Introduction

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Abstract

Triggered by the disillusionment in society in the wake of the recent global financial crisis and against the background of continuing corporate misbehaviour, this book examines the missing links in the way that business presently operates within the current economic system, which may have provoked the occurrence of these dilemmas. In doing so, it critically explores, examines, and identifies key mechanisms at the interface between business and society.

Concept Overview and Structure

This book adopts a sustainable, responsible, and inclusive perspective to questioningly revisit many themes in the field of business, humanities, and the social sciences including economic theory and organisational processes such as strategic and operational man-

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L. O'Riordan et al. (eds.), *New Perspectives on Corporate Social Responsibility,*
FOM-Edition, DOI 10.1007/978-3-658-06794-6_1

agement, financial, accounting and CSR reporting, supply chain management, human resource management, as well as education, and many others. This examination seeks to recognise the key connections in the conversion of economic, social, and ecological resources (i.e., integrated triple bottom-line principles) into products and services. In doing so, those networks, relationships, and other influencing factors (including a broad range of interest groups such as suppliers, employees, customers, community, and other stakeholders) are investigated to establish whether and how the disciplines, concepts, and theories in focus most optimally serve society as a whole. Our goal in this endeavor is not to make moral judgments, but to explore the circumstances by studying the details and observing the development of macro-economic, institutional, and organisational systems, as well as the behaviour of individuals.

Ensuing from this examination, a new way of doing business emerges in which an enhanced balance between "give and take" is achieved via conscious choices enabled by facilitating structures at all levels of the economic and business operating environment. By recognising that many in society have become conditioned to an approach to doing business without consideration of the harm this causes, and learning to adjust the "lens" of how we organise our economic and organisational system, a kaleidoscope of new structures and forms materialise (which could potentially become the new norm). This new approach could be based on trust in which fairness, loyalty, mutual equality, and as a result, competitive advantage via improved credibility could more effectively thrive. Ultimately, an operating environment constructed in this way could serve two aims. At the micro-level of the organisation it could help to win back some of the lost integrity for business. At the macro-level, it could offer a more sustainable future approach in the use of scarce, precious, and (or) delicate resources.

Significantly, the vital premise in this book is the compelling rationale for adopting sustainable macro- and micro-level responsible economic mechanisms and business practices. This logic suggests that the resulting improved credibility has the potential to unleash concrete return on investment for business *and* society. By improving the company's reputation, the business can increase customer and employee loyalty/motivation which can positively impact the bottom-line in terms of both revenue and cost (i.e., sales and personnel turnover/productivity). In addition, a sustainable CSR approach further minimises the risk of controversy with other stakeholders. This rationale increases the attractiveness of the business for investors. As a result, society benefits from the improved social and ecological impact of the resources invested, as well as the economic return in the form of taxes and other contributions to social well-being such as employment, healthy, and pleasant working atmospheres etc. The overall benefit derives from a fine-tuned focus on a greater purpose to existence than the exclusive accumulation of money in the first instance.

To address this comprehensive collection of themes, the book is organised into three key sections comprising a theoretical, a practical, and an educational part.

Parts one and two were conceived, co-ordinated, and reviewed by Professors O'Riordan and Zmuda, and Part three by Professor Heinemann.

1.1 Part I: The Theoretical Realm

Part one focuses on the Theoretical Realm. It defines the main concepts, frameworks, and themes pertinent to the development of sustainable CSR solutions at both macro-economic and the management level of the firm by addressing a range of related topics. Collectively, the chapters in part one strive to inspire the necessary cognitive awareness as a fundamental prerequisite for the realisation of multiple shared value(s). Put simply, because business operates as part of and not in isolation from society, the essential message in this part of the book is that a company's values are inseparable from its long-term capability to legitimately create economic value both for itself and for the citizens who work in it as its employees, buy its products and services, are affected by its operations, and finance its activities as investors. Crucially however, a key premise for realising this new management mind-set is the prior establishment of novel mechanisms at macro-economic level to entice, encourage, and enable the required change. A conceptual examination of the innovative inter-connectedness within and between the relevant mechanisms at macro- and micro-economic level is the missing link which part one of this book addresses.

The **second chapter** in the theoretical realm by Professor Dr. Jan Jonker from the Radboud University of Nijmegen in the Netherlands establishes the intellectual tone of the book. It focuses on the future of corporate sustainability by offering a challenging inducement to kindle a new approach to organising sustainability both *between* in addition to *within* organisations. This notion highlights how, within the context of our perception of organisations and their environments which are socially constructed phenomena or "organisational constructions of reality", we are restricted in our way of thinking due to what is termed an "industrial mind-set". As a result, the plan and the perspective required as a prerequisite to enable the new manner of sustainable thinking have gotten lost. This is the missing link which the chapter addresses. Against the background of increasing management complexity and given that organising has become a much more chaotic process with a large degree of unpredictability, the chapter proposes adopting a new perspective of the future which would empower transformation of the entire system. Its essence would manifest itself in the evolution of a developing pattern of relations within and between organisations and their environments. In such a system, organisations act in each other's environments to develop their collective interest and discover patterns of co-creation. The organising of and between organisations plays a pro-active and guiding role in determining each other's future. The chapter suggests that such an organisation–ecologic perspective that focuses on co-operation, co-creation and multi-dimensionality has an important influence on how we perceive organisations and guide them. This further implies a mind-set shift from a unique selling proposition to a *multiple value proposition* in order to make meaningful progress. Such a shift requires systematically linking organisation-ecological thinking to sustainability and connecting multiple value creation to sustainable organising between organisations. Moreover, the author proposes that thinking and organising in terms of multiple value creation must be embedded into the everyday activities of organ-

isations. Crucially, this presumes value creation that is based on a balanced configuration of capitals without losing sight of the notion of "profit". This new approach is presented as the straightforward yet complicated task of contemporary management.

Chapter 3 in the theoretical realm by Professor Dr. habil. Michał Gabriel Woźniak of the Department of Applied Economics, Cracow University of Economics in Poland focuses on the theme of CSR from an integrated development perspective. It builds on the theme of contemporary management from the previous chapter which proposed focusing on co-operation, co-creation and multi-dimensionality to connect multiple sustainable value creation within and between organisations by searching for an answer to the question of how to improve awareness about CSR not only among companies but other stakeholders as well. Crucially, it suggests that to promote CSR in the business environment, a set of professed values that are shared by all stakeholders are necessary. It proposes that these values can be derived from the natural striving of each human being to achieve a harmonised implementation of aims and functions in all spheres of human existence. To explain this rationale, the chapter critically questions actions related to the function of aims specific to given spheres of human existence (such as economic, political, social, technological, consumption, nature, biology, human capital and spiritual spheres). It refers in particular to the commercialisation of the spiritual sphere that leads to destructive competition and consequently to a limitation of advantages in free market systems. Overall, the chapter suggests that linking the business strategy with an improved, more integrated development of policies related to these broader spheres could stimulate employees to better understand the aspirations, missions, aims, targets, and tasks of a company. Consequently, this growing trust impacts positively on the integration of targets of companies and employees. Connecting business strategies to CSR with the help of development policy could as a result generate an increase in trust that is positively related to the integration of business and employees' goals, and accordingly, in the involvement of employees in the company's success. This connection comprises the missing link which this chapter addresses.

Chapter 4 in the theoretical realm by Professor Dr. habil. Matthias S. Fifka and Cristian R. Loza Adaui from the University Erlangen-Nuernberg in Germany, focuses on the popular and intensively debated theme of integrating stakeholders into business decision-making. In addressing the challenges associated with successfully managing stakeholders for the sake of business and society, it covers a fundamental aspect of CSR which was inherently implied in the previous chapters. Concentrating on the complex issues for business practice which arise when attempting to transfer the elaborate stakeholder concepts developed by academia into everyday business operations, the theoretical and practical discussion of stakeholder management presented in the chapter addresses both why and how to implement effective stakeholder management. Against the backdrop of an increasingly complex and dynamic business environment, stakeholder management is portrayed by the authors as a crucial management task for companies attempting to identify and address their future challenges. The authors place particular importance on the cumulative influence of demographic change, resource scarcity, environmental degradation, the rise of social media, and global competition which incrementally lead to increasingly sensitive

customers, employees, suppliers, shareholders, governments, and citizens. They suggest that these trends trigger the need for an alternative business solution to mere differentiation through price and product quality. In order to actively respond to their new operating environment, the authors propose actively identifying the concerns and interests of stakeholders and then strategically addressing them. This approach recognises stakeholder management as a crucial element in successfully managing a company in the twenty-first century. Successful stakeholder management is proposed as a proactive process that involves stakeholders in a structured manner and aims at generating a win-win situation. The resulting mutual understanding not only permits the timely recognition of stakeholder needs, but additionally facilitates companies to increase the transparency of their aims, policies, and operations, thus filling a crucial missing link in contemporary society.

Chapter 5 in the theoretical realm by Dr. Teresa Bal-Woźniak, from the Rzeszów University of Technology in Poland, serves the purpose of identifying theoretical and methodological arguments regarding the relationship between innovation, innovativeness, and the creation of future sustainable enterprises. It builds on the previous chapters which respectively focused on connecting business strategies to CSR with the help of development policy and on stakeholder management as a crucial element in CSR practice, by discussing the creation of sustainable enterprises as a socially mature management practice that associates the strengthening of competitive ability with CSR. The author presents methodological arguments for the need to accept a subject-orientated approach to perceiving innovation and innovativeness which forms the basis for the strategy which is then introduced into business practice. This approach is deemed better at facilitating and strengthening competitiveness than the object-orientated approach. Research focused on these concepts led to the establishment of the subject-orientated model of innovativeness, which takes into account the subjectivity of the economic agents. It encompasses four pillars—consciousness, emotional, cognitive and behavioural—which mark the direction of action in the field of creating sustainable enterprises. In the chapter, the institutional conditions for applying the subject-orientated model of innovativeness to create sustainable enterprises operating in the highly turbulent environment of the contemporary economy are discussed. Significantly, this approach offers a possibility to link innovativeness with CSR and it is premised on the necessity to re-define innovation and innovativeness. The author assumes that a successful sensitisation to social matters crucially requires the integration of stimuli and the elimination of constraints on individual activity during the innovation process at micro- and macro-level and in relation to the development goals of all spheres of human existence.

Chapter 6 in the theoretical realm by Dr. Dariusz Firszt, from the Department of Applied Economics, Cracow University of Economics in Poland, continues the focus on innovation from the previous chapter by similarly examining the theme of innovation and its diffusion in CSR practices. The chapter analyses the impact of innovative enterprises in social change in general as well as on the possibility of the conscious influence of this process on enterprises applying rules of CSR. In particular, the identified social risks arising from the rapid pace of implementation and diffusion of innovation are addressed. The

chapter discusses the tools to manage innovation processes by which companies can reduce the negative social effects stemming from innovation. Given the influence of globalisation which accelerated the scale and pace of social transformation that in turn stimulated technical progress, the ensuing spread of technology standards through the international transfer of technology is also appraised. This leads to a focus on the challenges of CSR faced by companies participating in the international transfer of technology, both for exporters and importers of technology. Ultimately, the author proposes that although the popularisation of CSR may be treated as a significant tool for limiting tendencies to disintegrate economic, environmental and social development, it will not bring major effects unless it is supported by other mechanisms and activities. He suggests that the spontaneous diffusion of innovation from various spheres means that even a socially responsible entrepreneur is not able to predict all of the consequences of the implementation of some innovative solutions. Therefore, the author reasons that it seems unjustified to burden the entrepreneur with responsibility for all of the negative effects of their popularisation, especially those of a social nature. In order to eliminate the threats connected with increased innovative activity, higher level measures (i.e., exceeding the abilities of individual entities both at country and even at global economy level) are advised which at least enable an appropriate institutional environment. The author contends that this could favour the integration of economic, environmental and social development objectives.

Chapter 7 in the theoretical realm by Dr. Tomasz Potocki, from the Department of Applied Economic Policy, Faculty of Economics, University of Rzeszów in Poland, addresses the theme of altruism as a missing concept in economic rationality with a focus on the need for a multi-disciplinary perspective. It broadly develops on the themes covered in the previous chapters by concentrating on theoretical and practical aspects of altruism, rationality, and happiness from the perspective of CSR. The chapter contributes to the missing link theme by extending the definition of corporate responsibility to incorporate the concept of altruism and its implications. It focuses mainly on theoretical and practical aspects of altruism, rationality, and happiness from the perspective of CSR. It additionally reflects current multi-disciplinary approaches to altruism, presents results from a wide variety of disciplines, and delivers broad policy implications. The author contends that the presented concept may be very helpful in creating rational and long-term sustainable business strategies in which social values, altruistic behaviour, happiness of others, as well as the company's contribution to common welfare, are put into actual practice as opposed to just being elusive and overlooked issues. The chapter concludes with five interesting suggestions on how to concretely address the missing link gaps identified. These include: Re-thinking the economic rationality concept and re-balancing it from the perspective of a relationship with oneself to the relationship with others; Re-establishing and strengthening the connection between economics and social systems; Placing more value on the "link" between markets and morals; Paying particular attention to habit-creation and its re-design; And finally, promoting topic-orientated research and closer co-operation between researchers and company leaders.

Chapter 8 in the theoretical realm by Professor Dr. habil. Marek Ćwiklicki and Dr. Łukasz Jabłoński, from the Department of Applied Economics, Cracow University of Economics in Poland, focuses on the theme of economic development and the implementation of CSR initiatives in national economies. It develops upon the conclusion proposed in the previous chapter which advised rethinking the connection between economics and social systems by reviewing the CSR and economic development literature to establish an information basis on current interpretations with respect to the essence of economic development. This examination highlights not only monetary, but additionally qualitative aspects of economic development, such as: ethics, fairness-related, trust, and sustainability. Moreover, the theoretical arguments for the direction of inter-dependence between the CSR and economic development are discussed. The methodological dilemmas related with the research which aim to analyse the inter-dependence between these two categories are then presented. This highlights three issues including: the threshold level of economic development as a condition for the introduction of CSR, the role of globalisation as a factor in the development of the economy and the company, and difficulties in measuring achievements in CSR introduction from a comparative perspective. Finally, the chapter discusses the findings of empirical research on CSR and emphasises the arguments for causality between economic development and CSR introduction in companies within national economies.

Chapter 9 in the theoretical realm by Dr. Łukasz Jabłoński, from the Department of Applied Economics, Cracow University of Economics in Poland, and Professors Drs. Piotr Zmuda and Linda O'Riordan from the FOM University of Applied Sciences, Essen, Germany remains in the field of economics with its focus on income inequality and public debt in OECD countries. It addresses the salient question of the (negative) role that a widening income gap and increasing public debt plays in society and in the well-being of its economic health. This research gap is the missing link upon which the chapter focuses. To examine this theme, the chapter presents the theoretical and empirical arguments for causality between growing income inequality and increasing public debt within the capitalist economies. By highlighting a causal link and identifying income inequality as a contributing factor to public debt growth, the authors outline how the theme of focus is increasingly gaining public awareness as it triggers over-arching questions which reach to the fundamental roots of the model of capitalism. However, in establishing this causal link and identifying income inequality as a contributing factor to public debt growth, the chapter does not focus on evaluating the role of public debt in society *per se*. Instead that topic is consigned to the scope of separate research in this field. Overall, the findings presented in the chapter could be considered as the starting-point for a timely discussion against the backdrop of the financial crisis which triggered concerns regarding the health of the economic system.

Chapter 10 in the theoretical realm by Professor Dr. habil. Ryszard Stocki from the Faculty of Psychology at the University of Social Sciences and Humanities (SWPS) Katowice and Agnieszka Łapot, from The Wojtyła Institute in Krakow, Poland, addresses Vroom's Model in Organisation Audit. It builds on the theme of contemporary manage-

ment from the previous chapters which proposed new ways for sustainably connecting broader stakeholder interests within and between organisations by emphasing a personalistic, participative approach to management. It identifies effective participative stakeholder dialogue as a key missing link in socially responsible business organisations. In order to explain the link between participation and socially responsible business behaviour, it examines the connections between the two phenomena: organisational isomorphism and tacit knowledge based on some of the profound philosophical work of Karol Wojtla.[1] A particularly interesting feature of this chapter is its inherent reflection on the theme of understanding and applying concepts and theories as cognitive constructs. In line with the thinking of domain-specific orientated psychologists, the authors suggest the need to radically change our knowledge and everyday practices in order to more effectively delineate between fiction and reality. They propose praxeology as a scientific reflection of human action to achieve a new way of functioning in reality. Founded on the assumption that humans engage in purposeful behaviour, this permits the study of practical activity based on deep contemplation about the nature of general concepts. The authors suggest that this helps to avoid mistaking hypostases of concepts and abstractions for reality in everyday functioning and thereby circumvents the consequence of using words which refer to "nothing". Within this context and the focus on participative dialogue with employees, the Vroom model is presented in order to facilitate a better understanding of participation. This establishes the basis for designing a diagnostic tool which is the main contribution of the chapter. While this tool is designed to improve "human" management in organisational settings, the chapter concludes by explaining why participative management and co-operative values are so difficult to implement, and how the diagnostic tool could help to fill the missing link noted.

Chapter 11 in the theoretical realm by Dr. Piotr Prokopowicz and Dr. Grzegorz Żmuda from the Jagiellonian University, Krakow in Poland turns to the theme of organisational behaviour to build on the discussion of cultivating "human" management in organisational settings addressed in the previous chapter. It focuses on corporate social performance and the meaning of work and applicant attraction from a cognitive perspective. The chapter draws heavily on the theories of social cognition, social identity, and signalling, as well as, the moderating impact of the subjective meaning of work, on the Job–Career–Calling distinction to identify the extent to which the perception of socially responsible policies and the behaviour of employers play a role in the career decisions of employees. By analysing candidates' preferences and perceptions, the possible relationship between the subjective meaning of work, the various types of social perceptions of corporate social policies, and applicant attraction are analysed, and a new model for understanding applicant attraction is presented. In order to establish the relationship between Corporate Social Performance and applicant attraction, the authors employ the theoretical frameworks of Stereotype Content Model (SCM), the BIAS Map and the subjective meaning of work. This study

[1] Also known as Saint John Paul the Great, Karol Józef Wojtyła was the 264th pope of the Catholic Church from 16 October 1978 until his death on 2 April 2005.

implies that people relate to organisations or brands in a similar manner to the way they relate to individuals, making decisions based on how they perceive social actors on the fundamental dimensions of social perception—Warmth and Competence. Thus, the SCM and BIAS Map together may not only explain how people perceive the social world, but also allow the prediction of their emotions and behavioural intentions towards perceived agents, including organisations. The authors suggest that introducing this well-developed and cross-culturally tested theory of social perception into CSR discourse may provide the grounds for an inspiring theoretical and profoundly practical perspective on developing sound CSR organisational practices.

Chapter 12 in the theoretical realm by Professor Dr. Jan Jonker from the Radboud University of Nijmegen in the Netherlands, Professor Dr. Linda O'Riordan from the FOM University of Applied Sciences in Germany, and Nina Marsh a research associate at both universities, addresses the art of balancing to enable the realisation of multiple and shared values through a new generation of Business Models. This chapter combines the comprehensive set of themes presented in previous chapters which in essence, collectively highlighted the requirement for more sustainable, inclusive, and integrated mechanisms both at macro- and micro-economic level. In doing so, the authors explicitly emphasise the need for managers to secure an optimal strategy for the long-term survival of their companies in view of the growing external global forces of change including the shifting (increasingly negative) public perception of the role of business in society and the recognition of a rising awareness that business operates as part of (and not in isolation from) society. Significantly, the authors suggest that the logical consequence of these developments necessitates an inspired management approach when investing a firm's resources to create value which is driven by the perspective and needs of a broader range of stakeholder interests. They propose that the same developments which have triggered a change in societal expectations are prompting the need for a new management mind-set with respect to the way in which profit is perceived. Particularly, the authors suggest that the current rationale relating to key questions such as: what constitutes profit and, how to organise the business for its optimal generation, is undergoing transition. These questions highlight the missing link which establishes the primary focus of the chapter. To address this missing link, a theoretical review of the latest emerging literature surrounding the concept of multiple shared value (MSV) is combined with fresh empirical data to investigate the effectiveness (or otherwise) of the new business model (NBM) concept for translating the concept of sustainable management into everyday business practice. Ultimately, the authors reason that NBMs can act as a catalyst for creating collective, shared, balanced triple bottom line impact. Consequently, the evidence presented in this, the final chapter in the theoretical realm of this book, implies that by delivering a fairer distribution of the wealth created by business via a stronger focus on collaboratively creating welfare for human beings and nature, NBMs can serve as an important mechanism for both sustainable social progress and business wealth generation.

1.2 Part II: The Practical Realm

Part two focuses on the Practical Realm. It addresses the micro-level theme of managing CSR and Sustainability in an everyday business operating setting. The chapters in this section communicate a broad range of related topics regarding the development, integration, and implementation of sustainable CSR solutions into the business model across the value chain with respect to key business management functions such as finance, governance, CSR reporting, supply chain, human resources, case studies of CSR in Africa, as well as a conceptual framework for strategic CSR management. The demonstration of a practical realisation of the inter-connectedness of these themes within and between the various business functions is the missing link which part two of this book addresses.

Chapter 13 in the practical realm in this book by Professor Dr. Robert Sroufe and Diane Ramos from the Beard Institute of Applied Sustainability, John F. Donahue Graduate School of Business, Duquesne University Pittsburgh, in the USA addresses the "un-balanced" balance sheet in a call for integrated bottom line (IBL) reporting. This chapter offers a blueprint for the integration of financial, environmental, social and governance reporting. The authors examine an emerging practice which has profoundly changed the way organisations develop strategic plans, approach decision-making, measure success, and manage risks in the twenty-first century. They investigate why we continue to take an "unbalanced" approach and propose IBL as an alternative which goes beyond an accounting practice to become a catalyst for sustainable management solutions, risk management and stakeholder engagement. To help demonstrate this transformation of performance measurement, the chapter reviews the evolution of integrated reporting, and the need for more involvement from accountants to go beyond a myopic focus on the bottom line to enabling shared value through evidence-based management. This review additionally studies enabling organisations. In the proposed approach, the authors envision a future when a balanced sheet, re-named the "value statement", captures the financial, social, and environmental conditions of a firm over multiple periods of time and this information is further supported by a statement of change in stockholders' equity (rather than stockholders' equity). The chapter concludes with a call to action for business schools and business organisations to work together at the intersection of integrated reporting to develop solutions for tomorrow's measurement problems.

Chapter 14 in the practical realm by Viola Möller, Dr. Dinah Koehler, and Ina Stubenrauch from Deloitte, Germany focuses on finding the value in environmental, social, and governance (ESG) performance. It continues the focus on integrated reporting from the previous chapter by providing insights into the Chief Financial Officer's (CFO) role in managing ESG performance and the value of the underlying information that is shared with stakeholders both inside and outside the firm. Reporting on ESG performance is presented as a key missing link which can deliver value through facilitating transparency and thereby leveraging the impact of sustainable CSR practices. This chapter highlights that because the appreciation of the value inherent in ESG management is growing, an

efficient management of ESG issues and the publication of ESG-relevant information will benefit not only the stakeholders' desire for transparency, but also the corporate reputation and financial valuation in the event of a crisis. Consequently, the chapter proposes that all market players should implement a holistic approach to their decisions on identifying relevant and potentially material ESG issues, to ensure better informed and future-orientated decisions.

Chapter 15 in the practical realm by Professor Dr. habil. Matthias S. Fifka and Cristian R. Loza Adaui from the University Erlangen-Nuernberg in Germany, continues the theme of sharing information with stakeholders inside and outside the company from the previous chapter by focusing on the directly related subject of CSR reporting. This topic has recently received widespread attention in the business community since the pending introduction of mandatory CSR reporting at European Union (EU) level. Against the background of the ensuing intense debate on whether companies should be forced to report on their social and environmental performance, the chapter presents the nature, development, and status quo of CSR reporting. This serves as an information basis for a discussion on the inherently connected challenges and opportunities including consideration of the underlying financial and technical effort necessary to measure and disclose the respective information. In order to address the particularly intense burden for small and medium sized enterprises (SME) which is widely regarded as unbearable, the EU has reacted by limiting a potential reporting requirement to large companies. This reaction clearly reflects the widespread notion that CSR reporting is an administrative and financial burden and supports the necessity of mandatory laws to motivate its realisation. Unfortunately however, the authors point out that this response clearly disregards the potential business benefits resulting from reporting—such as improved stakeholder communication, a better understanding of one's own value chain, and enhanced risk management. Based on the review and evaluation presented in this chapter, the authors develop recommendations on how to effectively implement CSR reporting in companies in order to leverage a seemingly administrative burden to achieve competitive advantage.

Chapter 16 in the practical realm by Professor Dr. Thomas Heupel from the FOM University of Applied Sciences, Germany, remains in the financial field to examine social management accounting by presenting an integrative framework for environmental and social costing. To examine the aspect of performance in CSR, the chapter emphasises the importance of measuring developments and obtaining detailed cost information. To achieve this, the author proposes that management requires a database for the planning and efficient implementation of social tasks and schemes. The chapter highlights how sustainability-orientated management accounting instruments have been continually developed over the last 40 years from financial ratios and early types of social-balancing to key performance indicators and integrated performance measurement systems. Against the background of the various concepts of ecological cost accounting which were initially developed and subsequently implemented in the scientific, political, or operational sectors, the author highlights a recent turn in cost accounting towards a greater consideration of social costs. To examine these phenomena, the chapter provides a chronological overview

of several environmental cost and management concepts. It additionally reconstructs the differentiation and diffusion of environmental and social costs terms, and ultimately suggests a new framework for sustainability-orientated costs. This conceptualisation, which is the missing link proposed in the chapter, is designed to enable management to plan and control CSR activities more efficiently. In addition, it demonstrates win-win solutions between social benefits and economic opportunities.

Chapter 17 in the practical realm by Professor Dr. Matthew Drake, Associate Professor of Supply Chain Management, and Donald Rhodes of the Duquesne University Palumbo-Donahue School of Business, Pittsburgh, USA turns from the business functions of finance, reporting and social management accounting presented in the previous chapters to focus on supply chain management as a key task in CSR practice. It highlights the multitude of social and environmental challenges which supply chain operations create for organisations, many of which have a significant impact on the organisation's stakeholders. The authors suggest that corporate CSR strategy must manage these issues to ensure that all stakeholders' needs are addressed. However, they highlight how organisations often view these CSR efforts through the prism of cost minimisation or risk avoidance when, in fact, many of these activities can add value and enhance a firm's competitive position in the marketplace. The authors propose that value-added initiatives can be justified in any organisation, even those which have no stated altruistic or social goals. The chapter's missing link focus is on these value-added CSR strategies which can provide a competitive advantage for organisations. Specific strategies proposed to address these lacunae include supplier development, local sourcing, collaborative distribution, closed-loop supply chain design, and increasing operational efficiency.

Chapter 18 in the practical realm by Dr. Donna Marshall and Dr. Lucy McCarthy, from the University College Dublin, Ireland, continues the focus on supply chain management as a key function in CSR practice by identifying which environmentally and socially sustainable supply chain management practices impact the operational and competitive outcomes of firms. The chapter focuses on whether and how it pays to be green and good in supply chain management. The authors consolidate and synthesise a diverse catalogue of existing measures of supply chain sustainability practices from the research literature in an effort to test the relationship between established sustainability practices and outcomes which allow firms to create a business case for both environmental and social sustainability practices. In doing so, they propose four environmental and four social supply chain sustainability practices with similar themes: monitoring, management systems, new product and process development and strategy redefinition. A key outcome of this examination is that social sustainability practices pay more than environmental sustainability practices. This finding suggests as a key missing link in current supply chain practice, that it might be advantageous for companies to invest their resources in social new product and process development, as well as social supply chain re-definition focusing on social issues and in environmental monitoring and developing new environmental products and processes.

Chapter 19 in the practical realm by Dr. Łukasz Jabłoński, and Dr. habil. Marek Jabłoński from the Department of Applied Economics, Cracow University of Economics

in Poland, turns to the topic of human resource management as a key function in CSR management to address employee competence development from a CSR perspective. The chapter aims to identify the theoretical and methodological basis for the development of employee competencies in light of CSR, with a particular emphasis on CSR-orientated companies. Based on an examination of the relevant underpinning concepts, the authors suggest that CSR could be implemented within organisations through the development of employee competences. They highlight that in modern CSR management methods this includes benchmarking, knowledge management and re-engineering. These methods closely correspond with the three dimensions of the social theory of learning, i.e., imitation, which benchmarking most closely resembles; reinforcement based on knowledge management; and modelling based on re-engineering. The chapter concludes that CSR could be implemented within organisations based upon a proposed framework methodology of employee competence development. The employee competence development framework presented, which depicts three key phases including the concepts of benchmarking, knowledge management and re-engineering, represents the missing link proposed in the chapter.

Chapter 20 in the practical realm by Dr. Lara Johannsdottir and Professor Dr. Snjolfur Olafsson from the University of Iceland, continues the focus on the human resource management theme from the previous chapter by addressing participation in CSR. The missing link theme of this chapter is that CSR can be most effectively integrated into a company's core business when employees are actively involved. To substantiate this claim, the authors address both the function of decision-makers and decision-making approaches in CSR management by examining selected aspects of employee roles in implementing CSR strategies at individual, organisational, and institutional levels. The focus covers a choice of key related themes such as: collaboration between leaders and employees, a framework illustrating employees' contribution to CSR integration, as well as an examination of employee participation and motivation when implementing CSR strategy using key frameworks such as Porter's value chain. In doing so, the link between the organisation and the external operating environment is examined and solutions for mainstreaming CSR principles via employee participation in everyday business practice are proposed. The authors conclude in this chapter that companies benefit in many ways from active employee participation in CSR such as improved employee commitment and loyalty, as well as increased productivity which, overall, collectively lead to a stronger corporate identity and brand image.

Chapter 21 in the practical realm by Dr. Grzegorz Żmuda, Dr. Piotr Prokopowicz, and Marianna Król from the Jagiellonian University, Krakow in Poland, presents the final human resource theme in this part of the book by focusing on developing CSR through simulation games. In doing so, the authors provide both theoretical and practical insights into how simulations can be used for skills and knowledge-development crucial for implementing CSR in a given organisational context. Apart from explaining the mechanisms behind the effectiveness of simulation games, the authors additionally provide examples and a critical review of a selection of simulation games which have been developed around the world. As a result, the chapter provides excellent insights into the dynamically evolving

market in the field of CSR from the perspective of current developments in educational psychology and the practical experience of game developers. Ultimately, the authors provide evidence that games offer a unique toolbox for developing CSR both in academia and in an organisational training context. This learning approach comprises the missing link proposed in the chapter.

Chapter 22 in the practical realm by Professor Dr. David Abdulai from the African Graduate School of Management and Leadership in Ghana, West Africa presents a case study example which illustrates the important role that CSR can play as a missing link in the long-term sustainable development needs, economic growth, and progress of the African continent. Focusing on the necessity to move away from the concept of charity towards mutual benefit, the author stresses the need for companies in Africa to abandon their archaic view of their CSR activities with its focus on donations or philanthropy. Instead, he suggests the practice of Ubuntu as a new narrative of CSR in Africa. Ubuntu is an Nguni word from Southern Africa which depicts a concept based on African humanism proposing that the essence of being human is the understanding that nothing lives in isolation because we are all inter-dependent. Based on this reasoning of inter-connectedness, he calls on companies to begin to position their CSR practices in a way which more intrinsically, systemically, and innovatively contributes to the long-term growth and sustainable development of the respective communities and countries in which they operate on the African continent. The author demonstrates how this altered approach, in which companies concurrently contribute to their own growth, sustainability and (ultimately) profits by advancing the socio-economic and environmental sustainability, progress and well-being of the African people, presents a new mutually beneficial and sustainable CSR model. The example illustrates how businesses operating in Africa can contribute to the efforts on the continent and still make a decent profit in an approach which is collectively advantageous for all constituents. The paradigm shift proposed in the chapter with respect to the new perspective to achieve more sustainable solutions presents the missing link in the practice of CSR in this case study of the African continent.

Chapter 23 in the practical realm by Dr. Ortrud Kamps from the FOM University of Applied Sciences, Essen, Germany, continues the focus on Africa from the previous chapter by contributing a specific case study example of the German development initiative Cotton made in Africa (CmiA). In the search for the missing link in the on-going debate on implementing CSR and Sustainable Development (SD), the author highlights the CmiA as a novel initiative with a widespread impact on business solutions which, among other goals, aims at reducing poverty in developing countries. The author demonstrates how the CmiA approach successfully improves the living conditions of poor small-scale African cotton farmers and provides fair-traded cotton clothing to the ordinary consumer on the world market. In a critical evaluation of both its successes as well as its limitations, she subsequently investigates whether this case study can serve as an example for the highly competitive world of global business. The chapter concludes that the CmiA presents a successful example of responsibly connecting all stakeholders for sustainable growth including governments, the private sector, non-profit organisations, and people at the grassroots

level, working together with the long-term goal of successfully facilitating simultaneous economic, ecological, and social sustainability.

Chapter 24 in the practical realm by Professor Dr. Linda O'Riordan and Professor Dr. Piotr Zmuda from the FOM University of Applied Sciences, Essen, Germany, critically reviews a conceptual framework for strategic CSR management. It collectively addresses the missing link focus of the previous chapters by targeting the lack of transparency for all stakeholders with respect to managing CSR and Sustainability in everyday business practice. In particular the chapter focuses on the management challenge facing decision-makers of identifying why and how to integrate Corporate Responsibility (CR) and Sustainable Development (SD) solutions into their business operations. Because a review of the latest literature suggests that the management tools for translating notions of sustainable responsible management into everyday business practice are limited, the chapter rigorously reviews a recent conceptualisation (CR management framework) of corporate approaches to responsible stakeholder management which was developed by one of the authors in separate research. The authors apply problem-solving techniques both theoretically and empirically via qualitative evidence obtained in a case study of a leading transnational corporation's CR activities. This study simultaneously tests the framework and, in doing so, critically examines the responsible activities of the target company under investigation. The ensuing results highlight both the positive potential and room for improvement in both the management framework and the target company's CR response. The ultimate outcome is an updated management framework which is designed to serve as a comprehensive, inclusive, systematic set of steps to guide business decision-makers when developing their sustainable business strategies. Ultimately, the framework presented in this, the final chapter in the practical realm of this book, implies that by managing their resources following the triple bottom line mind-set proposed, both sustainable social progress and business wealth generation can thrive. Consequently, the management frame-work presented in this chapter is the missing link solution proposed by the authors for achieving a practical realisation of the required inter-connectedness within and between the various themes and business functions addressed in the previous chapters within part two of this book.

This completes Parts one and two of this book which were conceived, coordinated, and reviewed by Professors O'Riordan and Zmuda.

1.3 Part III: The Educational Realm

Part three focuses on the Educational Realm. In Plato's dialogue Meno the core question of ethics education is discussed between Socrates and Meno. They debate that people are not good by nature which implies the requirement for at least some "teacher" of "good" (having in mind that the definition of "good" is not an easy task). But these teachers do not only have to live a good life, they also need a certain knowledge of the "idea" of good. Today, it seems that this basic concept is challenged. First, because the idea of avoid-

ing ideology in Business-Schools within the academic mainstream avoids Platonic philosophical thinking. Second, because on the managerial side of ethics education, corporate social responsibility (CSR) courses tend to delegate moral questions into the private life of the students and thus focus on concepts of measurement and value creation of corporate responsibility, but not so much on the ethical foundations. Third, despite the fact that generations of MBA graduates who were not trained in business ethical thinking played their part in an "Epoch of Catastrophes"[2] (Wankel and Stachowicz-Stanusch 2012), pressure to implement business ethics into the academic curriculum is not driven by the faculty itself. For many good reasons, this implementation, while undoubtedly a great challenge, is nevertheless necessary.

Part three of this book provides insights into various aspects of this challenge.

Chapter 25 by Jun.-Professor Dr. Karl-Heinz Gerholz and Professor Dr. Stefan Heinemann ask: CSR—A new Challenge for Universities? The topic of CSR is often discussed in connection with business organisations. But also for organisations such as universities, CSR represents an important area of influence. The main, clearly related question for research is: What form of specific commitment to society is fitting for universities and society, and how can this commitment be achieved? This leads to the question of how universities should design their CSR activities. This is driven by two discourses: the CSR- and civic engagement-discourse. In the literature a missing link between these discourses can be identified, therefore our first approach is to analyse these discourses concerning their similarities and differences. In doing so, the authors demonstrate that there are different traditions and theoretical foundations in these discourses. Significantly, from an empirical point of view, no integrated survey of the CSR and civic engagement activities of universities has been conducted to date. Therefore, in this chapter the authors present an empirical case study with regard to CSR and civic engagement activities of universities. They present the results of an empirical case study of the current situation of universities in Germany (the federal state of North Rhine-Westphalia specifically and with a focus on business faculties) and their CSR and civic engagement activities. In conclusion, the authors present some preliminary inferences for future development of CSR and civic engagement activities at universities.

Chapter 26 by Professor. Dr. Frank P. Schulte (FOM University of Applied Sciences, Essen, Germany), Jun.-Professor Dr. Karl-Heinz Gerholz, and Professor Dr. Stefan Heinemann focus on empirical Indications of the Relationship between Ethical Competency, Diversity Competency and other Parts of the Competency Construct. As a construct, competency is generally divided into several parts (e.g., professional competency, social competency, personal competency), of which ethical competency ("to do right") and its social counterpart, diversity competency ("to do right with others"), are still being researched. The importance of this chapter is obvious: Especially, but not exclusively, in business edu-

[2] Wankel, C., & Stachowicz-Stanusch, A. (2012). Handbook of research on teaching ethics in business and management education. Hershey: IGI Global.

cation, teaching "to do" as well as "to do right" and "to do right with others" is becoming more urgent and complex, and concepts related to corporate, as well as individual social responsibility are gaining recognition as essential elements. However, analysis of university curricula indicates that higher business education programs are often not as "doing"-orientated as the construct of competency may imply. What is more, effective and efficient methods of measuring students' expectations and experiences with regard to the teaching of ethical and diversity competency are not yet available. The authors therefore developed short self-report scale to screen expected academic acquisition of ethical competency and diversity competency. They tested the scale with the help of students from several business degree programs at a German university. The authors compared their expected ethical and diversity competency acquisition with expected acquisition of unspecific professional and methodological expertise, social competency, and personal competency, as well as their general self-efficacy. Despite the small sample size, the results of the study indicate acceptable degrees of construct validity of the scale within the general construct of competency. The authors identify a pronounced demand for the teaching of "doing right" as well as "doing right with others" and identify specific relationships between diversity competency, ethical competency, and the other parts of the competency construct (e.g., an expected strong relationship between "doing right" and "doing right with others", or the surprisingly missing relationship between ethical competency and social competency).

Chapter 27 by Jun.-Professor Dr. Karl-Heinz Gerholz, Department Business and Human Resource Education, University of Paderborn, focuses the Fostering of Ethical Skills in Higher Business Education. Due to recent scandals—for example, during the financial crisis—ethical competence and behaviour has been recognised as an important area of attention for managers. This trend indicates the relevance of business ethics as an integrated part of the education of (future) managers in Higher Education institutions. At the same time, there is a growing demand that higher education is more pertinent to the needs of the working environment. Based on these premises, a missing link between Business Education and ethical needs in working environments can be recognised. In order to close this gap two questions arise: Which ethical competences do future managers need? How can Business Education comply with these requirements and support students to develop these ethical competences during study processes? This contribution will address these questions and, in doing so, draw from curriculum theory. The key goal of the contribution is to discuss the main aim of Business Education in Higher Education institutions and what this means with respect to fostering ethical competence. Based on these remarks, empirical studies of curricula in Business Education are presented. One conclusion is that it seems important—especially for the intention of Business Education—to design more action-orientated curricula to foster ethical competence. These curricula are based on practical ethical problem situations. The requirements for acting in these situations define the competences respectively knowledge, motivation, and attitude aspects in ethical business behaviour. In conclusion, an action-orientated curriculum for Business Education will be presented.

Chapter 28 by Professor Dr. Georg Müller-Christ, chair of sustainable management at the University of Bremen, Department of Business Studies and Economics and Anna Katharina Liebscher, Researcher at the University of Bremen, Department of Business Studies and Economics address the Transdisciplinary Teaching of CSR by Systemic Constellations. The demand for innovative teaching methods for the transfer of sustainability and CSR knowledge to students is constantly rising. However, the problem remains that such knowledge is rather orientating than based on "hard facts". So the question rises, if there are new and innovative methods—especially in the course of rising demands for trans-disciplinary and research-orientated teaching—which are suitable for the transfer of knowledge and the creation of insights into socially highly important topics such as sustainability and CSR. This chapter presents such a method. The method of systemic constellations is meanwhile well known in organisational consulting and is slowly finding its way to university teaching. The authors have worked with the method for several years and have gained some experience in the use of the method in university teaching. In the chapter the topics sustainability, CSR, sustainable leadership and decision-making premises in companies are addressed and related to the benefit, which can be gained by applying the method. To illustrate the huge potential the method bears, some examples are explained that show how the method has been applied in the context of teaching CSR.

Chapter 29 by Professor Dr. Stefan Heinemann and Professor Dr. Ralf Miggelbrink, Chair of Systematic Theology at the University of Duisburg-Essen (Germany) focuses on the Relationship between Value Pluralism and Management. In this chapter, the authors argue that the plurality of values in global business raises questions and challenges in company management that the companies, their workforce, management, customers, suppliers, and ultimately all other stakeholders, are barely able to address and answer without the normative realm coming into view. The concept of the faith-friendly company (Miller) similarly stems from the American public theology agenda, which in a sense has succeeded the concept of civil religion: rather than powerful indoctrination of a meta-religious ethical consensus, here, different religious and ethical convictions are the focus. The logic of the faith-friendly company dictates that reason and understanding, based on the individual experiences and practices of employees, partners and customers in handling with the reality of the Absolute, are essential. The authors claim that the ethical supermarket is not an attractive management solution; it renders faith-friendly business impossible and ultimately endangers the assumption of social responsibility with any conviction. This concept responds to the dilemma of companies not being able to prescribe religion to their employees but still needing some kind of connection between them and the reality of the Absolute, together with the necessary religious plurality.

Chapter 30 by Jun.-Professor Dr. Karl-Heinz Gerholz and Simone Losch, Researcher at the University of Paderborn, ask "Can Service Learning Foster a Social Responsibility among Students?" and conduct a didactical Analysis and Empirical Case-Study in Business Education at a German University. Due to the recent global economic crisis, the role of business education is becoming more urgent and concepts related to social responsibility are gaining recognition as essential elements in business education. One open ques-

tion is how can business education contribute to sensitising future managers into acting responsibly? Service learning is often attributed to the potential to promote social responsibility and citizenship skills among students. Service learning can be described as a teaching tool that is characterised by students giving service to the community and having a learning experience. The key goal of this chapter is to have a look at service learning as a teaching tool from a didactical point of view. In the first part, the authors provide an overview about the potentials of service learning and show the didactical and learning theoretical foundations of this approach. Based on that, they present several empirical studies on service learning in business education and aim to demonstrate that cognitive development and understanding of social responsibility can be promoted through service learning. However, having an effect on the sense of responsibility is mostly dependent on the didactical design. Service learning can be described as a context-sensitive concept; therefore, an implementation in German business education needs a contextual adaption. To address this, in the second part, the authors present a case-study to design and to implement service learning in a German faculty of Business Administration and Economics. They evaluated this service learning arrangement through a qualitative survey. As one result of the survey, it can be shown that the didactical adaption of the service projects and the reflection about the service activity through the students are relevant design criteria for service learning.

This final part of the book was conceived, co-ordinated, and reviewed by Professor Heinemann.



http://www.springer.com/978-3-658-06793-9

New Perspectives on Corporate Social Responsibility
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O'Riordan, L.; Zmuda, P.; Heinemann, S. (Eds.)
2015, XVI, 641 p. 101 illus., Hardcover
ISBN: 978-3-658-06793-9