is a Pass/Fail assignment. As long as you post a reflection and comment on a colleague's reflection, you will get 100%.

Search entries or author | Unread | Subscribe

Reply

Oct 5, 2023

Hello everyone, here are my thoughts on option 1: Gig Economy

In today's environment, the decision on whether to embrace the gig economy or move away from it is a complex one, and it depends on several factors. There is definitely no one-size-fits-all answer, and it's evident that gig economy can offer significant advantages to businesses.

For businesses facing unpredictable demand patterns, the gig economy can be a life saver. It provides the flexibility to scale up or down without the burden of fixed labor costs. This allows companies to maintain high levels of customer service even in the face of fluctuating demand, which is especially crucial in sectors like transportation, delivery and services.

However, it's critical to think this through carefully. Embracing the gig economy doesn't mean sacrificing ethical responsibilities towards workers. Companies should ensure that gig workers receive fair compensation and benefits. Treating gig workers not only aligns with CSR, but also helps with attracting and retaining top talent.

In essence, the gig economy can be a valuable tool in the modern business toolkit, offering flexibility and cost-effectiveness. Yet it should be leveraged responsibly. Striking the right balance is the key, considering the nature of the industry.

Reply (3 likes)

I fully agree with your view Una. Gig economy is a powerful tool that should be used carefully. Regulations in each state should help here in defining the boundaries in which gig economy companies can operate, rather than completely prohibiting them. If this is done well, then both

Oct 9, 2023

I fully agree with you, The gig economy presents a dynamic solution for businesses dealing with unpredictable demand. Its flexibility can be a game-changer in sectors like transportation and services as you mentioned. But it's indeed crucial to ensure fair treatment and benefits for gig workers to maintain ethics and attract talent. As you very well put it, balancing flexibility and responsibility is key.

Edited by Aida Cuevas Pelaez on Oct 9 at 3:49pm

Reply (2 likes)

without damaging the individual or the company.

Reply

This is exactly my idea. Even though gig economy is a life saver for some cases (and offers a greatly improved service), it is true that you have to deal with it very carefully, especially when applying it to an area where professionalism and experience matters (i.e. surgery).

Reply

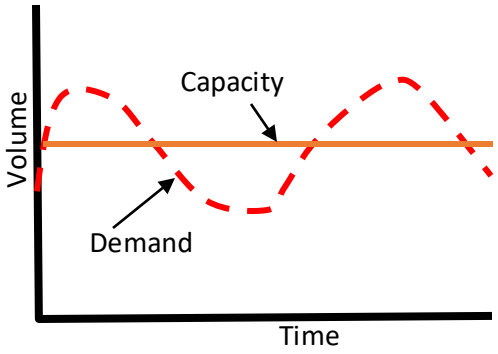
Oct 11, 2023

I totally agree with you Una, business advantages and cost control are the goals of every organisation, however should not come at the expense of employee rights and their required essential benefits. This practice comes against ethical responsibilities and does not align with companies CSR goals.

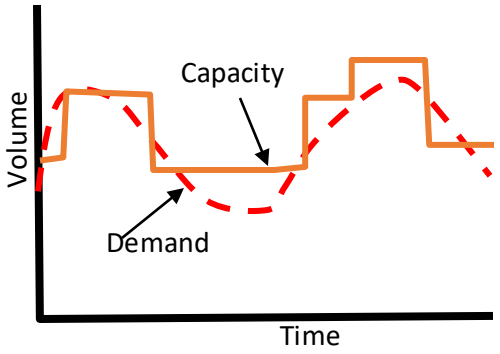
Reply

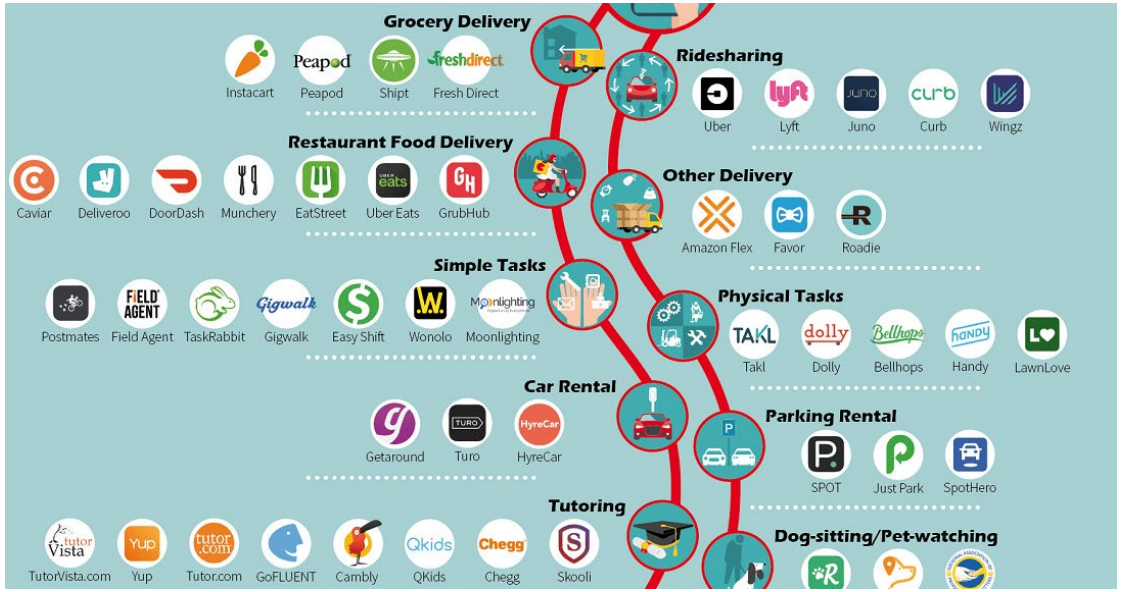
What are the pros and cons of gig contracts for organisations and for society?

(a) Level capacity plan – absorb fluctuations



(b) Chase demand plan – change capacity to reflect demand fluctuations





Businesses that focus on ‘Responsible Operations’

Question – How do the businesses responsibility concerns impact its operations practice?

- HISBE stands for ‘How It Should Be’.
- A social enterprise based in Brighton (UK)
- Provide healthy, ethical, groceries.
- From small, local producers that trade responsibly, fairly, and sustainably.
- Limited range.

- Outdoor-clothing firm. Designs and markets gear outdoor sports
- A ‘B Corps’, it is a non-profit environmental enterprise using TBL
- Famous “Don’t Buy This Jacket” advert.
- Pledges 1% of sales to environment funds.

Using ‘Responsible Operations’ exercises

Charles Trent, is a pioneer in what have been termed ‘reverse production lines’, ‘de-production processes’, or ‘disassembly’ lines.

Question –What are the similarities and differences with the assembly lines that originally made the vehicles?

Newbrew from Singapore craft beer brewery Brewerkz

Question –What's the point of using 'recycled' water?

Made with only the finest ingredients: premium German barley malts, aromatic Citra and Calypso hops, farmhouse yeast from Norway and … *reclaimed sewage*.

End-of-chapter case

Quality Management

Case Synopsis

- Fareshare UK is a food redistribution charity
- Established over 30 years ago by a homeless charity, Crisis, and theUK supermarket chain Sainsbury's
- The genesis: no good food should go to waste.
  - In the UK 1 in 5 people struggle to get enough to eat, but…
  - 6.4 million tonnes of food are rendered 'surplus' and consequently rejected from entering the human supply chain
- On a global scale, 40% of food goes to waste. This is enough to wipe out world hunger*

*This case links to United Nations Sustainability goal (2): End hunger, achieve food security and improved nutrition and promote sustainable agriculture

How to teach the case

Setting the scene:

- A grand societal challenge
- Links to UN sustainability goal #2: End Hunger
- Proportion of people affected by hunger jumped in 2020 and continued to rise in 2021, to 9.8% of the world population (World Health Organisation)
- A seemingly simple solution

The goal is to tap into student energy and motivation:

A 'high stakes' operation – lets them think deeply about an issue they care for, "how can we apply OM theory and frameworks to improve performance?"

First, ask students to define Quality in the context of FareShare

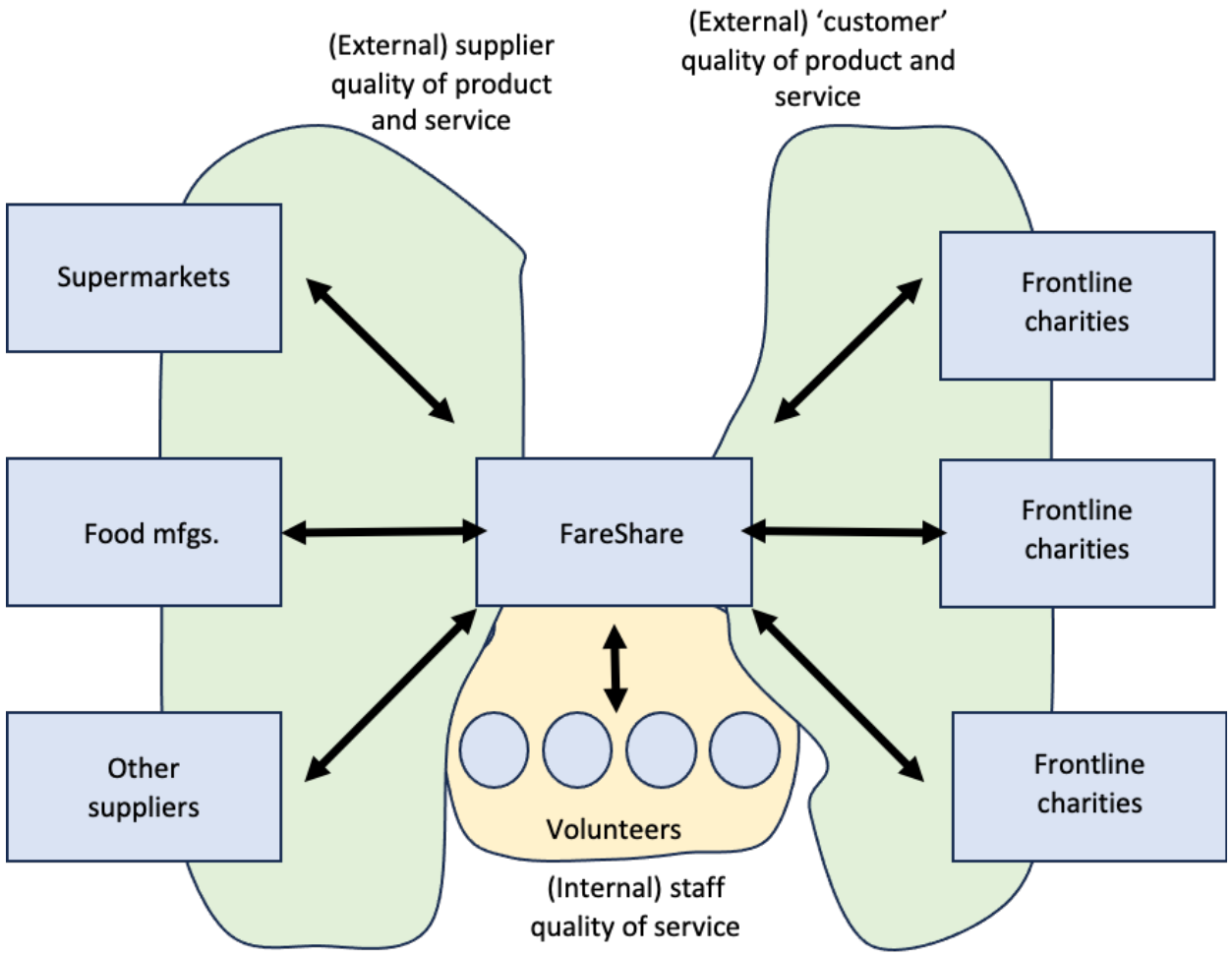
- Quality defined as user centric, therefore 'conformance to customer expectations'
  - Who is the customer? (External and Internal)
    - What is the quality specification in this context?

A simple diagram

- Suppliers and Customers
- Internal customers?

From the text:

- ‘An army of volunteers’, from all walks of life with:
  - Social needs
  - Nutrition needs
  - Training needs
- Link to Social Impact, and social impact measurement



Defining quality (external customers)

- Quality Specification (external)
  - ✓ **Variety** (fruit, veg, protein and carbohydrates)
  - ✓ **Flexibility** (to cater for and respect dietary needs and choices)
  - ✓ **Dignity**
  - ✓ **Food safety** clear labelling and safely storage
  - ✓ **Dependability** - Service deliveries in pre-agreed timeslots
  - ✓ **Zero waste** internally (no donated food goes to waste)

The six ‘quality characteristics (from the ‘Quality’ chapter)

Quality characteristics	Car	Flight
Functionality – how well the product or service does its job, including its performance and features	Speed, acceleration, fuel consumption, ride quality, road holding, etc.	Safety and duration of journey, onboard meals and drinks, car and hotel booking services
Appearance – the sensory characteristics of the product or service: its aesthetic appeal, look, feel, sound and smell	Aesthetics, shape, finish, door gaps, etc.	Décor and cleanliness of aircraft, look of waiting lounges and crew
Reliability – the consistency of the product or service’s performance over time, or the average time for which it performs within its tolerated band of performance	Mean time to failure	Keeping to the published flight times
Durability – the total useful life of the product or service assuming occasional repair or modification	Useful life (with repair)	Keeping up with trends in the industry
Recovery – the ease with which problems with the product or service can be rectified or resolved	Ease of repair	Resolution of service failures
Contact – the nature of the person-to-person contact that might take place; could include the courtesy, empathy, sensitivity and knowledge of contact staff	Knowledge and courtesy of sales and service staff	Knowledge, courtesy and sensitivity of airline staff

The six ‘quality characteristics (for FareShare)

FareShare
fighting hunger, tackling food waste

CHARACTERISTIC	VARIABLE MEASURE	ATTRIBUTE
Functionality – does the food offer customers the ability to produce meals that offer balanced nutrition and cater to differential dietary requirements?	Nutritional mix – numbers of foods from different nutritional categories	Was the variety of food acceptable?
Appearance – Sensory characteristics such as size, shape, color, texture, and taste (many argue the taste of food is impacted by visual appearance and smell)	Number of blemishes and bruises	Was the look of the food acceptable?
Reliability – does FareShare deliver when they say they will?	Number of times food is delivered outside of agreed time window	Was the food delivered within agreed time window
Durability – Does the food have sufficient useful life?	Length of time before food items perish	Do service users feel the food items have sufficient time window to allow for their preparation and consumption
Recovery – the ease of problem resolution	Ease of resolving problem	Was the problem resolved in a satisfactory manner
Contact – can customers let FareShare know if they require a specific food item	Level of ease with which customers can contact Fareshare and receive assistance	Do service users find FareShare staff helpful?

Quality specification (food supply) for FareShare

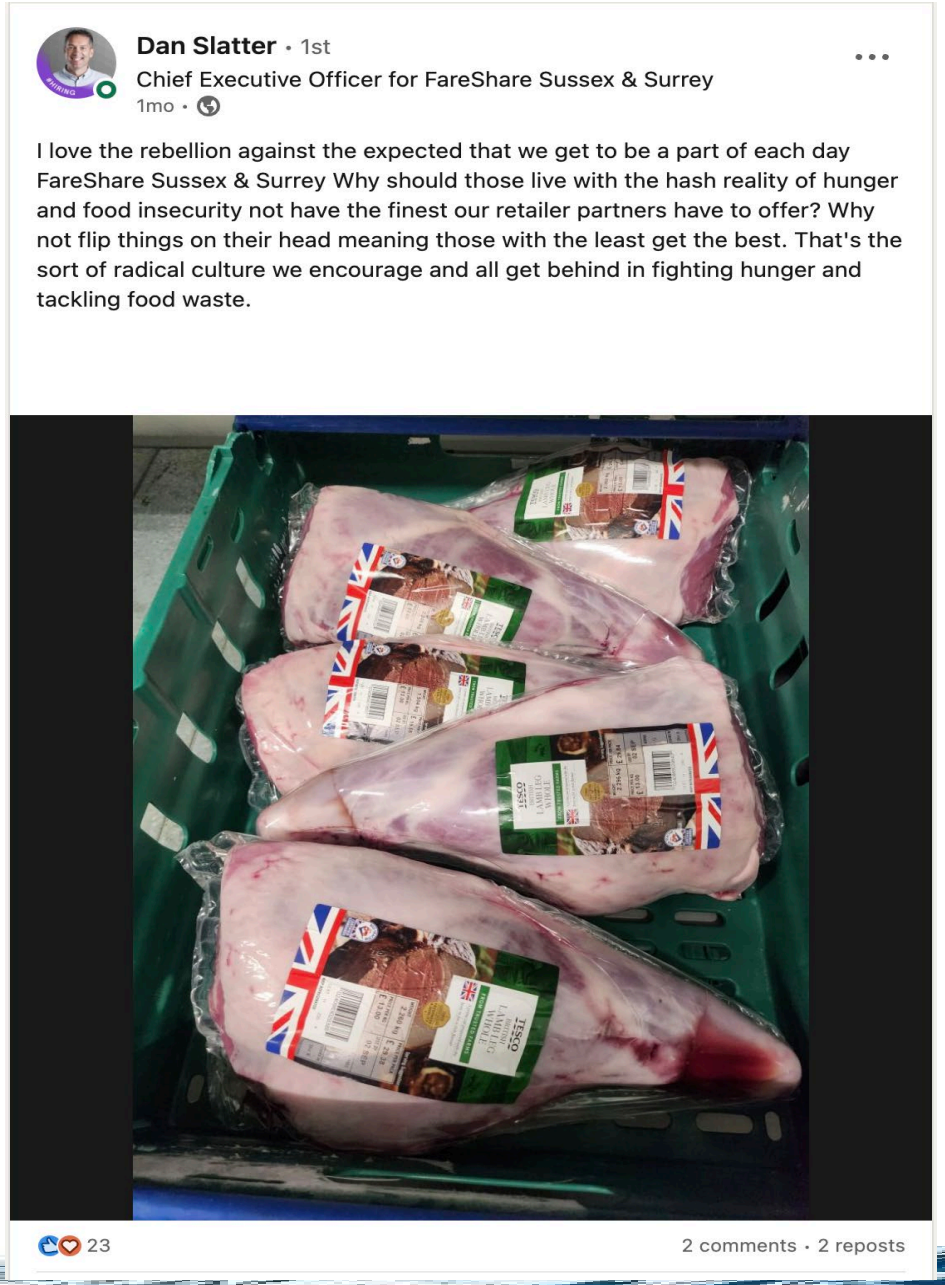
FareShare
fighting hunger, tackling food waste

FareShare
fighting hunger, tackling food waste

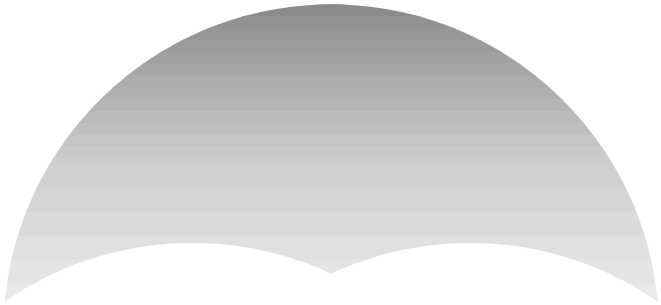
Chief Executive Dan Slatter shares his vision for FareShare:

"I think we should treat people like they're paying in an expensive restaurant"

Rebellion?



Q5. Use the EFQM model, described in the chapter, to evaluate FareShare's performance against the three dimensions of direction, execution, and results.



1. "Why" does this organisation exist? What Purpose does it fulfil? Why this particular Strategy? (Direction)

2. "How" does it intend to deliver on its Purpose and its Strategy? (Execution)

3. "What" has it actually achieved to date? "What" does it intend to achieve tomorrow? (Results)

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Concluding thoughts

Case studies of social enterprise, charities and other not-for-profits offer students robust learning opportunities

Teaching Responsible Operations

Questions?

END