
Chapter 1

The Relationship Between Business and Society

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EDUCATIONS

- *Doctor of business administration , Argosy University , FL USA 2002
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WORK EXPERTISE

- *Vice President for Research and Development (2021-2021)
- *Vice President of the University Council (2017-2020)
- *University Board (2013-2021)
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- *Academic Council, (2014-2017)
- *University council , (2013-2017)
- *Graduate School Board , (2013-2012)
- *Deputy Dean for Academic Affairs Faculty of Management Science (2012)

Honor Award

- * Outstanding Executive Personnel Award 2014,
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EXPERTISE

- University Professor
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- Working Group of Deputy Ministers of Commerce
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From this chapter study will let us know

- ▶ 1. The meaning of the word business, society and the relationship between business and society
- ▶ 2. Pluralism (Pluralism) as well as describes the strengths and weaknesses of the theory
- ▶ 3. Characteristics of a pluralistic society Which has become a society with a special interest together (Special-interest society)
- ▶ 4. Criticism about business units As well as business responsibilities towards society



1. Business and Society

- ▶ In this section we will study the general concepts that are important in consideration. With emphasis on business and society, which is given to (1) Pluralism Theory () 2(Society with special interests together) Special-interest society () (Criticism about Business units (Business crisis) (4) Corporate social response (Corporate social response)
- ▶ Business (Business) is an activity that involves the production and distribution of products or services. To meet the needs of consumers With the objective of maximum profit
- ▶ Usually, if talking about business, we tend to mean large businesses that are important in the industry. But large businesses will have an impact (Impact) Power (Coverage) Pervasiveness(and visibility) Visibility(Behavior is clearer



Business and Society (Continu.....)

- ▶ In some industries, we can clearly see the impact on health. Because there is a clear advertisement about the nature of that product, such as the consumer products of Unilever (Unilever) and P. P. G. (P&G) etc
- ▶ Society (Society) is a national community or a group of large people. Which has traditions, concepts, values, institutions as well as activities and common interests
- ▶ The relationship between business and society (The business/society relationship) is a thorough study of the relationship between business and the entire social environment of that business. When we talk about business and society, we mean the relationship between business and local communities. Or business with certain



Macro Economic Environment

▶ Macro Economic Environment (Macro Environment) is a society in which all organizations coexist. And including all environments outside the business

That macro level environment It consists of 4 important components:

(1) Society (Social)

(2) Economy

(3) Political

(4) Technology

1. Society (Social) will focus on demographic characteristics (Demographics)
Living style (Lifestyles) and social values (Value of the social)



Macro Economic Environment (Continu...)

- ▶ 2. Economic (Economic segment) will focus on the nature and direction of the economy in which the business is operating
- ▶ 3. Political (Political segment) will focus on the process of laws and regulations. As well as changes in business regulations
- ▶ 4. Technological segment (Technological segment) is a focus on technological progress in society. Which will include the issuance of new products Production process Including raw materials Including knowledge and scientific progress



2. The role of pluralism theory

- ▶ Pluralism (Pluralism) is a decentralized society to groups and organizations. Joseph W. McRew gave a definition of a pluralistic society that It is a society that has a wide decentralization. (Wide decentralization) and is diverse (Diversity) About the level of power

ข้อดีของสังคมแบบพหุนิยม (The virtues of a pluralistic society)

1. เป็นการป้องกันไม่ให้อำนาจตกอยู่ในมือของฝ่ายใดฝ่ายหนึ่งหรือคนเพียงไม่กี่คน
2. ทำให้เกิดความเป็นอิสระอย่างเต็มที่ในการแสดงออก ตลอดจนเป็นการรักษาดุลอำนาจระหว่างทฤษฎีที่มุ่งเน้นหลักการเดียว (Monism) กับทฤษฎีที่ไม่มีระบบรัฐบาลเข้ามาเกี่ยวข้อง (Anarchy)
3. เป็นการกระจายความจงรักภักดีของบุคคลไปยังกลุ่มต่างๆ
4. ก่อให้เกิดความแตกต่างในเรื่องความจงรักภักดีต่อองค์กรต่างๆ ที่หลากหลาย และยังช่วยลดอันตรายจากการที่ผู้นำในองค์กรใดองค์กรหนึ่งจะเข้าควบคุมหรือแทรกแซง
5. ช่วยในการสร้างระบบการตรวจสอบและการรักษาดุลอำนาจ กล่าวคือ แต่ละกลุ่มจะสามารถใช้อำนาจได้อย่างเต็มที่โดยไม่ต้องขึ้นอยู่กับองค์กรใดองค์กรหนึ่ง ไม่ว่าจะเป็นในภาครัฐบาลหรือเอกชน

รูปที่ 1.1 The virtues of a pluralistic society

▶ The pluralism system has three major weaknesses:

(1) creates an environment in which each institution is focused on the specific actions they pay attention to.

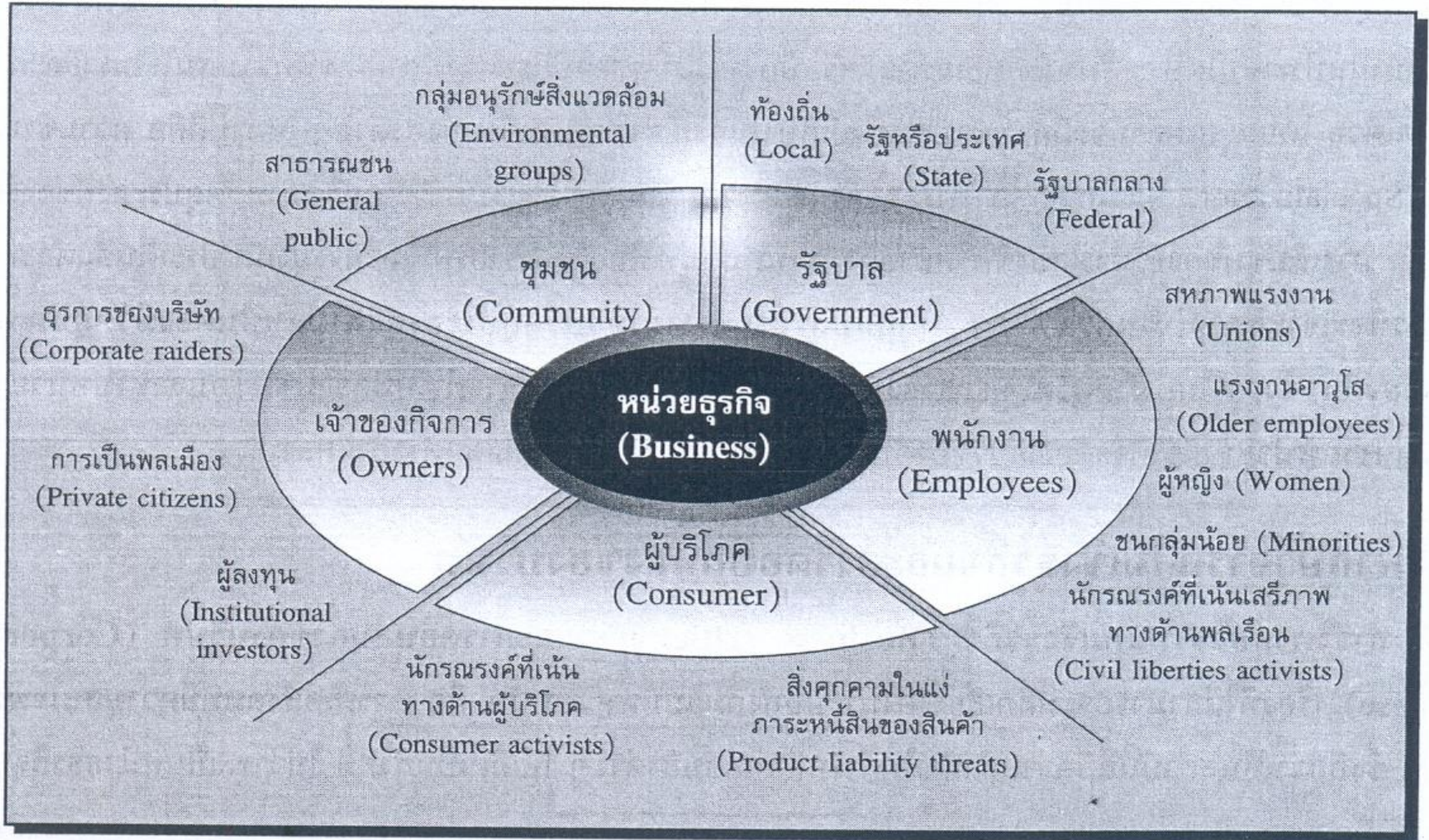
(2) When groups or institutions Expand May cause duplication of goals Which will cause internal chaos

(3) may cause conflicts in the intermediate process

Those involved with a business organization or those who have a stake in a business organization (Stakeholders) means a group or individual who interacts with the organization. With interdependence Which may divide those involved with the business organization into 2 categories, namely

1. Primary business organization related persons (Primary stakeholder)
2. Secondary business organization related persons





รูปที่ 1.2 แสดงรูปแบบความสัมพันธ์ระหว่างองค์กรธุรกิจกับผู้ที่เกี่ยวข้องกับองค์กรธุรกิจ

(Business and selected stakeholder relationships)

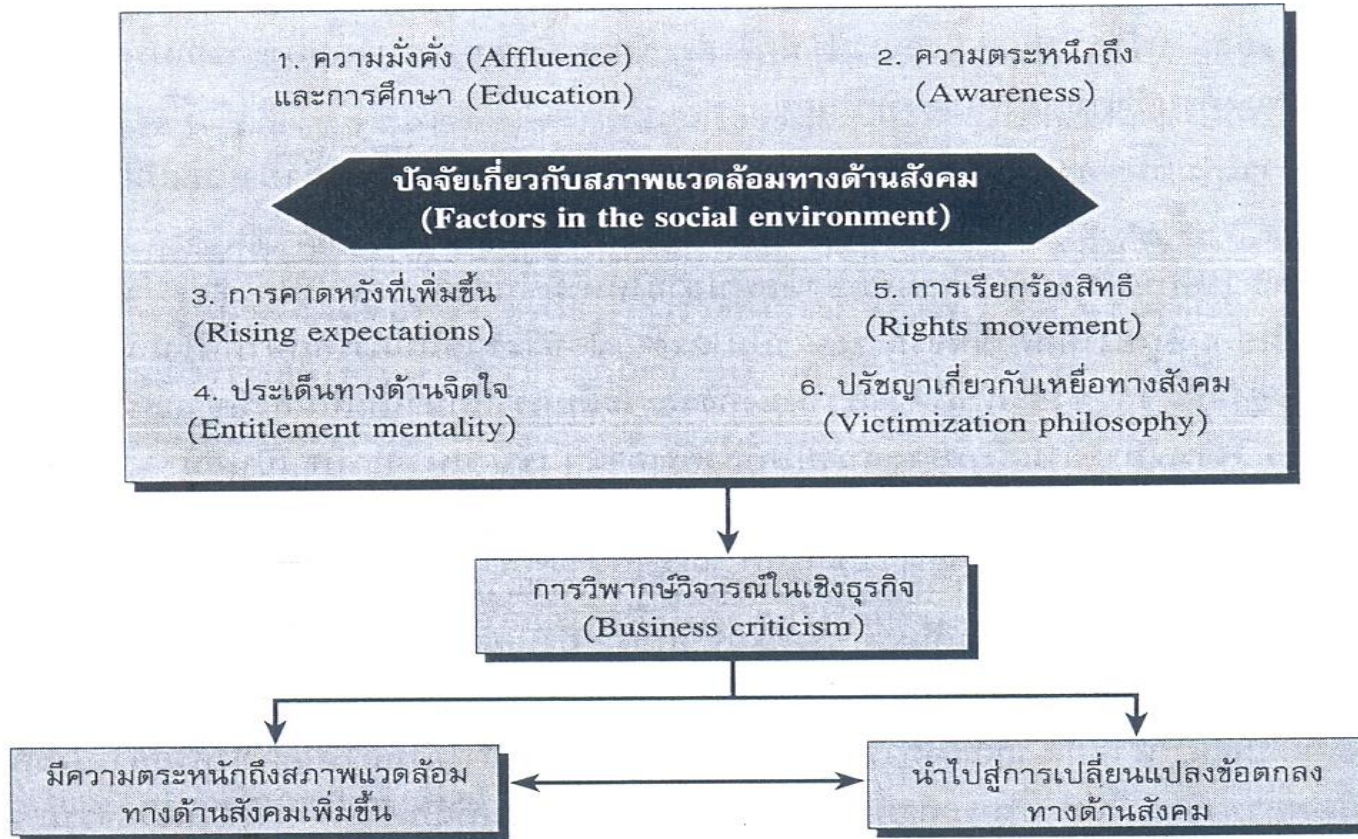
3. Society with special interests together

- ▶ Society with a common interest (Our special-interest society) Because of a pluralistic society (Pluralistic society) is a diverse society, both economically, politically, culturally. Culture, religion and others are divided into groups of people With common interests These groups have different objectives and principles. Examples of groups with special interests together, such as the Thai Chamber of Commerce Or independent organization groups Magic eye group etc

During the past 2 centuries, have qualified Which is divided into various groups That are involved or have a stake in society, including consumer groups, employees groups,



4. Business criticism and company responses



รูปที่ 1.3 (Social environment factors)

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- ▶ Social Environment Factors (Factors in the social environment) Here we will focus on 6 key issues

First factor: wealth (Affluence) and education (Education)

Wealth (Affluence) means the level of property or income after tax. As well as the standard of living of people in society Wealth and education are related

Wealth and education are what support the way to create social criticism for important institutions such as business units

Education means training or cultivating methods and skills. Education levels do not have much influence on a person's ethics. But what has been studied and cultivated is a determinant of ethical behavior



Second factor: Being aware of the problem through television (Awareness through television) Television is a very powerful thing today. Because it can reach all groups of people All genders and ages

There are 3 methods of using business information to criticize through television

2.1 Direct news programs (Straight news programs) and investigative television programs (Investigative news programs)

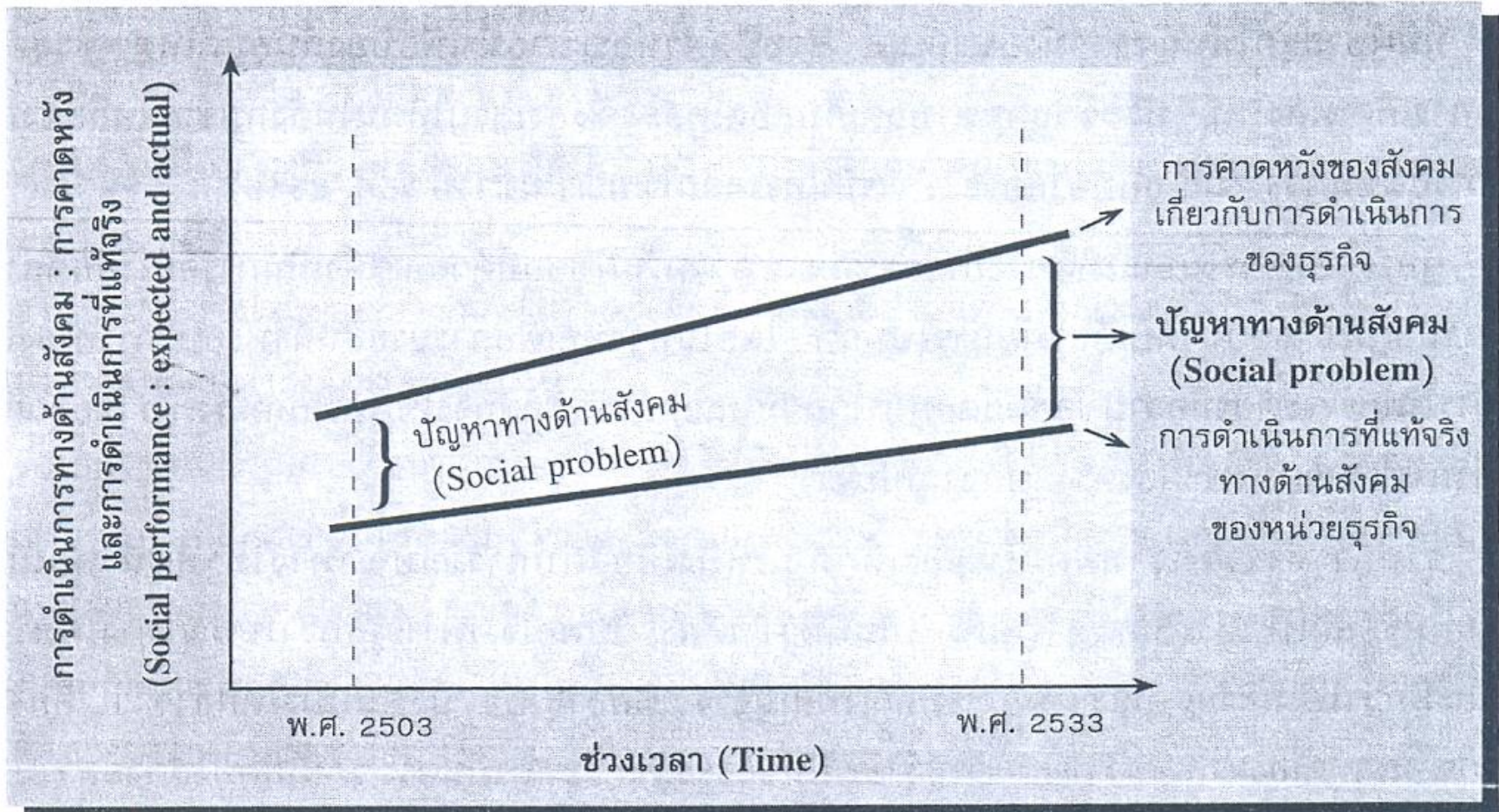
Studies have shown that over 73% Of business executives stating that The presentation of television news about business and finance is biased towards business units. Many business leaders believe that the business news that the media has presented is not due to inquiries from them. And is also a news that is written beyond the truth because Therefore, there is a clear resistance between business units and news media

2.2 Television programs (Television programs) During peak views (Prime-time)

2.3 Advertising (Advertising) is a non-personal communication. (uses media) with the objective of providing generous news and to remind about products (Goods) and services (Services) or ideas (Ideas<TAG1 which can specify

The third factor: Reforms that lead to increased expectations (Revolution of rising expectations) Attitudes or beliefs held by each model that The standard of living in one's own generation than in the era of ancestors Which results in expectations to various institutions Whether it's a business unit That must grow up uninterrupted

Social problems (A social problem) is a problem that arises from the gap between social expectations and various situations. And the true condition of
▶ today's society



รูปที่ 1.4 (Society's expectations versus business's actual social performance)

Fourth factor: psychological condition (Entitlement mentality) The result of increased expectations reform is psychological conditions. For many years, the social public relations department has studied public expectations

ตารางที่ 1.1 (Findings on the entitlement mentality)

| หัวข้อ (Item) | การคาดหวังที่ต้องการให้มี (%) (Entitled to have) | สิ่งที่มีอยู่ในปัจจุบัน (%) (Have it now) |
|--|---|--|
| 1. มีการปรับปรุงมาตรฐานการครองชีพอย่างต่อเนื่อง | 88 | 39 |
| 2. มีการรับประกันเกี่ยวกับงาน โดยเฉพาะในเรื่องของความเต็มใจ และความสามารถที่จะทำงาน | 85 | 34 |
| 3. สินค้ามีการรับประกันความปลอดภัยและไม่เป็นอันตราย ต่อสุขภาพ | 90 | 54 |

The fifth factor: Claims (Rights movement) Reforms about increased expectations As well as internal needs, minds, and other factors These submissions are all related to the claims (Rights movement) that are happening to our country today. In addition, there are claimsRights which create pressure for specific groups in our society

The Sixth Factor: Philosophy of Social Victims (Victimization philosophy)

The most critical criticism about business units is the issue of unethical behavior. Which involves those involved or those with business interests (Stakeholders)



Power (Power) means the ability or capacity to try to produce or influence the situation. In itself, power may be both positive and negative. However, when talking about the power of the business Usually means Abuse of power (Abused)

Level of power (Levels of power) Edwin M. Frosten (Edwin M. Epstein) has classified power levels into 4 levels, namely

1. Macro Level (The macro level) means the power that arises from the size of the company as well as the systems of the whole company or all organizations

2. Intermediate (The intermediate level) means the power of various groups. In an organization that tries to achieve the desired results



3. Micro level (The micro level) means the power of each organization. It includes the power of various leading companies

4. Personal level (The individual level) means the power of leaders in the organization, the leaders of each company

▶ In Figure 1.5 describes the level and scope of power. Economic power and political power are considered to be the scope of power that is quite relevant. The scope of power includes social power and cultural power. Authority over people The power of technology and the power ofThe environment



| ระดับ ขอบเขต | ระดับมหภาค (ระบบของ หน่วยธุรกิจ) | ระดับกลาง (มีโรงงาน หลายโรงงาน) | ระดับจุลภาค (มีโรงงานเดียว) | ระดับบุคคล (ผู้บริหาร) |
|---------------------------------------|--|---------------------------------------|--------------------------------|---------------------------|
| เศรษฐกิจ (Economic) | | | | |
| สังคม (Social) วัฒนธรรม (Cultural) | | | | |
| บุคคล (Individual) | | | | |
| เทคโนโลยี (Technological) | | | | |
| สภาพแวดล้อม (Environmental) | | | | |
| การเมือง (Political) | | | | |

รูปที่ 1.5 (Levels and spheres of corporate power)

Keeping a balance between power and responsibility

- ▶ Davis (Davis) and Bloomstrom (Blomstrom) clearly explains this point, which is called the steel rule regarding responsibility. (Iron Law of Responsibility) means In the long run, if a business organization uses its power in the wrong way or does not take into account About the responsibility to society Business organizations tend to lose that power



4. Response (Response): Changes in social environments and social agreements

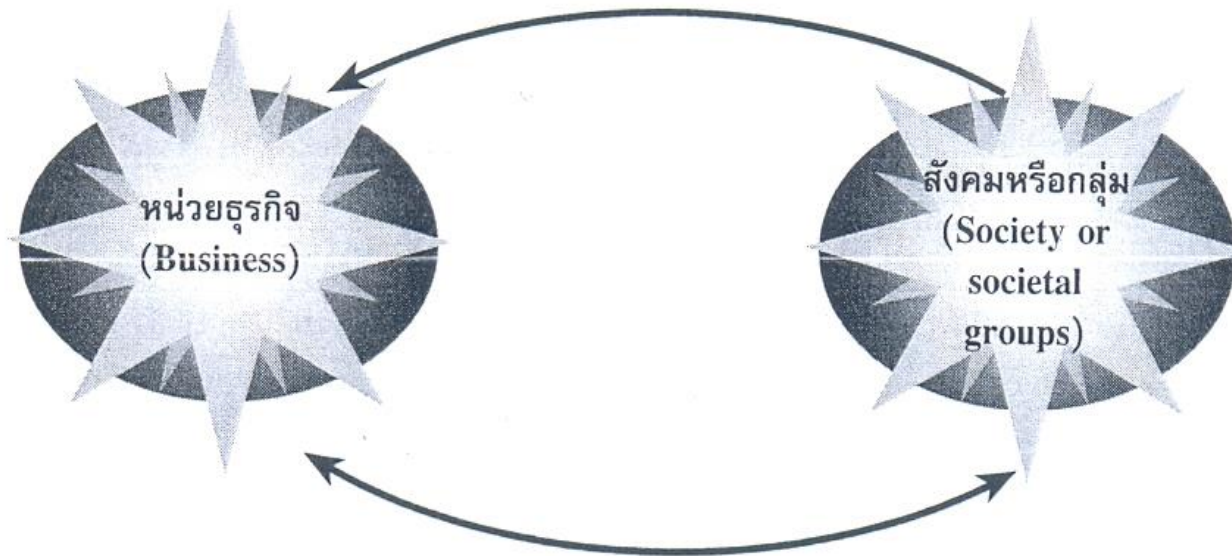
- ▶ The social environment consists of various factors. Whether demography (Demographics) Living model (Lifestyles) and social values (Social values) Social agreements (Social contract)Social contract <TAG1> Build relationships between institutions that are important here. Means business and social units

Social agreements between business and social units can be shown, as in Figure 1.6, which has 2 important issues as follows

1. Regulations (Regulations) and laws (Laws)
2. Have a common understanding (Shared understandings)



กฎหมายหรือกฎระเบียบ
(Laws or regulations) : เป็นความสัมพันธ์ที่เป็นทางการ
กฎของเกม (Rules of the game)



การเข้าใจกันและการร่วมมือกันทั้งสองฝ่าย : เป็นความสัมพันธ์อย่างไม่เป็นทางการ
(Two-way shared understandings of each other)

รูปที่ 1.6 (Elements in the social contract)



Understanding join together will reflect common expectations, taking into account the roles of each party. Responsibility Until ethics The parallel relationship between business units and society is like the relationship between teachers and students in the classroom. University regulations And the teaching schedule will show the relationship in a formal



The End

