

MANAGING OPERATIONS FOR SUSTAINABLE WELLBEING

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ABSTRACT

This presentation explores the potential relationship between stakeholder demands for wellbeing and operational decisions within manufacturing operations. Initially, we review the literature in areas such as social entrepreneurship, corporate social responsibility, triple bottom line reporting, actor network theory, and resource-based theory to develop and consolidate a conceptual framework relating to management for sustainable wellbeing. Then, we apply this framework to consider the interaction between wellbeing and the ten key areas of operational decision-making (i.e. goods and service design, quality, process and capacity design, location selection, layout design, human resources and job design, supply-chain management, inventory, scheduling, and maintenance). [2]

OVERVIEW

This year, the annual meeting of the prestigious Academy of Management focused on the theme ‘Doing Well by Doing Good’. During the conference, researchers shared their findings and ideas about how organizations could successfully and sustainably enhance the wellbeing – not only of their investors – but of the full range of organizational stakeholders. This discussion demonstrates the very long journey that management, as a discipline, has taken from the early days when the goal of a manufacturing organization was understood to be – in no uncertain terms – ‘to make money’ [3, p. 41]. These days, we expect management to consider and carefully balance the impact of its decisions on ‘the triple bottom line’ of the organization, taking into account measures of financial, social, and environmental wellbeing [5, 6, 7].

This is not just a theoretical concept. Undoubtedly, managers are facing an ever widening range of internal and external pressures to manage for wellbeing. New Zealand’s 2002 Local Government Act, for example, requires that local and regional government around the country work closely with their full range of constituents to identify measurable objectives for the community’s wellbeing in four key areas (i.e. ‘the triple bottom line’ plus culture):

- Economic wellbeing - such as ensuring an economic transformation to a high-income, knowledge-based market economy which is innovative, creative, and provides a unique quality of life to residents;
- Social wellbeing – such as providing an inclusive environment in which all residents are able to participate in the social and economic life of the community;
- Environmental wellbeing – such as ensuring that resident’s socioeconomic needs and aspirations are met today, while at the same time safeguarding the interests of future generations by protecting the life supporting capability of air, water, soils and ecosystems; and,
- Cultural wellbeing – such as underscoring the community’s vitality through enabling resident’s participation in recreation, creative, and cultural endeavors.

Once these objectives are determined, local government must develop a ten-year plan for working with community stakeholders, including local business organizations, to achieve these objectives. So, manufacturing organizations find themselves in the challenging position of demonstrating their civic

responsibilities and good citizenship by spending limited resources working to address community goals that are seemingly outside of the scope of their normal and specific business agendas.

These pressures do not only impact organizations at the strategic level. Operations managers are also expected to play a key role in contributing to wellbeing – in fact, introductory textbooks to the field proclaim that “Operations managers throughout the world are producing products every day for the wellbeing of society... [and u]ltimately, operations managers determine how well we live”, [4, pp.2-3]. Despite this assertion, we still don’t know very much about how the sometimes conflicting requirements of stakeholders for economic, social, environmental and cultural wellbeing influence operations managers when making their day-to-day operational decisions.

This paper explores the potential relationship between stakeholder demands for wellbeing and operational decisions within manufacturing operations. Initially, the paper reviews the literature in areas such as social entrepreneurship, corporate social responsibility, triple bottom line reporting, actor network theory, and resource-based theory to develop and consolidate a conceptual framework relating to management for sustainable wellbeing. The paper then applies this framework to consider the interaction between wellbeing and the ten key areas of operational decision-making (i.e. goods and service design, quality, process and capacity design, location selection, layout design, human resources and job design, supply-chain management, inventory, scheduling, and maintenance) [2] with the idea of identifying:

- how pressures for sustainable wellbeing impact operational decision-making within a manufacturing organization;
- how operational decision-making contributes to sustainable wellbeing within a manufacturing organization; and,
- what trade-offs are inherent in managing operations for sustainable well-being.

The paper concludes with the development of a series of propositions to guide a future research program in this area.

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