

This book is available to be viewed online at the PCC Library site. I have provided here just a small example of the information in this resource.

Wood, Donna J. *Global Business Citizenship*.

Armonk, NY, USA: M.E. Sharpe, Inc., 2006. p 121.

<http://site.ebrary.com/lib/portlandcc/Doc?id=10178073&ppg=137>

Copyright © 2006. M.E. Sharpe, Inc.. All rights reserved.

Chapter 7

Building the Citizen Company: The Principles of Organizational Change (Nice Theory, But Will It Work?)

Some business organizations are built from the ground up to be good citizens— and it pays. Take Novo Nordisk, the Danish health care company and world leader in diabetes care, which evaluates its performance based on the triple bottom line: environmental, social, and economic impact. Novo Nordisk reported a 23 percent increase in net profit for the first half of 2003, which included a 17 percent increase in sales and a 3 percent increase in operating profit. Their dividend per share has increased steadily from 1.15 (DKK) in 1997 to 3.60 (DKK) in 2002 with several stock splits during this time period. However, Novo Nordisk makes a distinction between financial and economic performance:

Finance concerns the market valuation of transactions that pass through company books. Economics, on the other hand, is the means by which society uses human and natural resources in the pursuit of human welfare.

Novo Nordisk is among a group of fifty unique companies that were selected as best-practice examples at reporting on the triple bottom line by SustainAbility, a U.K.-based think-tank and consultancy. Novo Nordisk and the other companies that SustainAbility evaluated are attempting to look holistically at their business decisions, being mindful of profitability while also taking into account their broader social, environmental, and economic impacts. That is, these companies that are reporting on the triple bottom line have embraced the notion that their footprint on the environment and society is worth examining.

Not all companies have such a story to tell. Many— perhaps most— need to revisit, restructure, and redesign themselves to incorporate the principles and practices of GBC. So, this chapter offers a brief lesson in organizational development, which we will then use in subsequent examples of how global business citizenship is and can be operationalized.

In this chapter we examine ways leaders can transform an organization into one where GBC can be valued, well designed, and properly assessed. The goal is twofold: first, to help individual managers reconcile personal, corporate, and universal ethical standards with local norms and

customs; and second, to help managers learn how to manage multiple and often competing stakeholder needs through the creation and wise use of change management strategies.

Using change management concepts from the field of organizational development, we show how individual change agents at any level, organizational teams, and senior leaders can gain support for their ideas about transforming their company's mission, strategy, and operational practices so that ethical principles and stakeholder needs are acknowledged, respected, and sustained within local cultural contexts. Global business citizenship, you'll recall, is a hybrid strategy, balancing between local adaptation and systematic application, and the tools of organizational development can help with the balancing act.

Wood, Donna J. *Global Business Citizenship*.

Armonk, NY, USA: M.E. Sharpe, Inc., 2006. p 121.

<http://site.ebrary.com/lib/portlandcc/Doc?id=10178073&ppg=137>

Copyright © 2006. M.E. Sharpe, Inc.. All rights reserved.