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RESPONSIBILITY, ETHICS AND SUSTAINABLE  
BUSINESS**

Volume 7, 2018

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# THE IMPACT OF FIRM'S CORPORATE SOCIAL RESPONSIBILITY ON COMMUNITIES

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Corporate Social Responsibility reflects the belief that firms make decisions for reasons beyond the firm's direct economic or technical interest and that firms have multiple responsibilities to society, not just to shareholders. Often discussed through a stakeholder perspective in the context of large, multinational enterprises, corporate social responsibility in the transport sphere and in a small to medium sized firm context is lesser known. The specific ways in which firms interact with their communities has received little scholarly attention. This paper makes a contribution to knowledge by discussing why and how firms adhere to varying extents of corporate social responsibility by drawing on findings from a recent Australian research project set in the context of the bus and coach industry. This paper introduces seven factors (variables) as to why firms have varying levels of community interaction and defines eight ways in which firms interact with the communities in which they operate. It finds that the small, non-metropolitan, family business school bus operator interacts on a per-staff-member basis in the community in which the firm operates more than any other type of bus operator governance model. This paper recommends that this governance model be codified to endure by forming part of government bus service procurement regimes, given the social benefits that accrue to the community as a result of the firm's corporate social responsibility. Doing so would be consistent with the concept of triple-bottom-line analysis, realising substantial progress towards achieving social goals associated with government procurement regimes for transport services and contribute towards community prosperity.

**Keywords** *Corporate social responsibility, family business, externalities, bus operators, sense of community responsibility, triple-bottom-line.*

## THE FRENCH IMPLEMENTATION OF THE UE CSR DIRECTIVE: HOW TO MEASURE VALUE IN CORPORATE SOCIAL RESPONSIBILITY

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The first CSR Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, was implemented in France by the Order of 19 July 2017. This implementation in France provides a new framework for non-financial information and marks a major turning point towards greater potential responsibilities for members of the management bodies of the large corporations in question, in particular with the description of diversity policy: non-financial reporting is reviewed via an overall analysis guided by the materiality principle and genuine sustainable compliance based on a prior and relevant risk assessment. These changes come in the wake of the LTECV Act on the Energy Transition for Green Growth (17 August 2015), an example to be followed, and of the recent review of the AFEP/MEDEF Code which finally established CSR. The consecration of a real sustainable compliance from the point of view of risks is expressly consecrated, which will also pose problems of sincerity, of sufficient explanations, even of control, but it is a tool for measuring the creation of value.

Therefore, the potential role of the global and express stakeholders which refers to "the relations maintained with the stakeholders of society and the modalities of the dialogue with them (...)" confirms that we are at a turning point in corporate governance. For example, the description of the policy of diversity in

corporate boards is also an important step towards the notion of shared value even if the risks of 'lasting' positive 'or' positive discrimination 'compliance should not be overlooked.

Accessibility of extra-financial information "to the public" within a "reasonable time" on the company's website directly in line with the CSR Directive is also a new tool for creating value.

**Keywords :** *shared value, sustainable corporate governance, non financial reporting, diversity, corporate boards*

## **MAKING CORPOATE SOCIAL RESPONSIBILITY WORKS FOR BOTH ORGANIZATION AND SOCIETY**

**Omary Swallehe**

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Many organization use corporate social responsibility as a means of creating sustainable competitive advantage through building strong mutual relationships with all the stakeholders. The organizations use CSR as a strategy through implementing social activities such as building schools, hospitals, supporting social services and even contributing to the well beings of the needy ones.

The purpose of this study was to evaluate the activities of the corporate citizens in the country and found the best way of aligning CSR initiatives to attain a mutual benefits between the organizations and general public. Studies showed at least every organization in both developing and developed economies does participate in community affairs. Also that, the level of participation differs significantly between organizations and there is no clear direction of how best CSR should be undertaken. Again, organization stuck on the actual amount or percentage of profit should be returned to the community as CSR, where the ideas for the kind of support should be initiated from, who should be given the support, when the support should be delivery to the targeted community, frequency of the support and more importantly who from an organization should be championing the programme.

A total of 45 corporations in the country from four different industries were surveyed used semi-structured interview guide. Contents analysis was used to categorize the responses into five major themes namely; strategic CSR, Organization ownership of CSR initiatives, Origin of CSR ideas and types of support, Beneficiaries of CSR supports and legal enforcement available.

This study found out that, majority of the surveyed corporations do not see CSR as a strategic rather than moral obligations to the surrounding community. In this regard, the value of CSR cannot be clearly evidenced when CSR is not regarded as strategic tool.

*Key words: Strategic CSR, Value, Organization and Society*

## **CONTENDING DRUG THROUGH CSR: COMMUNITY PARTNERSHIP FROM TRIPLE BOTTOM LINE PERSPECTIVES**

**Jamilah Ahmad and Suriati Saad**

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Youth is the most valuable asset of any developing country. Vulnerable as it is, drug abuse is becoming a major distraction among youth and has been an increasing concern by the government and authority in Malaysia. Research shows that reasons for drugs intake among youth has change. Social pressure and the desire to be accepted by peers are among the current emerging trend surpassing domestic reason with minimal outside intervention such as family and home atmosphere as well as economic constrains. Out of 30,844 registered drug cases in Malaysia 10,610 are youth below 29 years old (National Anti-Drug Agency, 2017) which is alarming. As the government prepares for the National Transformation Plan 2050 (TN50), issues related to drugs abuse among youth is not only a concern of the government but

also the community. TN50 sets a vision for the nation with an eye on the aspirations of the youth. Therefore, the community members including organisations and institutions should establish a partnership in this social responsibility initiatives of nurturing brilliant future leaders amongst the youth. Community should be given mandate to champion social problem and became the avenue to help the government and safeguard society members. This article will look at how CSR initiatives can be used to cultivate and nurture values in facing issues related to drugs abuse among youth in Malaysia. This article will analyse how the three core components of Triple Bottom Line (TBL) elements such as Planet, People and Profit can be used to gauge the implementation of CSR in this partnership.

*Keywords: CSR, Drug, Malaysia, Community Partnership, Triple Bottom Line*

## **WHO DETERMINES THE OPERATIONALIZED VALUES OF CORPORATE SOCIAL RESPONSIBILITY: AN ASSESSMENT OF U.S. PUBLIC COMPANIES**

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Corporate Social Responsibility (CSR) reporting has increased among U.S. publicly listed companies over the past two decades. Many public companies have not only produced annual reports that include CSR metrics, they have also invested in establishing dedicated personnel within their organizations to develop, maintain and disseminate communications related to CSR within a sustainability context. However, much of the focus on CSR has been dependent on promoting brand recognition and as a result has been developed to meet the requirements of marketing a perception of sustainability to a consumer and investor stakeholder base with arguably, highly divergent perspectives of the purpose and value of CSR. Further, and related to the operationalizing of CSR within an organization, without a formally recognized external definition for sustainability, there is no set standard for the purpose of CSR relative to marketed sustainability initiatives.

This paper defines sustainability and assesses the value of CSR within the context of consumer and investor values relative to promoting sustainability. The analysis is based on a CSR perception survey of investors and a survey of publicly accessible sources for selected public companies in the consumer goods sector. Additionally, a lifecycle assessment of a given consumer good for each of the companies under evaluation is provided. The assessment of the lifecycle sustainability of the product is standardized for products under assessment specific to categories evaluated. The quantification of the results is determined through a Likert scale and is based on an average value of responses per lifecycle stage. Values are attributed based on responses of a sample of undergraduate students enrolled in sustainability studies at a single institution. The results of the Likert evaluation are compared to both the perception survey and company reporting of CSR, relative to the definition of sustainability provided in the paper. The results specific to the connection between CSR and sustainable outcomes as defined by the Likert assessment are not robust. There is some correlation between company CSR reporting and the perception survey of investors but this may be more aligned with the endogeneity of CSR with investor interests. The net outcome, however, highlights the significance of the relationship between investor perception and CSR operationalization along with the disconnect between product sustainability. The paper concludes with a discussion of the role of defining sustainability and the potential significance related to global adoption of a standard definition of the term in the promotion of CSR as a transparent corporate value proposition.

*Keywords: Corporate Social Responsibility, U.S. public companies, Customers, Investors, Regulators,*

# VALUES CREATION BY CSR

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At the Davos conference in 2018, Indra Nooyi, CEO of the PepsiCo Group announced a strategic shift towards the production and marketing of so-called "health" drinks (fruit juices, vitamin drinks) and the abandonment of the sale of sodas: *"PepsiCo is focused on delivering sustainable long-term growth while leaving a positive imprint on society and the environment - what we call Performance with Purpose. Our focus includes transforming our portfolio and offering healthier options while making our food system more sustainable and communities more prosperous"* (PepsiCo, 2018). Why and how does Corporate Social Responsibility (CSR) invite managers to redefine business models? This paper seeks to provide some answers.

The theoretical framework defines CSR as the operational application of sustainable development issues. Implementing CSR means that the company is gradually redefining value creation according to the universal values of sustainable development. The business model, as a representative tool of a company's value creation system, no longer aims to create only economic value but also social and environmental values. These values become indicators of the company's contribution to sustainable development issues. The profit of the company is considered through an equation of plural profits giving meaning to the overall performance of the company. The research-intervention carried out "with and for" Janssen France has made it possible to develop and test a process of values creation by CSR to facilitate decision making by managers in this area. It consists of three sequences. It helps practitioners to better understand how CSR is defined in their business, to structure a strategic orientation and to make concrete the company's contributions to sustainable development issues. By integrating CSR at the heart of the business model's components, the company broadens the scope of its activities and contributes to the common good.

**Keywords:** *CSR, values creation, business model, research-intervention*

## THE ROLE OF THE CORPORATE SOCIAL RESPONSIBILITY IN SUSTAINABLE DEVELOPMENT OF SMES IN AZERBAIJAN

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The primary goal of this research work is to clarify and give a reasonable explanation to the role of corporate social responsibility (CSR) in sustainable development of small and medium-sized commercial organizations, particularly in post-soviet countries including Azerbaijan. As a central topic, it first discusses the concept of corporate social responsibility, its formation, development, transition to a new level, and then concentrates on the role of CSR for the companies, their sustainable development and establishing an effective dialogue with the overall environment.

The author sets out the levels of responsibility of the business from the perspective of the CSR pyramid of Archie Carroll, an American economist, specifying the social responsibility as one of the most important responsibilities of businesses. The role of corporate social responsibility is underlined as an effective tool in gaining competitive advantage and establishing dialogue between the business organizations, community and governments.

### Literature review

This research work is developed on the basis of published theoretical literature (books on CSR and corporate governance) and published articles of national and international researchers devoted to various aspects of corporate social responsibility. Some field survey and first-hand information gathering has been conducted at this stage of the research. We also used materials of scientific-practical conferences and business forums conducted in Azerbaijan and abroad, expert analyses, documents of international organizations, as well as of business associations specialized also in scientific research (Bank for Development and Foreign Economic Affairs (Vnesheconombank), Russia). As the national news agencies

and the media has limited knowledge about CSR we did not focus on articles devoted to different non-systematized CSR related activities of national SMEs.

#### Methodology

Used methods include logical reasoning based on the analysis of scientific literature and of statistical data, analysis of CSR reports and data publicly available on the websites of different companies and comparative-historical method.

#### Results and conclusions

This research work is a study on the role of CSR in sustainable development of commercial organizations. It has been developed on the basis of theoretical materials and the studies of foreign and national experts in the field of corporate governance and social responsibility of businesses.

#### Practical and social implications

There has been a lot of effective researches on CSR. However, while reading CSR strategies of most national companies in post-soviet arena it becomes clear that CSR concept is still not well understood by businesses and they don't have clear definition of it. As CSR strategy and its fulfillment depend on the perception of this concept by the companies and their environment, conclusions and recommendations made in this research work can be used by business organizations, particularly by SMEs who are interested in developing and practicing a consolidated CSR strategy.

Furthermore, the content and the research materials of this study can be used for developing lectures/courses on Strategic Management, CSR and Corporate Governance, Business Ethics.

**Keywords:** *CSR, sustainable development, business and society, social reporting, CSR pyramid.*

## **CORPORATE SOCIAL COMMUNICATION OF RESPONSIBLE COMPANIES: A CASE STUDY ON CSR REPORTS**

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This research aims to contribute to the body of knowledge concerning the corporate social responsibility (CSR) communication. From the point of view of the strategic and organizational communication, this study has been focused in the will of understanding the value of internal corporate social responsibility on what encompasses the strategic choices in communication that must be made by companies, specifically in social responsibility reports, which are fully intentional tools used in CSR communication. That purposeful intentional documents embody what is the foundation of the strategic communication as a new paradigm in the field of communication of organizations (*e.g.*, Argenti, Howell, & Beck, 2005; Hallahan, Holtzhausen, van Ruler, Vercic, & Sriramesh, 2007; Carrillo, 2014; Oliveira & Ruão, 2014). A qualitative methodology was applied, through a multiple case study research. As units of analysis, 10 CSR reports of companies considered "Great Places to Work" were chosen, as to narrow our CSR focus on internal CSR (iCSR). The empirical research was grounded on finding the coherence between that external attribution and the revealed content of their reports. We find that this case study is a valid contribution for the strategic organizational communication's body of studies, in the sense that we managed to emerge a profile based upon the coherence between concerns towards employees and the communication of those concerns (by the company's own voice or otherwise). We also managed to find some aspects that appear to be relevant on organizations that have scored higher in that iCSR profiling: the firm alignment between CSR and the organization's identity; the visuals focusing on the employees on the cover of the CSR report, coinciding with its contents; and, furthermore, the external discourses concerning these companies tend to focus on team spirit, sense of belonging, and the importance of the organizational culture.

**Keywords:** *CSR communication; CSR reporting; Internal CSR.*

# **PUNCHING BELOW THEIR WEIGHT: THE VALUE OF ENVIRONMENTAL PROTECTION COLLABORATIVE PROJECTS BETWEEN ENGOS AND THE RUSSIAN OIL COMPANIES.**

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The Russian oil industry which is almost solely responsible for supporting the largest post-communist economy, has not stayed immune to the growing trend of Corporate Social Responsibility (CSR). At the same time, Russia's natural environment continues to be blighted by water and air pollution from inefficient and wasteful extraction and the manufacturing and transportation of oil. However, research into this topic is scarce and knowledge of how Russian oil companies perceive and practice corporate environmental responsibility (ECSR), is very limited. As part of wider research, this project investigates collaboration between oil companies and environmental non-governmental organisations (ENGOS) in improving the quality of the natural environment.

The literature suggests that in the context of rising activism and social and environmental consciousness, consumers expectations have led companies to consider partnerships with ENGOS as a part of various long-term value-adding strategies, improving legitimacy and gaining credibility with stakeholders. However, reports from this research indicate that in the case of the Russian oil industry, concerns over ENGOS motives outweigh any potential value added by partnerships to firms' reputations.

Drawing from 32 semi-structured in-depth interviews with executives of four Russian oil companies, ENGOS activists and a range of other stakeholders, this research illuminates the barriers faced by the ENGOS in working together with the oil companies to improve the quality of the natural environment.

This research offers alternative strategies ENGOS can employ when attempting to engage oil companies in collaborative projects. The findings of this research may be useful to non-governmental organisations seeking financial support from and collaboration with manufacturing companies in Russia.

*Key words: ENGO's, Russian oil companies, collaboration, value*

## **THE RECOGNITION OF THE IMPORTANCE OF STUDYING BUSINESS ETHICS AND CSR BY STUDENTS OF BUSINESS SCIENCES: THREE PORTUGUESE CASE STUDIES**

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It is indissociable to combine corporate social responsibility with the necessary adoption of ethical behavior by organizations in general and by companies in particular. In this sense, it seems to be decisive to train future professionals (leaders and not only) for ethics, for a sensitivity to the surrounding context and for the listening ability of the different stakeholders. Civil society and its constituent groups are increasingly having the means to compel organizations to be guided by a way of being and of acting that puts ethics (business and professional) as unavoidable.

The present study has, as main objective, to evaluate the importance that the students of the superior education of three different courses but all of the Business Sciences (Organizational Communication, Tourism and Management) attribute to the formation in ethics as an important component of its syllabus. To do this, three different methodologies were used, one per course, and the data collection took place during a period from 2010 to 2017. The different methodologies aimed at different but complementary results. In Organizational Communication, and for three years, all students were questioned about the importance of the ethics of their profession before and after completing the Deontology and CSR curricular unit; in Tourism, a questionnaire was made with two open questions about the importance of ethics in this professional area to the students of the 1st and 2nd years; finally, in Management, we opted for a

comparative documentary analysis that aimed to verify the existence and the compulsory / optional nature of the curricular unit on Ethics and/or CSR in all the courses of the area in Portugal.

Although the use of different methodologies leads to information that is not totally comparable, it is interesting to note that in the three domains of business sciences, current generations of students are receiving, mainly, specific training in ethics and, when asked, they globally value this knowledge, the sensitivity and the critical attention they acquire and are aware that they are intended to apply this learning later, in a work context.

## **VALUE OR VALUES BASED CSR COMMUNICATION IN RESPONSE TO VIRTUES IN MEDIA REPORTING? GERMAN AND SWEDISH CORPORATIONS IN THE AFTERMATH OF THE 2015 REFUGEE SITUATION**

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Media played an important role in framing the 2015 European refugee situation as a crisis. For example, the Council of Europe report (DG1(2017)03) documents a sharp reorientation in media reporting from ‘careful tolerance’ to ‘fear and securitisation’. Following institutional theory, corporations’ reply to the refugee situation is embedded in a given societal context, that is most actually encapsulated by media sentiment: while what is (and could be) done is imposed and options are limited, there is still some room for different corporate strategies.

We identify four major communication strategies corporations use to deal with the refugee issue: i) taking into account the social dimension (employment, integration, donation, encouragement), ii) considering the refugee issue in terms of business forecasting (opportunity, threat, neutral), iii) doing both, or iv) ignoring the issue altogether. Assuming a link between media coverage and CSR response, the European 2015 refugee situation provides a unique case. Based on content analysis of the 2015 and 2016 annual reports for the largest German and Swedish listed corporations, we analyze patterns in the reporting strategies of the corporations.

The tentative findings of the paper indicate that - in response to the changed media sentiment - German as well as Swedish corporations to a lesser extent reported on the business case of the refugee situation, many restoring to avoidance. However, to complicate things, the findings also indicate an increase in altruistic charitable response the the refugee situation in both Germany and Sweden. Moreover, our findings indicate that patterns vary between German and Swedish corporations to some extent.

## **SDG'S CHALLENGES FOR ALL TOMORROW'S LEADERS**

**Joana Lobo Fernandes**

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Corporate Social Responsibility represents the incorporation of social and environmental concerns into an equation traditionally subordinated only to the economic logic of profit. The integration of these dimensions led to the emergence of new organizational management paradigms, guided by a narrative that calls for an economy in service of life (Laszlo, Sroufe and Waddock, 2017). These new narratives pose additional challenges to business schools (PRME, 2007). The increasing complexity of the reality and the problems it receives (social, cultural, environmental), coupled with the emergence of new technologies that allow rapid information, but also the possibility of demanding greater transparency and accountability, has not affected only teaching in business schools, but rather a challenge for all the leaders of tomorrow, in the various areas of intervention in society, markets and communities.

In 2016, the UN presents its 17 Sustainable Development Objectives (SDG), continuing the call for greater involvement in resolving these societal scourges. At the launch of the SDG, the UN Secretary-

General said that these are "a list of things to do on behalf of peoples and the planet, and a plan for success" (UN, 2015).

In this logic, higher education institutions (HEIs) are not different, since they have important and unique impacts on society in general, and on the communities where they are inserted, in particular. However, it adds a unique and differentiating element that lies in its ability to produce knowledge and promote learning (Vallaes, 2009).

This communication intends to reflect on the application of the PRME to other professions of the following generations, globalizing (even more) the concept of sustainability.

## **REVEALING THE ECONOMIC VALUE OF WATER IN GLOBALLY DISLOCATED AGRI-FOOD SUPPLY CHAINS: DEVELOPING A (NEW) METHODOLOGY TO IMPROVE ALLOCATIVE AND PRODUCTIVE EFFICIENCY**

**Benjamin Lowe, David Oglethorpe and Sonal Choudhary**

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Water Footprint Assessment (WFA) has built on the concept of virtual water by providing a fully developed methodology to account for the volumes of green and blue water consumption, and grey water degradation, that occur along product supply chains. However, WFA has been criticised for its inability to go beyond volumetric accounting and to connote the varying impact associated with spatial disparities in water scarcity.

Separate to this literature on volumetric water flows in supply chains, there is a well-established body of work regarding the environmental (non-market) valuation of the benefits provided water resources which are either not orchestrated by, or responsive to, market forces. For use in Cost Benefit Analysis, this literature looks to estimate the net impact, on human well-being, of policy changes that effect the goods and services provided by water in order to optimise resource management solutions. However, to date this has exclusively focused on the local context and the valuation of, for example, individual water services or specific water bodies.

The aim of this paper is to bring these two decision support tools (WFA and environmental valuation) together by setting out an approach to revealing the true economic value of virtual water use in globally dislocated supply chains. This, it is argued, would allow the spatial distribution of the impacts associated with varying levels of water scarcity to be revealed, together with the trade-offs necessary to restructure supply chains to improve allocative efficiency. What is more, it would do so in a metric which is easily understood by businesses and consumers alike, and which, in the case of the former, would facilitate a comparison between the financial and non-financial costs and benefits of water use. The method, which utilises secondary data, is illustrated in an agri-food product supply chain case study.

**Keywords:** *Ecosystem services, Total Economic Value, value of water, water footprint.*

## **BETWEEN VALUES AND VALUE: ORGANIZATIONAL BEHAVIOR**

**Paolo D'Anselmi**

This paper argues that values actually driving the creation of value are unknown values. Like:

- \_ competition, the governing dynamics of cooperative competition (Nash);
- \_ Work - or labor - which we call implementation;
- \_ disclosure, openness of communication (Francisca Farache / Habermas' Communicative action);
- \_ micro-ethics, that is the canon values applied to the self, in small intervals of organizational behavior (not like in whistleblowing, self-sacrificing behavior);



\_ stewardship of the unknown stakeholder, i.e. stakeholders that organizations know very well that are there, but do not protect; neither are unknown stakeholders protected by public institutions; these are stakeholders who are unaware of their stakes or are incapable of action because of the limitations of collective action (Olson's forgotten groups).

On the other hand, the paper argues that the canon values of current discourse (Gentile) are the values of the current collusive equilibrium between private sector élites and public sector hegemony. Such values emerged from the Weberian ideal-typical notion of bureaucratic authority:

- \_ ethics, as in the protestant ethic
  - \_ integrity
- \_ impartiality, and consequent tenure
  - \_ vocation (beruf)
  - \_ hierarchy
- \_ everything non-Smithian ("individual ambition serves the common good").

The paper concludes the canon values need being integrated with currently unknown values, emerging from the analysis of organizational and economic behavior, in a neo-Weberian (non-ideal-typical) perspective. Max Weber's theory of bureaucratic authority needs integration with neo-Weberian literature of the 20th and 21st centuries.

The link between values and value is, indeed, individual behavior (ethics), but also organizational behavior. We need to tap the literature on organizational behavior to check against reality the relevance and effectiveness of ideal-typical values.

What is a value? What is value?

A value is something a priori that drives our individual behavior (from Confucius, Moises, and Mohammad probably, onwards). Shared values are in the 7S model of the organization (Athos, Pascale) these are values, but not in the Weberian generic sense, they are specific to the company, e.g: close to the customer, managing ambiguity and paradox, etc (see the eight values / qualities of successful companies in *In Search of Excellence*, Peters and Waterman). Value is something people buy (Porter, value chain). Also public value is possible, however it needs being proven (Moore and Leonard, in Moore ed, *Ports in a Storm*).

Shared value (Porter and Kramer) is private value (value) and public value (Moore and Leonard). The validity of values needs to be proven through value. Values per se deserve no blank check.

## **SOCIAL DESIGN FOR SUSTAINABLE SOCIETY: THE CASE OF JAPANESE SOCIAL ENTERPRISE**

**Mizuho Iinuma and Eri Mizutani**

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Creation of sustainable society has become a common global goal as UN General Assembly adopted the Sustainable Development Goals in 2015, calling for universal action. Although Japan is lagging behind in policy making for sustainable development, there are some unique successful cases of social enterprise in which creation of new value among multi-level agents played the key role in social innovation. This paper will show how creating new values among multi-level agents can help progress sustainable development.

Design for Sustainability (DfS) is an emerging field that can potentially provide theoretical and practical frameworks in creating new values for manifesting sustainable society. In the field of DfS, innovation for environmental and social benefits have evolved from narrow technical product and process-centric focus towards large-scale system level change (Ceschin, F. et al, 2016).

Although design of large-scale system innovation which includes socio-technical system innovation is necessary for changes to bring about sustainable society, not much study has been done in this area. The goal of the large-scale system innovation is the transformation of socio-technical system through integral and strategic design. Ceschin, F. et al (2016) claim that this approach is too "big picture" and need to be supported by approaches that focus on development of product and services that can be part of the new socio-technical system. Creating new value can be a potential link that connects micro-innovation with macro-innovation. Developing theoretical insights would help to linking micro-innovation with macro-

innovation. Ideas in Social Design will be discussed in this context. Three successful cases of social enterprise in Japan will be discussed with a new model in Social Design.

*Keywords: Social Design, Design for Sustainable Development, Social Enterprise*

*Ceschin, F. et al (2016). Evolution of design for sustainability: From product design to design for system innovation and transitions, Design Studies 47, 118-163.*

## **YOUTH WORKING WITH 2030 GOALS MAY LEAD TO CHANGING CORPORATE CULTURES**

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When the first semester started in the fall, none of the students had heard of the 2030 UNESCO goals. In fact, only a few had ventured outside the country. Most of the students were from the midwestern United States and had led sheltered lives in term of the world's needs. As they were introduced to the UNESCO 2030 goals, they learned to think of them as 17 buckets. As the semester progressed, students became interested in one bucket over another. They were shown how they could click on a bucket for more information and were encouraged to explore. Ultimately each student had to choose a bucket and a country from the bottom half of the economic pyramid.

The goals are huge topics such as in Clean Water and Sanitation for the world. Students and corporate leaders must learn to focus on a single, attainable goal for a population. This is the job of the first class in Design Thinking for Social Product Innovation. Students learn to look at water or sanitation, even though the two are related. If they chose water, they learn to look at quality, quantity, distribution and so forth. This is an amazing process of dissection but one that future corporate leaders need to be able to guide if they are to have social impact locally or globally.

This case study will show that at the end of the semester, students not only have defined a problem and a country or region, or sea etc. but can communicate it to others. The videos they have made to show the bucket or goal and the problem in a location very from good to incredible. If future corporate leaders can unite their teams around the need to make the world a better place it will constantly improve.

*Key Words: UN Sustainable Development 2030 Goals, Design Thinking, Social Product Innovation, Attainable, Corporate Leaders*

## **THE EFFECTIVENESS OF COMBINATIONS OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITY (CSRA) AND COMMUNICATION (CSRC) AS STRATEGIES FOR (RE)GAINING LEGITIMACY**

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Numerous scandals have challenged companies' social legitimacy. Although researchers currently assume that companies can use corporate social responsibility (CSR) as a vehicle for improving their legitimacy in the eyes of stakeholders and of society in general, little research exists on the effectiveness of CSR strategies for improving legitimacy. In the present study, this lacuna is addressed with an examination of how corporate social responsibility activity (CSRA) and corporate social responsibility communication (CSRC) impact legitimacy. The results indicate that neither CSRA nor CSRC has a standalone effect on legitimacy. Nonetheless, CSR is important for legitimacy. Three CSR strategies consisting of different combinations of CSRA and CSRC are hypothesized to have different legitimacy impacts, which is then empirically tested in a sample of German companies. A CSR strategy that combines high levels of CSRA

with low levels of CSRC emerges as the most effective for (re)gaining legitimacy, while an opposite strategy that combines low levels of CSRA with high levels of CSRC emerges as the worst.

## **DOES CORPORATE SOCIAL RESPONSIBILITY PAY OFF? THE IMPACT OF CSR ON BRAND STRENGTH, BRAND LIKEABILITY AND BRAND CONCISENESS**

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Consumption habits are subject to constant change with sustainability emerging as a new trend in the past years. More and more consumers consider Corporate Social Responsibility (CSR) as a criterion, some even as a prerequisite in their buying decision. Although some research has been undertaken, the question which value CSR activities add to the company and especially to brand equity related performance indicators like brand strength, brand likeability and brand conciseness is not yet fully answered.

The purpose of this paper is to empirically test the impact of CSR on brand strength, brand likeability and brand conciseness. The online survey resulted in 119 responses. Investigating two product segments (soft drinks, cosmetic products) and a sustainable/non-sustainable brand pair for each, we form three contrasting groups representing a low, moderate respectively high CSR index value. The analysis leads to the conclusion that CSR significantly influences all three of the abovementioned variables, however to different degrees. The greatest impact is observed on brand likeability, only a weak one on the brand conciseness. Additionally, it can be concluded that moving from a low to a moderate CSR index value offers much more limited opportunities than clearly outperforming competition by a high CSR index value. This suggests that addressing the issue of CSR half-heartedly will not lead to the desired results.

Controlling for the brand category (sustainable vs. non-sustainable brands) reveals additional insights. For sustainable brands CSR is a major component of the brand strength, for non-sustainable ones it is one among a variety of others. Furthermore, CSR has a significant impact on brand conciseness only among sustainable, but not among non-sustainable brands. In conclusion, a consistent implementation of CSR has the potential to fuel brand strength, brand likeability and for brands positioned as sustainable also brand conciseness.

**Keywords:** *Brand Conciseness, Brand Likeability, Brand Strength, Corporate Social Responsibility, Contrasting Groups method*

## **CROSS-SECTOR COLLABORATION - MISSION IMPOSSIBLE? LESSONS FROM A CASE OF SOCIAL RESPONSIBILITY IN THE INTEGRATION PROCESS.**

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Cross-sector collaboration has become a prominent feature of corporate social responsibility (CSR) initiatives in business organizations. In the past few years in Sweden, for example, a wide range of policies, programs, and projects have been initiated to facilitate the labor market integration of new migrants. A common feature of these projects is cross-sector collaboration between the private sector, the public sector, and civil society (nonprofit organizations). However, the phenomena is not yet well understood. Why are cross-sector CSR initiatives increasing? How are they organized? What are the sources of values? What factors influence cross-sector collaborations? How are cross-sector collaborations evaluated?

Our main concern in this paper is how tri-sector CSR collaborations are initiated, implemented, and create values for various stakeholders. Furthermore, we explore the factors that influence the effectiveness of tri-sector collaborative efforts. The objective is to contribute to our understanding of the

conditions for cross-sector collaboration in addressing social issues. Understanding tri-sector collaboration is important because these have the potential to generate transformative values for individuals and society.

Our analysis is based on data from an ongoing project, “E-Resource” (E-resurs) which is a tri-sector collaborative initiative to promote entrepreneurship among new migrants in the municipality of Örebro. E-Resource consists of four different sub-projects each targeting a specific category of new migrants who desire to start their own company. However, current regulations on income support expect such start-ups to be profitable from day one, which is more or less a mission impossible. A collaboration between the municipality of Örebro, private businesses, and a number of nonprofit organizations was initiated to circumvent the immediate effects of the income support regulations. We describe and analyze the framework, the processes, resources invested, and sources and types of values created in the tri-sector collaboration. We identify and categorize the main constraints on the value creation and retention processes on macro, meso, and micro levels. Data collection methods include observations, surveys, interviews and document study. We draw upon literature on CSR, Value Creation, Collaboration/Partnership and Entrepreneurship

**Key Words:** *CSR, Value Creation, Collaboration, Migrant Entrepreneurship, Integration*

## **WHAT IS BEYOND PHILANTHROPIC RESPONSIBILITY?**

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The CSR pyramid by Carroll is one of the most popular concepts of corporate social responsibility. It defines four categories of responsibility: economic, legal, ethical and philanthropic. It was developed in the 1990s and in 2016 the author reconsidered its relevance and applicability, concluding that it is still useful. In this paper we suggest that there is an additional potential level of responsibility, going beyond the expectations of stakeholders, which can be labelled as “orientational responsibility”. Some companies do not only rely on existing expectations of their stakeholders, but they intentionally influence, shape those – especially those of their current or potential customers – in order to foster sustainability, enabling the realisation of sustainable consumption patterns. Some so-called “sustainable business models” also support the realisation of this level, but enterprises with traditional business models can also be active in this regard. Companies performing orientational responsibility do not only create value but also contribute to shaping the value system of their stakeholders and thereby the society. Company size, profile and location influence the potential of orientational responsibility to a great extent. After overviewing the potentials of shaping expectations, we also discuss its potential negative consequences. Companies that produce controversial products are more likely to be involved in discussion on sustainable consumption, as their social licence to operate is more vulnerable. The CSR activities of some Hungarian alcoholic drink producing companies are presented as a sectoral case study in order to demonstrate activities belonging to the various categories of responsibility, including orientational.

**Keywords:** *CSR pyramid, orientational responsibility, stakeholders*

## **INTEGRATION OF CSR WITHIN GLOBAL VALUE CHAIN: A THEORETICAL FRAMEWORK FOR A RESPONSIBLE GLOBAL VALUE CHAIN**

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*Université de Lyon*

Nowadays, under the context of sophistication of global business and institutional environment along with increased complexification and interrelatedness of production processes, global value chains are considered to be among the key determinants of global business reality (Acquier, Valiorgue, and Daudigeos, 2017). Thus, the issue of moving towards the concept of *responsible global value chain* is gaining

considerable importance for both practitioners and academics. Some researchers are admitting that under modern organizational and institutional context, the key issue of strategic CSR is no longer to understand how a vertically integrated corporation can create a sustainable competitive advantage through the integration of CSR, but to know how to integrate CSR practices and principles within a number of legally independent actors located in different parts of the world and operating within dissimilar institutional environments (Andersen et Skjoett-Larsen, 2009; Soundararajan and Brown, 2014; Schrempf-Stirling et al., 2012).

This paper is seeking to answer this question from theoretical perspective eliciting the key dimensions that are shaping the process of integration of CSR within global value chains. Relying on the perspective of transaction costs theory (TCT), the paper presents a theoretical framework of *responsible global value chain* integrating the concepts of CSR, shared value and global value chain. Such framework contributes to the theoretical corpus of strategic CSR research by bringing together dispersed theoretical concepts existing in the field and arranging them into more nearly organized theoretical background. Our paper provides new theoretical insights into the concept of *responsible global value chain* by mapping out the key factors determining the capacity to integrate and manage CSR performance throughout the global value chains that can be used by academics for the sake of further research and by practitioners seeking to get better understanding of the process of integration of CSR principles within the global value chains.

**Keywords:** *strategic corporate social responsibility, global value chains, theoretical framework*

## **A CONCEPTUAL FRAMEWORK OF STRATEGIC CORPORATE SOCIAL RESPONSIBILITY**

**Adrian Andreas Baumgartner**

*Grenoble École de Management*

This study addresses the motivation and impact of companies behaving in a socially responsible manner. Although disagreements remain on the need for corporations to act in a socially responsible, there is a growing perception that socially responsible behaviour ultimately leads to increased profits. However, empirical research on the motivation and economic impact of socially responsible behaviour is still limited.

Employing the concept of strategic corporate social responsibility (SCSR) this paper aims to generate further insights on this issue. We define SCSR as a corporation's clearly articulated and communicated policies and practices towards gaining a competitive advantage through addressing unmet social needs. The definition is based on the existing literature on corporate social responsibility (CSR) and related academic theories. It also incorporates the business related concept of creating shared value (CSV).

We examine this SCSR definition through developing a holistic conceptual framework that is based on current research and complemented with practical insights. First, we create a decision model that specifies the conditions that foster SCSR activities. The model shows that a corporation triggers its activities based on stakeholder pressure. The extend of the activities is moderated by the corporation's motivation and its available financial resources. Second, we analyse the impact of the SCSR activities. Our performance model finds that SCSR activities have a positive impact not only on the corporate financial performance (CFP) or economic value (EV) but also on society's welfare or societal value (SV). The impact is moderated and mediated through several variables, such as stakeholder relationship and awareness, reputation or the economic environment.

The framework is aimed at supporting the future theoretical and empirical research agenda of CSR and related theories. It will also give practical guidance to business leaders about socially responsible behaviour.

**Keywords:** *creating shared value (CSV), corporate social responsibility (CSR), corporate financial performance (CFP), economic value (EV), societal value (SV)*

# **SMES AND VALUE CREATION IN THE AUTOMOTIVE SUPPLY CHAIN**

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Corporate responsibility (CR) and the idea of companies' obligations towards the environment and the society have been around for a long time. The literature tends to focus on MNCs and large enterprises and in many cases, treats SME like their large counterparts. The peculiar nature of the SME (e.g. organizational structure, relationship with the stakeholders), that influences their CR strategy, and the increasing awareness of environmental issues has led scholars to identify the need for further examination of the relationship between SME and CR.

The principles of CR play an intrinsic role in the SMEs' value creation processes. On the one hand, there are the values and ethics in the core of their governance (Jenkins, 2009) and on the other hand, there is the importance of relational approaches and networking (Baldarelli, 2007). In this context being part of a community can act as a driver for CR. Furthermore, social capital can be a driver of CR in SMEs as it can be used to facilitate the implementation of CR practices (Perrini, 2006) and to build trust, norms and networks that lead to greater organizational effectiveness (Peredo and Chrisman, 2006). The creation and accumulation of social capital is an important incentive for SMEs to engage in socially responsible behaviours (Spence et al., 2003)

The purpose of this study is to investigate how small and medium-sized enterprises (SMEs) in UK's automotive industry integrate CR into their corporate strategy and how this results to value creation. Its main objective is to look into the value creation networks that are formed in the supply chain of the industry through the lens of social capital theory. Data will be collected through semi-structured interviews with SMEs' owners/managers as well as larger companies' managers and other relevant to the value creation stakeholders.

*Keywords: Automotive industry, Corporate Responsibility, Small and Medium-Sized Enterprises, Social Capital, Supply chain, Value creation*

## **MANAGERS PERCEPTIONS IN CORPORATE SOCIAL REPORTING AND PRACTICES: LEGITIMACY IN THE DEVELOPING COUNTRY'S BANKING INDUSTRY**

**Mohammad Tazul Islam**

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The purpose of the study is to explore the use of legitimacy theory to infer managers' perceptions in corporate social (CS) reporting in the emerging country's banking industry taking Bangladesh as a case. This study conducted in-depth interview with the bank officials involved in corporate policymaking, and social reporting and practices. 28 interviews (including 7 MD/CEO, 17 heads of the operational wings (CS reporting/or GB), 1 board secretariat, and 3 CS reporting operational managers) were conducted in 2016 to gather evidence from 24 listed banks (that covers 80% of the listed banks) in Bangladesh. Data were analyzed using the process suggested by O'Dwyer (2004). This study finds that the concept of 'Corporate Social Responsibility' is vague to the practitioners and regulators as it is meant for philanthropic purposes thus far. Also, CS reporting tends to be bank-centric. The study identified several legitimate factors such as bank regulations, CAMELS rating; CS reporting awards; direct influences from the central bank, political leaders and board of directors, management desire, and community desire contributing to the CS reporting by banks in Bangladesh. In addition, the study reveals that, supportive to the legitimacy theory contemplation, banks that are new in markets tend to disclose more CS information than the older banks to gain/build, and/or to increase market legitimacy in the industry. The study excludes foreign banks and state-owned banks, as they are not listed on the Dhaka Stock Exchange. The findings of the study support and extend the broader thrust of legitimacy theory in adopting CS reporting in the developing country's banking

industry. To the knowledge, this is the first study conducted in the banking industry, in particular, that applies legitimacy theory contemplation in explaining bank managers' perception in CS reporting.

## **CSR COMMUNICATION OF THE 50 LARGEST INDIAN FIRMS-AN ANALYSIS**

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In 2014 the Indian government introduced regulations requiring firms above a certain size to mandatorily invest a specified percentage of their net profits in CSR initiatives. Since then, the larger Indian firms have stepped up CSR activity and have started actively communicating their CSR initiatives using traditional and digital media. Empirical research on CSR communication in emerging markets is limited. Prior research has focused on aspects such as harmonization in reporting, variations in CSR communication across firms, and readability of communication. Studies that investigate the impact of CSR communication on consumer perceptions of firms and brands are scarce and we aim to fill this gap in the literature. In our research we first explore consumer perceptions and expectations about the CSR activities and CSR communication of the 50 largest firms in India. We then analyse the websites of these firms to profile the CSR activities reported and the nature and richness of CSR communication. Finally we compare consumer perceptions and expectations with actual CSR communication in an effort to identify gaps. Our initial results suggest that consumers in the large and important youth segment are generally sceptical and ill-informed about the CSR activities of firms in India. Consumers prioritize affordability and functionality of products and services over the social image of the firm. The CSR communication is not in tune with the requirements of young consumers. Based on our findings, we make some recommendations for firms on content, style and media for CSR communication.

## **CLOSING THE GAP BETWEEN FRIEDMAN AND CSR: THE VALUE CSR OFFERS TO CAPITALISM**

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Recent empirical studies investigating the role of institutions on CSR demonstrate there is a correlation between market economies and CSR, that is, the more the economies embrace liberal market systems the more their firms engage in socially responsible activities. This paper examines the theoretical and philosophical underpinnings of this relation. What is the value of CSR? Why do we speak of CSR and what is the need for CSR?

CSR seems to be embedded in human activities and more specifically it is embedded in the system of capitalism, the market mechanism. As Ronald Coase argued, the market mechanism is not frictionless and it comes at a cost (transaction cost). The so-called market failure, that is, the weakness of the market system to fully account for all costs related to the economic activity brings forth the need for CSR and, basically, gives value to the concept of CSR.

If we accept that markets operate perfectly (the Neo-Classical Economics ideal of perfect competition), which means without transaction costs, then CSR is redundant and there is no need for CSR. If the market mechanism allocated benefits and costs perfectly, indeed what would the need for CSR be? This is the main reason behind Friedman's argument against CSR. According to this logic, if firms obey the law and follow the ethical custom of the society they maximize social benefit by simply maximizing profits.

This conference on values and CSR offers an opportunity to reconcile the proponents of CSR with their main opponent, Milton Friedman. This will happen only if we understand the fundamental assumptions behind Friedman's logic that markets operate perfectly. If this is the case, indeed no CSR is needed simply because everyone by definition/assumption acts perfectly responsibly. However, if we admit that markets do not operate perfectly (i.e.: the market mechanism operates with a cost as Ronald Coase first noticed, then

there is value in CSR. CSR offers a solution to many of market imperfections. It is a valuable solution that contributes to a reduction of transaction costs, thus making the market mechanism operate more smoothly.

## **THE MOTIVES BEHIND CSR IN HIGHER EDUCATION: EVIDENCE FROM UNIVERSITIES IN SERBIA**

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In recent decades there have been numerous changes in education systems around the world. Among other things, CSR in higher education is becoming more and more important. Although universities have always been primarily focused on social goals in the sphere of education, CSR means a step further. Namely, there is an internal CSR, which relates to responsibility to employees, as well as external CSR, which includes a range of areas of responsibility towards stakeholders, and among the most important are: customer responsibility, responsibility towards competitors and partners, community responsibility and environmental protection. Prior studies from other types of organizations have shown that the CSR level depends on the dominant values and motives of managers and employees, which are key driving mechanisms for socially responsible business. The motives can be internal, bound to individual moral values, but also to external ones, such as coercive, normative or instrumental, and relational motives. The aim of the paper is to determine whether there is a correlation between CSR areas and key values and motives for the implementation of socially responsible business in higher education, as well as to find out which group of motives has the dominant influence on each CSR area. A specific goal was to determine the differences in the CSR motives among the respondents of the different genders. The data for the empirical study was obtained through a survey of 119 employees at several universities in Serbia. The results show that there is a statistically significant correlation between the motives and levels of CSR development. It is interesting to note that only motives that belong to a group of normative or instrumental motives have a statistically significant effect on all five CSR areas under consideration. Other groups of motives do not significantly influence the development of CSR in higher education. There are differences in the level of internal-moral motives between genders, in contrast to the other categories of motives where no significant differences among genders were found. The originality of paper is reflected in measuring the influence of the CSR values and motives on the level of CSR development, which is not sufficiently analyzed in literature, and that this problem area is explored in higher education, where this topic has been gaining importance in recent years. The paper contributes to understanding the relationship between individual moral values and motives, on one hand, and corporate social responsibility, on the other hand.

**Key words:** *corporate social responsibility, motives, values, higher education*

## **CREATING VALUE THROUGH RISK MANAGEMENT: THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY**

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Our study has a twofold purpose. First, to analyse the role of Corporate Social Responsibility (CSR) in risk management from the perspective of value creation. Second, to build up a model that systematises this relationship. Each one of the three pillars of sustainability – environmental, social, economic – has its own risk dimension that deserves specific attention. Besides, they interrelate one each other. The development of a risk strategy requires to choose the risk appetite (the risks that the corporation decides to assume with the aim of creating value) and to identify the different kinds of risk the corporation must face, i.e. the wanted and the unwanted risks. Next, the corporation must define its risk management organigram



and implement an organisational risk culture that fits with its strategy. Namely, to decide its risk governance. A risk map that assigns to each kind of risk its estimated probability and its economic impact is a valuable risk management tool.

By introducing CSR into corporate risk management, social and environmental risks receive specific attention and can be linked to financial risk. The threefold perspective gained by their interaction improves the analysis of the reputational risk and its hedging through CSR. In this framework, ethics can be straightforwardly introduced as an essential element of corporate culture. Value creation analysis evolves from being centred on the financial risk-return model to incorporating the broader approach of the three sustainability pillars. Thus, it switches from value creation for shareholders to value creation for stakeholders, i.e. to shared value. Furthermore, the social and environmental impacts on financial risk are better analysed.

Structure of the paper: The drivers of corporate risk strategy and risk culture. Analysing social and environmental risks. CSR into the risk governance. Managing the reputational risk. Shared value creation vs integrated risk management. Corporate risk map. Empirical application.

**Keywords:** *Corporate Social Responsibility, risk management, value creation.*

## **RESPONSIBLE CAPITALISM: BALANCING HUMANITY'S TETRA BOTTOM LINE**

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An original synthesis of Darwinian evolutionary theory, Schwartz's theory of human values, and enduring ethical principles. The interwoven Darwinian processes that constitute evolution are i) existence, i.e., survival and continuity which enables ii) cooperative reproduction, which in turn produces iii) evolving variation and change in iv) a constant and relentlessly competitive battle of life leading to evolving continuity in the ongoing evolution of life on earth. Research by Schwartz identifies ten pancultural motivation values that are the basis for human aims, aspirations and practices: survival and continuity values of security, tradition, and conformity; cooperation values of benevolence and universalism; variation and change values of self-direction, stimulation and hedonism; and competition values of power and achievement.

Darwin's evolutionary theory and Schwartz's theory of basic human values are the basis for the enduring social ethics challenges of balancing concern for self with concern for others and for the equally enduring political ethics challenges of balancing social order with liberty.

The resulting synthesis of Darwin and Schwartz with enduring ethical principles extends the 20<sup>th</sup> century focus on a triple bottom line for profit, people and planet to a 21<sup>st</sup> century tetra bottom line of: i) competitive struggle for profit and concern for self; ii) cooperative quality of life for people and concern for others; iii) continuity in sustainable environments for planet and social order; and, iv) constant innovation for progress and liberty, e.g., innovations in health care and progress in life expectancy from an average of 25 years in 1900 to over 65 years in 2015 and some advance since 1688 in the number of nations with liberal democratic forms of governance. In the Anthropocene between us we can live our lives differently and enact a plurality of more positive balances across humanity's tetra bottom line.

**Keywords:** *evolutionary ethics, motivational values, social ethics, political ethics, tetra bottom line*

# SEEKING LEGITIMACY IN THE OIL AND GAS INDUSTRY IN SUB-SAHARAN AFRICA: A LONGITUDINAL ANALYSIS OF CS INITIATIVES AND STOCK PRICES

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The oil and gas industry has long been viewed as controversial because of its adverse impacts on the environment. When these corporations work in “resource-cursed” countries of sub-Saharan Africa, there is an increasing need to demonstrate Corporate Sustainability (CS) initiatives that convey responsibility and transparency. Much of the extant literature has focused on the extractive industry in sub-Saharan Africa through single case studies. This current study draws on legitimacy theory as a framework for analyzing the tactics of 14 publicly traded oil and gas exploration and extraction companies in the U.S. and Europe that have a working presence in sub-Saharan Africa. The research analyzes how CS factors including GRI compliance, EITI membership, and internal and external factors of gender and minority diversity on the board and management team, spending on social projects in the sub-Saharan countries in which the companies operate, and environmental protection initiatives, correlate with an increase or decrease in stock prices from 2006 – 2016. This study contributes to CS research by providing a longitudinal quantitative analysis of how disclosure affects stock price. The analysis also provides insights into how firms in the oil and gas industry deploy impression management tactics as a partial substitute for substantive action to close their legitimacy gaps. Finally, the study ends with recommendations for how extractive industries can increase shared value by becoming more socially responsive and responsible when operating in sub-Saharan Africa.

*Key words: Corporate Sustainability, Extractive Industry, sub-Saharan Africa, EITI*

## FRAMING CO-CREATION OF SOCIAL RESPONSIBILITY IN THE CASE OF CLIMATE ADAPTATION

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Climate change is one phenomenon that challenges sustainable society and the value creation of businesses. Research has stated that climate change is already inevitable at some level. As a result, climate change requires adapting the built environment to the increased challenges such as flooding and landslides. Organizing this adaptation benefits of the knowledge on previous damages that have occurred to buildings and infrastructures. For insurance companies, an increasing number of incidents, brought by climate change, poses challenges to value creation. In Norway, some insurance companies and some of the municipalities have collaborated around the incidents caused by flooding.

However, municipalities claim that they need damage data from the insurance companies. Overall, this organization of adaptation requires an integrated approach and thus involving multiple organizations. This research explores how insurance companies present themselves as part of sustainable society in the case of adapting to climate change and how different organizations formulate collaboration for data sharing. The data consists of interviews among the eight largest insurance companies in Norway; and documents produced by the companies and documents from public organizations.

The data was coded inductively with Nvivo. The findings show that the companies, as part of their sustainability strategy, are willing to share their data to municipalities. The findings suggest that the insurance companies see corporate responsibility as part of their work and acknowledged how they connect to municipalities. The study has implications to corporate responsibility theory by describing framing a co-creation of responsible value between public and private organizations. In addition, the study also shows how regional differences can influence the requirements for corporate responsibility. The study is a preliminary investigation of a larger research project.

## **NON-FINANCIAL REPORTING AS CSR OPERATIONALIZATION. THE PERSPECTIVE OF NEO-INSTITUTIONAL THEORY**

**Maria Aluchna and Maria Roszkowska-Menkes**

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Non-financial reporting has developed significantly in the past four decades. It originated from CSR and environmental disclosure to provide a complex communication to various stakeholders. In its current version non-financial reporting is evolving towards integrated reporting that delivers a complete picture of company multidimensional performance and reveals interdependencies between business, society and environment. It also exemplifies the advanced corporate communication to numerous groups of stakeholders and constitutes a strategic response to social, cultural, institutional and regulatory pressures. Non-financial disclosure is perceived as one of the most important innovations in sustainable development which allows to operationalize its principles and supports its implementation in the organizational context.

### **Literature review**

The paper aims to identify organizational responses to institutional change which is exemplified by the new regulations on non-financial reporting introduced by 2014/95/EU Directive. According to the neo-institutional theory (Meyer and Rowan, 1977; Deephouse, 1996; Roberts and Greenwood, 1997) organizations have different motivations in their reactions to changes in the environment.

### **Methodology**

In the conceptual paper we offer a framework of companies modes in reaction to the institutional change exemplified by the new regulation on non-financial reporting introduced in 2014/95/EU Directive. We propose that these different reactions in the form of reporting quality may be explained by a number of organizational attributes and environmental characteristics.

### **Results**

Organizations implement the rules on non-financial reporting using various strategies – some view this regulation as an opportunity for development and dialogue with stakeholders, some treat the rules instrumentally to gain legitimacy of their constituencies, others perceive new law as additional costs and regulatory obligations which hinder the core activity. Introducing the rules of 2014/95/EU Directive companies undergo different isomorphic mechanisms including coercive, mimetic and normative mechanisms (DiMaggio and Powell, 1983; Mizruchi and Fein, 1999).

### **Implications and value**

We develop the framework of organizational responses by Oliver (1991) which may include acquiescence, compromise, avoidance, defiance and manipulation. We add that these responses may be explained by different motivations which derive from numerous organizational attributes such as firm size, ownership structure, financial performance, market position and environment characteristics including competitor structure (market shares, concentration, industry regulations, market growth, unionization rate, sectorial impact on the natural environment (pollution) and society. According to the concept of *path dependence* the company reaction to institutional change and adopted strategy is also the result of its historical activity.

# CSR IN THE CREATION OF VALUE FOR CUSTOMERS IN RETAIL TRADE MARKETING ACTIVITIES

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At the turn of the twentieth and twenty-first century CSR activities started to gain importance in marketing activities of companies. The CSR conception and values connected with it meet the growing need for smart consumption, whose central aspects are health and environment protection. CSR enables companies to build competitive advantage of qualitative character.

From marketing perspective, customer value, as well as company value, are created when a given demand becomes satisfied. Value, as seen by a customer, is the difference between the envisaged assessment of all profits and costs of a given offer and a competitive offer.

CSR as the potential area of success for trade companies, requires well thought out activities on their part. The creation of trust among stakeholders is one of the most important activities. CSR is connected with marketing strategy of companies, and its initiatives, on the other hand, are connected with the value for customers that is offered on the market.

The process of creation values for customers having to do with CSR meets their needs, and at the same time it enables trade companies to gain competitive advantage, as well as to open the path of qualitative measures. The process consists of several fundamental phases, starting from determining good points of products that are decisive for competitive advantages, through the transformation of these advantages into benefits to customers, and ending at comprehensible, authentic marketing communication.

Values created for customers within the frames of CSR have become a battle field for customers in modern retail trade. The aim of the present paper is the presentation of the nature and importance of value creation in marketing activities of companies.

*Key words: CSR, customer value, marketing, retailer*

## CORPORATE SOCIAL RESPONSIBILITY AS A VEHICLE FOR PERSON-CENTRED CARE THROUGH DIGITAL VS TRADITIONAL TECHNOLOGIES: A SCOPING REVIEW

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This paper will provide a scoping review with the aim of understanding the extent to which Corporate Social Responsibility (CSR) can enable Person-Centred Care (PCC) in healthcare through the use of both digital and traditional communication tools. Data will be retrieved through multiple keywords search on PubMed, Medline, and Web of Science databases with inclusion/exclusion criteria based on years of publication – 2007 To 2018, language, paper focus, research and document types. Thematic analysis will be further conducted in order to identify and compare the main features of CSR and PCC. We will start by identifying the main peculiarities of PCC concept and how these are embraced within CSR as applied to the healthcare sector. By doing so, we will analyse the extent to which CSR can be a vehicle for PCC within health systems. We will then analyse the literature to determine the means of communication of CSR embracing PCC through the use of digital and/or traditional tools.

Expected results should demonstrate that CSR and PCC are two interrelated variables and CSR can be a potential “enabler” for delivering PCC within health systems. Results should confirm that both digital and traditional tools, in isolation as well as in combination, are used by health systems to communicate CSR with a PCC approach. However, PCC deals with human relationships and face-to-face contact between health professionals and persons. Therefore, expected results should show the importance of both channels of communication. In this perspective, the use of IT and digital technologies are expected to be integrated

with traditional tools. An example of this integration is the use of remote patient monitoring whereby face-to-face contact is established once remote monitoring flags abnormal results.

**Keywords:** *Corporate Social Responsibility (CSR); Person-Centred Care (PCC); Health systems; communication; Digital and traditional tools.*

## **A SEASON WITH THE 'VEGANS' OF FOREST GREEN ROVERS FOOTBALL CLUB: A VISUAL TYPOLOGY OF VISITOR REACTIONS**

**Anthony Samuel, Kevin Brown and Gareth White**

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Studies pertaining to ethical consumers are often informed by consumer attitudes, behaviours and consumption practices concerning food. This has led to the emergence of different empirical understandings and theories that capture the complex behaviours of the ethical consumer. Whilst significant attention has been given to the role of the consumer in the consumption of organic food (Nuttavuthisit and Thøgersen, 2017), Fair Trade (Peattie and Samuel, 2016) and animal welfare (Adams, 2008), very little attention has been paid to veganism and more particularly the role of institutions in influencing this form of ethical consumption.

The rapid emergence of veganism is well documented, for example, the UK has witnessed a staggering 360% growth rate in the last decade with around 542,000 people now following a vegan diet (Vegan Society, 2018). This is not to mention the 185% growth in vegan products available in supermarkets and the adoption of part-time veganism as over half of the UK's adult population have adopted 'vegan buying behaviours' (The Guardian 2018). Consequently, veganism is emerging as a significant development in ethical consumption and warrants more objective research. To address the paucity of research, this paper takes a multidisciplinary approach to ethical consumerism by embedding itself in the novel place of the World's first and only Vegan Certified professional football club, Forest Green Rovers (FGR 2018).

This paper applies participative ethnographical research to firstly explore the agency of FGRs place to influence vegan consumption. It then presents a visually drawn typology of six different visitor reactions to FGR's vegan only 'place'. These are conceptually drawn as The Admirer who is thoroughly committed, The Supporter who is keen to change, The Intrigued who wish to find out more, The Humourist who mock FGR's status as a vegan football club, The Unconcerned who have no interest and The Defiant who resents the vegan stance made by FGR.

## **SOCIAL RESPONSIBILITY IN ANCIENT GREECE: THE ROLE OF THE INDIVIDUAL AND SOCIO-POLITICAL STRUCTURES**

**Vasileios Adamidis and Petros Vourvachis**

*Nottingham Trent University; Loughborough University*

This paper contributes to the literature by offering historical insights to the concept of social responsibility. It extends prior research on modern developments in social responsibility, which typically ignores individual values, by focusing on the ancient Greek value based system. The socio-political structures of the Greek city-state, in addition to a unique approach to personhood, offered motivations for greater social responsibility.

With particular reference to classical Athens, the practical manifestations of social responsibility (such as those based on 1) reciprocity, 2) sponsorship and 3) philanthropy) will become clear. The theoretical basis of social responsibility was provided by thinkers such as Plato and Aristotle, who analyse the links between justice, virtue and social responsibility, ideals which can be achieved only through participation in and interaction with the community. Although relationships based on reciprocity remain the

norm throughout this period, the belief in the attainment of virtue through the prioritisation of characteristics such as active magnanimity and generosity, provides the seeds of altruistic behaviour in the ancient world.

The distinctive approach of the Greeks to individual personality, in addition to the shame-society within which they operated, provided further incentives for social responsibility. In contrast to modern views (especially after Kant and Descartes) of the 'individual' as a unified, autonomous locus of decision and action, the Greek idea of 'participant personality' dictated the positive contribution to the life of the city and the wholehearted adherence to the norms, values and principles of the community. This 'participant' agent, who existed and operated in concentric circles (i.e. family, polis, nation), was demanded by society to act harmoniously with the aforementioned norms and even exceed its expectations. The paper concludes by drawing parallels to modern corporate practice and argues that a reinstated emphasis on individual values could also assist modern corporations become more socially responsible.

**Keywords:** *social responsibility, ancient Greece, individual responsibility*

## **CORPORATE SOCIAL RESPONSIBILITY AT THE EDGE OF HUMANITY**

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Artificial intelligence (AI) and robotics are rapidly revolutionizing the world with the new level of efficiency, competency, and ultimately profitability for creators and users. Besides positive impacts, the technology is amplifying severe inequality by replacing labor over up to 800 million jobs. The aftermath poses a critical threat to not only the economy but also humanity.

Controlling such disruption by AI and robotics is necessary, but not easy. Mitigation policies and legal measures would unlikely survive obstructive lobbying and other tactical manipulations. Voluntary corporate social responsibility (CSR) then plays an important role. Yet, it needs a different direction. Conventional CSR under enlightened self-interest mindset is intrinsically a strategic tool to maximize rather than compromise shareholder value. Philanthropy or even creating shared value may enhance social well-being and help the technology creators and users win over business, but hardly can it contribute to sustainability. It fails to take accountability directly to the human workers affected from unemployment. The threat here is not the technology per se, but the amoral, egocentric purposes of using the technology.

Responsibility should then redirect to the shareholders of the AI and robotics-related businesses and the values behind their investment. Personal behavior connects with corporate behavior. Driven by certain values, consumption and work behavior are mutually constitutive. The way one lives and wishes to live can define the way (s)he earns to serve his/her living preference. Determined by egoism and materialism, shareholders with strong urges for status and conspicuous consumption tend to choose any means to maximize return. Led by selflessness and morality, shareholders favor voluntarily simplified living tend to choose ethical means and satisfy with sufficient return. Shareholder activism by the latter could lead to re-govern CSR from within each AI and robotics-related company. Collectively, this starts a true corporate responsibility for humanity in the new industrial revolution.

**Key Words:** *Corporate Social Responsibility, Artificial Intelligence, Robotics, Inequality, Sustainable Consumption*

## **THE MONEY DOES NOT WIN EVERY TIME – WHAT IS THE DETERMINANT OF MORAL BEHAVIOR IN A CORPORATE SETTING?**

**Atle Andreassen Raa**

*BI Norwegian Business School*

The paper starts up with a short introduction to the traditional neo-classical text-book theory of profit-maximizing firm behavior (Mansfield and Yohe, 2000). It reflects on the historical connection between

the development of the neoclassical model from late 1900-century, and its roots in earlier classical theory. It will be argued that Adam Smith looked upon moral responsible actors as a precondition for a well-functioning business life (Smith,1976/1759 and Smith,2004/1776).

The second part goes from R. Edward Freeman's view that "we need to see business activity as a moral activity, an activity that affects the hopes and dreams and wellbeing of many human beings" (Andriof et al., 2002, p. 8). It then gives a summary of Forsyth's taxonomy of ethical ideologies in order to judge the morality of business practices (Forsyth, 1980 and Forsyth,1992).

The third part of the paper is based on a case study. It describes the behavior of an owner of a fishing vessel in the north of Norway, who decided not to sell his boat to a big company, which offered him the highest price. He instead sold it much cheaper to a young fisherman. That is why the title is "The money does not win every time". The owner, instead of earning maximum profit, chose to help the young fisherman start up his business and also help the small community he lives in. The empirical case will be interpreted by Forsyth's taxonomy, but it will also be explained in a broader ethical perspective.

The paper is built on a study of theoretical literature, what is written by journalists about the case, and interviews with persons who was engaged in it.

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## **CORPORATE SOCIAL RESPONSIBILITY IN NON-PROFIT ORGANISATIONS: CREATING VALUE IN COMMUNITY HOUSING MUTUALS**

**Dan Taylor and Stephen Phillips**

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Organisations within the non-profit sector are facing dual pressures of being more commercial in approach in addition to adhering to their social mission, particularly in a period of lower public funding and increased stakeholder expectation. This is relevant to housing associations, who are providing previously government funded services to communities. The importance of the social mission and the requirements of stakeholders has led to non-profit organisations having to address social responsibility, beyond that of their *raison d'être*, adopting Corporate Social Responsibility approaches normally associated with private, for-profit organisations. Through concentrating on partnerships, corporate philosophy and their internal features and practices, these organisations can become more socially responsible and therefore improve the services they provide to the communities they support.

This research investigates the CSR activities of a Community Housing Mutual Association (CHMA), which is a unique form of co-operative in the UK, allowing housing association tenants to have more ownership and involvement in the management of their landlords' organisation and the development of their communities. The three elements which make up this CMHA are the Community Housing Mutual, a charitable division and a social enterprise division which collectively support community regeneration, development and education and training. Involving these crucial stakeholders in their governance and activities enables them and the CHM to create shared value for the organisation and the communities in which they reside. The research concludes that the inclusion of important stakeholder groups within the CHMA's CSR planning and implementation assists in them achieving their social mission and improving the communities they serve.

*Keywords: Non-profit, CSR, Shared Value,*

# **(DE) PUZZLING THE SOCIALLY RESPONSIBLE CONSUMPTION GAP EXPERIENCE**

**Diana Falcão and Catarina Roseira**

*University of Porto*

This essay examines the intention-behaviour gap of self-identified responsible consumers in the Portuguese context so as to explore the meanings they assign to socially responsible consumption (SRC), major concerns and practices, as well as possible paths to intensify it. An exploratory and interpretative approach was pursued, with data collected through three focus groups totalling twenty-six participants. The gap phenomenon stands evident and four lengths of influence were found: structural, conjunctural, situational and individual. The gap is prevalent in non-food items, and food items trigger behaviours changes towards SRC. These findings underpin the need to embed the cultural effects to a better understanding of the gap with SRC implying extra efforts compared to undiscerned consumption. An angular view is suggested to understand the gap combining the ‘felt’ responsibility and ‘felt’ effort within the SRC dynamic space. These two opposite forces govern the subjective responses to contextual settings regarding SRC choices, so thus unfixing and explaining the variability of the gaps. The findings raise the need to rethink marketing and institutional strategies to reduce consumer vulnerability and thus to develop SRC and relocate the gaps. This study employs distinctive lengths in the gap discussion and proposes a flexible view of this phenomenon as well as several insights to make SRC more authentic in an under-research context, filling several gaps in the literature

**Keywords.** *Intention-behaviour gap, socially responsible consumption; sustainability; consumer vulnerability; narrow the gap.*

## **STRUCTURE OF KNOWLEDGE OF THE SOCIALLY RESPONSIBLE CONSUMPTION GAP RESEARCH**

**Diana Falcão and Catarina Roseira**

*University of Porto*

The literature extensively evidences the divergence between rhetoric and socially responsible consumption (SRC) behaviours, commonly referred to as the intention-behaviour gap (or gap). Alerts for climate change, unsustainable exploitation of natural resources, ecological imbalances, failures to comply with human rights and animal welfare, among others, are issues of utmost significance that are compelling the Academy and Society to play an active role in the gap narrowing. Though the diversity of SRC-related expressions and concepts in the literature and the multiplicity of perspectives and methodological approaches to the gap hinder a comprehensive view of the phenomena.

Additionally, the high fragmentation of the SRC gap research and the extensive academic production along the recent years intensify the struggles for new researchers to enter the topic and to identify less explored fields of study. To the extent of our knowledge, a comprehensive view of the SRC gap research is not available. Though it is required, as it may provide a broader and more objective picture of the extant knowledge, which is relevant for SRC development. On purpose, this study systematizes broad categories of the SRC gap research, categorizes the related common lexes and structures the knowledge (contributors and themes). It combines qualitative and quantitative methods in data sampling and analysis techniques.

A qualitative content analysis allowed extracting the relevant expressions/words among a sample of 80 documents. Then, a bibliometric account of the scientific output since the early 70’s is performed based on articles retrieved from the Scopus and Web of Science databases. This systematic organization of the literature facilitates the entry into the topic and identifies paths for further research, in the benefit of the Academy and Society.

**Keywords.** *Intention-behaviour gap; Bibliometric and content analysis; Socially responsible consumption; Sustainability; Web of Science & Scopus.*



# THE ROLES OF INFORMATION TECHNOLOGY/INFORMATION SYSTEMS IN SUPPORTING MANAGEMENT CONTROL FOR CORPORATE SOCIAL RESPONSIBILITY

**Parisa Panahi**

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Focus on ethics, sustainability, and social responsibility issues has gradually become important in the society and increased their requirements on communicating social responsibility as part of the company's vision and identity. The pressures on companies to take greater ethical and social responsibilities for sustainable development implied that more and more organizations are now integrating Corporate Social Responsibility (CSR) initiatives in their corporate strategies. On July 2017, the legislation changed and the compulsory CSR reporting became a strength for the large companies. However, today the question for corporations is not whether engaging in CSR, but it is more about crafting a CSR strategy that reflects the business values of the company and addresses the social and environmental challenges. Research shows that companies in general consider many different drivers and motivations of CSR that are underlying various initiatives. Though, weaving all of these issues together and incorporating CSR as part of the business strategy is sophisticated. A domain of management accounting literature shows that managing the strategic process of CSR activities is a challenge in Management Control Systems (MCS) in an organization. To manage the strategic processes of CSR, literature introduces various theories and approaches, but, still little is known about how to drive or manage CSR strategy within the formal control mechanisms of MCSs. The development of the technology creates the industrial revolution by increasing innovations. Literature in the area of management accounting and Information Systems (IS) point out that Information Technology (IT) and related applications such as computer programs and enterprise infrastructure software have the potential to support the management control of strategy and plan processes of an organization. However, the roles of

IT in supporting management control for CSR or social and environmental initiatives have not been researched sufficiently. Thus, to provide insight and broader understanding of the roles of IT in supporting management control for CSR, the current study applies Simons' Levers of Control, LoC, (1995) framework and investigates the roles of IT in this area. For this purpose, a qualitative case study is made, and the data are collected through interviews and secondary documents in three large companies in Sweden. The result of current study highlighted several factors on how the studied companies execute their CSR strategy program. The following factors seem to be influential in the management control of CSR strategy 1) the company's culture based on the geographical orientation 2) the company's organizational structure means centralized and decentralized 3) the company's type of operation and 4) the company IT system means integrated and disintegrated. The result shows that IT applications play roles in supporting management control for CSR and are further visible in diagnostic processes and belief systems, particularly in the current investigation.

**Keywords:** *Corporate Social Responsibility, CSR strategy, Management Control systems, Levers of Control, Information Technology/Information Systems*

## DIGITAL MANAGEMENT CONTROL FOR CSR NON-FINANCIAL FACTORS

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Today, companies have difficulties to understand the benefits of implementing Corporate Social Responsibility strategies (CSR). Despite the ambiguity behind business logic for adapting socially responsible behaviours, CSR is increasingly on the agenda for corporations' boards and audit committees. Hence, measuring the risks concerning non-financial factors of CSR is a subtle way for addressing and revealing the advantages/benefits behind the implementation and integration of CSR. Purpose: For this reason, the present paper aims to explore how digital control systems are used in order to measure the risks concerning CSR non-financial factors. Companies differ in the way they define, prepare, and disseminate

CSR non-financial factors. Therefore, we aim to define the CSR non-financial factors for the current study in accordance to the company's definition of these factors. To Design this study and operationalize these issues, the initial research question is formulated according to a large company/group's CSR executive request. A case study analyses intends to be conducted through interviews and secondary data for investigation of the research question.

*Keywords: CSR non-financial factors, Information systems/ digital management control, Risks factors.*

## **IMPLEMENTATION PRINCIPLES AS VALUES OF THE 2030 AGENDA**

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The 2030 Agenda is often reduced to its 15 Sustainable Developments Goals (SDGs), which function as targets for individual sectors. However, what is new about the Agenda is that its values are based on a set of principles. GIZ has defined five key implementation principles upon which it now bases its advisory services, thus increasing the sustainability of GIZ's work: (1) Universally applicable, (2) Leave no one behind, (3) Integrated goals, (4) Shared responsibility, (5) Accountability.

GIZ is a federal enterprise. As a provider of international cooperation services for sustainable development and international education work, it is dedicated to building a future worth living around the world. This means that we stand for German and international values. Owing to this mandate and how the company sees its role, GIZ is strongly committed to the 2030 Agenda and contributes to achieving the Agenda's goals. The main focus is on the five implementation principles outlined above, which GIZ prioritises in its work.

The aim of this paper is to take a single case study approach and, using a document analysis, to explain the significance of the five implementation principles of the 2030 Agenda, which GIZ has derived from the text of the UN resolution on the 2030 Agenda and prioritised, and to define these implementation principles as values of the 2030 Agenda. The authors argue that the approach frequently taken by companies, of focusing on individual SDGs, is insufficient for sustainable development.

In the future, the implementation principles should therefore be placed more firmly in the foreground as values of the 2030 Agenda. The work thus contributes to a better understanding of the 2030 Agenda in the context of CSR.

*Keywords: 2030 Agenda for Sustainable Development, implementation principles, Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH, Leave no one behind*

## **VALUE CO-CREATION APPROACH TO CONSTRUCTION PROJECT MANAGEMENT**

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Project stakeholders are individuals or organizations that may have either positive or negative impact on the project, or be positively or negatively impacted by the project. The successful engagement and effective participation of the stakeholders throughout the project life cycle is critical to project success. Co-creation in projects encourages proactive engagement of the project stakeholders in different phases of project life cycle and contributes project success. Acknowledging the fact that value co-creation is relatively new to the construction industry, the possibility of the impact of project success is high. Therefore, the purpose of this paper was to explore the value co-creation approach to construction project management. Hence, the research objectives are to identify the linkage between value co-creation and project success (schedule, budget and quality) and stakeholder satisfaction and mediating effect of project success in the relationship between value co-creation and stakeholder satisfaction. To test the study's hypotheses, data

were collected from a sample of 140 project directors, project managers, contractors, project consultants, project engineers, project leaders and project team members in Ghana through online questionnaire. Regression results reveal that project stakeholders value co-creation relates positively and significantly with project success and stakeholder satisfaction. The findings also support the project success mediates the impact of value co-creation on stakeholders satisfaction. Based on these findings, we suggest that project managers should effectively identify and engage all possible stakeholders to a project at every phase of the project life cycle for successful and achievement of the project objectives

**Keywords:** *Value Co-creation, Construction Project, Project Stakeholders, Project Success, Stakeholder Satisfaction, Project Management.*

## **VALUES WITHIN CORPORATE RESPONSIBILITY IN SCANDINAVIA-IN SEARCH OF AN INSTITUTIONAL FRAMEWORK FOR ANTI-CORRUPTION**

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Scandinavian countries continue to build strong reputations as the world's least corrupt countries. In this case study we explore the sources of values within corporate responsibility and anti-corruption norms in Scandinavia in a search for an institutional framework. Three key findings are presented. First, a national culture of high trust in government and police, plus high civil and media engagement in anti-bribery cases, means that corruption is "starved of oxygen", so bribery and corruption are less sustainable in the 21<sup>st</sup> Century. Secondly, a willingness to embrace integrity norms and standards through active participation in international conventions on anti-corruption movements contributes to high transparency and integrity management in the Scandinavian countries. Thirdly, an important 'push factor' for such societal and organizational CSR initiatives is comprehensive legislation, often with severe non-compliance consequences. This clearly contributes to an ethical corporate responsibility environment in Scandinavian countries. -In our search for an institutional framework of anti-corruption, we conducted in-depth interviews with 16 executives and senior-level managers from ten major companies based in Scandinavian countries. Through their stories we attempt to better understand the successes of these countries in terms of corporate responsibility values and high transparency. We try also to understand how this creates shared value for organizations: when economic value in anti-corruption initiatives also then creates sustainable value for societies. Our findings suggest that in Scandinavia, high trust levels, enforced regulative legislation, together with small country size, and high human development, help craft a framework that drives a transparent business environments. Scott's institutional framework is very useful in understanding how the coexistence of formal and informal institutions and norms embedded in cultural values contribute to sustainable CSR initiatives and a low level of corruption in Scandinavian countries. We found that all three institutional pillars, i.e., regulative, normative, and cognitive, were aligned to explain high levels of transparency and anti-corruption in the Scandinavian countries.

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# **THE ADDED VALUE OF CSR IN HE: WHAT ARE THEY DOING AND WHAT COULD THEY DO BETTER? PERCEPTIONS OF UNIVERSITY STUDENTS**

**Francisca Nyarai Mapiye Dube and Richard Asiedu**

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Corporate Social Responsibility has been widely applied in business contexts, apart from the research area on corporates CSR has become quite popular in governmental organizations, social organizations and other institutional organizations. Characteristics of CSR include voluntary integration of social and environmental concerns of firms into their business practices and the interactions with both shareholders and stakeholders but does the same apply in Higher Education?

This paper investigated social responsible behavior displayed by universities in the development of CSR initiatives. The main objective of this paper was expanding research inquiry and gain understanding on the added value of CSR practices for Universities and students in China and to establish the significant role education plays in the development of sustainable communities. Data were collected through an online questionnaire survey from 200 business students studying at different universities across China. Findings reveal there is a huge gap between the ongoing levels of CSR education and identifies the lack of CSR value cultivation in course programs. Students have positive perceptions of CSR practises embedded in extracurricular activities as this gives them practical and real world experiences and acts as a framework for future CSR management.

The practical contribution of this study is to suggest that universities need to focus more on outside classroom CSR practices that enable students to be active in giving back to the community. Universities need to push forward a Student Involvement approach to added value. This is seen to have a positive impact after they graduate and become part of community.

*Keywords: Corporate social responsibility, Added Value , Higher Education, Student Involvement*

## **A CASE ILLUSTRATION OF THE COOPERATIVE SOCIAL RESPONSIBILITY AND ITS INFLUENCE ON THE CORPORATE VALUE CREATION**

**Gerhard Kosinowski**

*Chair of Finance, WHU – Otto Beisheim School of Management*

The research paper analyses the governing values as well as principles of cooperatives and their relation to the concept of corporate responsibility. Examining the history of cooperatively-organised businesses illustrates that their unique character has been shaped by economic, political and social factors. Since their inception in the 19th century cooperatives have been role models of a socially responsible way of doing business. The governance of contemporary cooperatives is influenced by the values of cooperation, democracy and solidarity. By making close reference to the management concept of member value, the case illustration reveals how cooperatives incorporate their traditional values and the cooperative responsibility into an appropriate management strategy.

Although the members are the immediate stakeholders, a large share of cooperative engagement has always concerned the public welfare. Alleviating social injustice has been the main aspiration for pioneers like Robert Owen and Friedrich Wilhelm Raiffeisen. In this context, the concern for the local community and the close orientation towards its democratic philosophy serve as the inspirational roots. While traditional enterprises have undergone a radical learning and adaption process, the cooperative organisations have always considered social responsibility a part of their DNA.

Drawing on the example of financial institutions, the author shows how cooperatives can serve as sources of value for corporate responsibility. Against this background, the paper highlights the similarities and differences between the cooperative and corporate value approach. Cooperatives benefit from their very distinct way of embedding the traditional cooperative mission in a business strategy which provides solutions to the present-day challenges of a globalized and digitalized economy. Based on the case

illustrations, the author argues that corporations can learn from cooperatives how to integrate democratic values in the core business strategy and how to authentically assume social responsibility.

**Keywords:** *Cooperative Social Responsibility; Cooperative Values, Corporate Responsibility; Member Value; Value Creation;*

## **DRIVERS OF CORPORATE PHILANTHROPY COMMUNICATION – EMPIRICAL EVIDENCE OF GERMAN STOCK LISTED COMPANIES**

**Irina Kohler**

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“Do good and be sure to make it known”. Despite the fact that the issue of corporate philanthropy is making its way forward on the agenda of most companies and organizations today, the communication of their socially responsible activities to the public is not taken for granted. Numerous firms do not disclose their philanthropy. This fact irritates even more as the increasing emphasis on corporate transparency placed by critical stakeholders creates more pressure on firms to disclose than ever. Furthermore, recent academic research has shown that corporate philanthropy is used by managers to better withstand the tumult of negative business shocks and therefore to protect firm value. By not disclosing their corporate philanthropy, companies neglect, intentionally or unintentionally, the value creating impact of corporate philanthropy on their reputation and firm value.

### **Aim of the study**

The empirical study of 80 German stock listed companies identifies the drivers of external corporate philanthropy communication and investigates why some firms disclose their philanthropic cause to the public whereas others resign from disclosure.

The findings of the study should raise awareness of the corporate philanthropy communication as crucial driver of reputational firm value. Doing well by doing good needs the spread word!

### **Methodological approach**

- Literature review: The identification of the drivers of corporate philanthropy disclosure is based on literature research.
- Content analysis: The research method involves the content analysis of corporate annual reports and other media of the companies representing the sample.
- Empirical method: The empirical investigation is based on descriptive statistics and correlations as well as a multivariate regression analysis to test the hypothesis developed in the paper:
  - (1) Dependent variable: Corporate philanthropy disclosure
  - (2) Independent variables: Firm size, financial performance, commitment to stakeholders, industry and leverage

*Key words: Corporate philanthropy, corporate communication, firm disclosure*

## **STAKEHOLDER’S NEED PERSPECTIVE OF SHARED VALUE CREATION AND SOCIAL DIMENSION OF SENSEMAKING IN ORGANIZATION**

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The purpose of this study is to address a need-based shared value creation model at the organizational level. The problematization explains why it is difficult to find suitable solution with the current dominate frame of reference that exhibits how organizational patterns have been sustained and developed over time. The organizational dominant frame influences structural arrangements, technological commitment, modes of involvement and other features so that firms frame the social reality the way they

wish to see and produce the features are controlled by the underlying power distribution. Hence, these problems create potential barriers in creating shared value with other actors. To theorize how to address the need perspective of shared value creation, I build need-based model theory (Benson 1977, Weick 2005). Based on the review of the major on organizational framing in innovation, this theory proposes four need-based models to address shared value creation at the organizational level. The theory explains how to redefine to the context and to decide what is needed instead of making any prior assumptions with the current organizational realities.

**Keywords:** *shared value, stakeholder, need-based, innovation, organization, framing*

## **VALUE CREATION AND CORPORATE RESPONSIBILITY: THE VIEWS OF TOP MANAGEMENT TEAMS**

**Susanne Arvidsson**

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Value creation and corporate responsibility has been a debated area long before Friedman (1970) claimed that the only responsibility a company has is to provide profits. While Levitt (1958) viewed corporate responsibility to be a dangerous activity, Andrews (1973) argued that if appropriately integrated with the core business it could be even beneficial in a value-creation context. With Agenda 2030 and UNs Sustainability Goals (SDGs) corporate responsibility has climbed higher up on management teams' agendas. Today's businesses are faced with societal norms whereby businesses are expected to be managed in accordance with corporate responsibility. Succeeding in this is vital not the least for legitimacy reasons upholding a licence to operate (Dowling and Pfeffer, 1975). But how does corporate responsibility relate to value creation? Does corporate responsibility create value? If so, what kind of sources of value does corporate responsibility promote? In this study, the purpose is to understand how management teams view corporate responsibility in a value-creation context. The study is based on a questionnaire study with top management from the 30 largest listed companies in Sweden. The preliminary findings reveal that the relationship still is considered complex. The management teams perceive several challenges with unravelling how corporate responsibility relate to value in general and value creation in specific. Despite these challenges, the management teams experience a demand from stakeholders for relevant, credible and transparent information of how corporate responsibility relate to value creation. Both management teams and policy makers at national and international level may find insights from this study on how to develop value relevant corporate reports, which efficiently disclose achievements on the corporate responsibility-arena in the today's fierce quest of reaching Agenda 2030.

## **DOES IT PAY OFF TO LAY OFF SOCIALLY? NEW INSIGHTS ON DOWNSIZING DURING TIMES OF CRISIS AND ITS EFFECT ON SHAREHOLDER WEALTH FROM GERMANY**

**Eva Koscher and Lars Schweizer**

*Goethe University Frankfurt*

Previous research has not properly answered the question why some companies behave more responsible than others. During times of crisis, many companies decide to conduct mass layoffs to cut costs even though the political backlash against layoffs and the public discontent over this practice is high. It is even strengthened by the fact that the financial effects of layoffs on the firm are still unclear and that downsizing often fails to deliver the desired economic outcomes since the direct and indirect costs of layoffs (e.g. costs for social plans, severance payments, restructuring costs, declines in employee loyalty, motivation, and morale, negative effects on firm reputation, ...) often outweigh the cost savings. Previous research has investigated the effects of mass layoffs on shareholder wealth, but the results are mixed. Also,

previous research comes mainly from an Anglo-American context, but ethical issues in business are always tied to the moral values held by individuals and influenced by the society a business is embedded in and thus, findings might be different for companies in other countries. Companies might behave more responsible if they operate in a society where calls for such behaviour are institutionalized and where independent organizations monitor company behaviour. Both conditions are met in Germany where companies are expected to provide long-term employment and to behave responsible and where companies are closely watched by the government and other institutions that do not shy away from making corporate misbehaviour public. Therefore, we investigate downsizing in Germany and analyse the effects of layoff announcements on shareholder wealth as well as the factors that influence the way in which such layoffs are conducted.

*Keywords: downsizing, mass layoffs, event study*

## **COMMUNICATION OF CSR ACTIVITIES AND ITS PERCEPTION OF EMPLOYEES: ANALYSIS OF THE PERCEPTION OF DIFFERENT EMPLOYEES GROUPS ON THE BASIS OF A CASE STUDY OF AN AUSTRIAN COMPANY**

**Katharina Aspalter**

Corporate Social Responsibility (CSR) or sustainability is considered as the central principle of business management in the 21st century and is indicated as essential for the economic success of a company. One reason for this economic success are the company's employees. Companies that take corporate social responsibility measures and activities have employees who are prouder of their employer and there is better employee loyalty. Emotionally bound employees do not change their employer so quickly and behave in a way that supports the performance and competitiveness of their company. Although a positive impact on the employees by setting CSR measures or the implementation of a CSR strategy has already been demonstrated in scientific literature, there are only few empirical studies available.

The objective of this work is to analyse the perception of CSR measures and activities by the employees and how to communicate with this specific stakeholder group in relation to CSR. The first part of this thesis is the theoretical part which analyses the underlying concepts of Stakeholder Management and Stakeholder Theory, Corporate Social Responsibility as well as internal corporate communication in the area of CSR. The second part is the empirical study. This part describes the specific implementation of CSR in an Austrian industrial company. For the empirical part the method of Grounded Theory is used.

The positive influence on the employees mentioned in the theory, if they perceive an engagement of the employer with regard to sustainability, is also shown in the empirical part of this work. The company can position itself as an appealing employer. Employee turnover is declining and employees are proud to be part of the company. However, the specific communication with the employees identifies potential for improvement.

*Keywords: Corporate Social Responsibility, Employees, Perception, acceptance*

## **VALUE CO-CREATION AS AN OPEN BUSINESS MODEL: THE CASE OF GAMBLING INDUSTRY**

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Roulette, cards, casino, gambling - are words that most of us perceive negatively. Despite negative connotations, the global gambling sector is booming and provides even more immersive products vis-à-vis technological solutions. However, just like any industry, gambling providers are eager to embed corporate

social responsibility principles of transparency (i.e. informed choice) and prevention of harm (i.e. control and duty of care). According to Hing et al. (2016) a responsible gambling concept involves responsible provision of gambling and responsible consumption. Via systematic literature review we concluded that the concept of responsible gambling is grounded in aspects of value co-creation between gambling operators and customers. However, our analysis of secondary data and interviews with gamblers and gambling operators demonstrate that today this value co-creation is driven by, firstly, knowledge, learning and solutioning within the industry ecosystem (Komulainen 2014) and, secondly, participatory roles of consumers, nonprofit organisations and public (Ind et al. 2012; Kozinets et al. 2008). In this study we are proposing a new architecture for responsible gambling information systems, underpinned by notion of open business models (Chesbrough, 2006) and new value co-creation framework proposed by Ramaswamy and Ozcan (2018). At the heart of the responsible gambling open business model sits the responsible data sharing process. Gambling operators may be wary of engaging with such process as customer behaviour data used for marketing purposes can be seen as a source of competition advantage. However, we argue that in the long run data sharing presents an advantage to the industry. We argue the case for a principle that data made available for marketing departments and their software would need to be equally, subject to usage conditions, available to responsible gambling divisions and their surrogate software.

Keywords: *value co-creation; responsible gambling; open business model; responsible data sharing*

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## **THE CREATION AND DELIVERY OF CORPORATE RESPONSIBILITY'S VALUES BY STATE-OWNED FINANCIAL BANKS IN BRAZIL THROUGH NON-PROFIT INSTITUTIONS**

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Bank of Brasília – BRB – is a state-owned brazilian commercial bank which shares belongs mostly to the Federal District State of Brazil (75,44%) and to the Pension Fund of Federal District State Workers' (21,41%), while the rest are private owned (3,15%). As a public bank its objective is to promote the economic growth and sustainable development of the Center-East region of Brazil. There are also legal impositions to be achieved, such as the social function of the state-owned enterprise, as determined by the State-Owned Companies Brazilian Act n. 13.303, from 2016. According to this recent law the state-owned companies have to adopt sustainable environmental and corporate social responsibility practices to perform the interests of the society, to reach economic welfare, and the efficient allocation of the managed resources. Considering this legal regime and to generate new values and share them with clients, society, its corporate group and shareholders, the Bank of Brasília has created in 2017 a research and development non-profit



organization, the BRB Institute. Its mission is to promote education, culture, environmental preservation, social welfare and sustainable growth, stimulating respect for diversity and local communities, connecting Bank of Brasília and its corporate group with society, and also aligning their actions with the principles of the United Nations Sustainable Development Goals for 2030.

Positive outcomes of the BRB Institute actions so far are: partnerships with local producers to develop community supported agriculture; creation of a network with corporate clients institutes to provide qualification on financial responsibility and sustainable fund raising to non-profit organizations; studies carried to propose a governance agenda based on arbitration and conciliation for the Federal District State administration; development of a professional master degree for the bank employees; accession to collaborative network that builds strategies and public policies for the conservation, recovery and sustainability of a native biome.

**Keywords:** *Non-profit organization, Socioenvironmental responsibility, State-owned bank*

## **THE EFFECT OF VALUES IN THE ATTRACTIVENESS OF RESPONSIBLE EMPLOYERS FOR YOUNG JOB SEEKERS**

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A number of scientific papers argue that CSR increases the attractiveness of companies for employees and job seekers. Among other, it is hypothesized that value congruency is a possible explanation for this observance. The current paper investigates in more detail the preference structure of young graduate job seekers and seeks to understand whether basic individual value orientations of job seekers have a moderating effect on their employer preferences.

The paper used a quantitative approach with a survey sample of 577 German students who were in their last year of study. We build on adaptive conjoint analysis in order to gain information on the relative impact of different CSR- and non-CSR-related employer characteristics on employer attractiveness. Correlation analysis and a two-step hierarchical regression were conducted to detect the effects of individual value orientations.

We find that only a few CSR attributes are relevant for young job seekers compared with other traditional employer attributes. Specific value orientations can be identified as having a moderating effect on CSR preferences. In particular, value orientations indicating a concern for the welfare of others and the environment positively affect the importance of most CSR attributes while more selfish value orientations have a negative effect.

**Keywords:** *corporate social responsibility (CSR), values, recruitment, employer branding, business ethics*

## **CSR ADVERTISEMENTS AND WOMEN EMPOWERMENT – A STUDY OF BOTTOM OF PYRAMID WOMEN CONSUMERS**

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There has been a growing recognition that businesses through their corporate social responsibility (CSR) programs can contribute to addresses world grand challenges such as poverty, human rights violation, and gender inequality. Support for such link has been documented in various academic, policy and development papers. Accordingly, a large number of businesses have initiated, supported and implemented various CSR programmes in both developed and developing countries; extended their support to global initiatives; and built partnerships with established multilateral and bilateral development agencies in tackling issues including poverty, women empowerment and human rights. Companies often publicise their CSR

programs to inform various stakeholders about their engagement in addressing the social and economic issues in general, and to educate targeted group of consumers about the products and services that the companies offer to meet the needs of such consumer groups with a view to empower them in particular.

This study aims to explore the perceptions of women consumers belonging to the 'bottom of the pyramid' of the CSR advertisement and the impact of such advertisements on empowering them. Using data collected through focus group discussion from Bangladesh, the preliminary findings reveal that despite some short-term success, such CSR advertisements often fail to have sustainable impact on empowering women.

The findings suggest that companies need to shift their focus from overemphasizing the commercial purposes to the normative goal of empowering women in designing their CSR advertisements.

## **INTERNAL AND EXTERNAL CORPORATE SOCIAL RESPONSIBILITY FOR SMEs PERFORMANCE. A SIMPLE MEDIATION STUDY**

**Gallardo-Vázquez, Dolores; Hernández-Linares, Remedios and López-Fernández, María Concepción**

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Corporate Social Responsibility (CSR) is a developing and increasingly important concept in the corporate arena can be defined as the broad array of strategies and operating practices that a company develops in its efforts to deal with and create relationships with its numerous stakeholders and the natural environment. Its relation with firm performance has attracted notable interest among scholars, but results still remain inconclusive. Some studies report a positive relations between CSR and performance, some others inform a negative relationship, and even some others find a neutral relation or no relation between CSR and financial performance.

Although the general topic of corporate social responsibility has been broadly studied, only a few studies have paid attention to differences between internal and external social responsibility. Drawing on stakeholders theory, which suggests that the best way of managing an organization is to maximize the value for all its stakeholders, we join to the very scant research by constructing a conceptual model that proposes that external social responsibility mediates the relationship between internal social responsibility and performance.

In order to test our hypotheses, structural equation modeling is performed for the data collected from 509 Spanish small and medium enterprises of all sectors. Our results show that relationship between internal social responsibility and firm performance is more complex than a simple linear association, which is supported by the mediating effect of external social responsibility. Thus, this article extends research in two aspects. On the one hand, it contributes to comprehending that a broader set of stakeholders is able to influence the company strategy as drivers for corporate social responsibility. On the other hand, our work offers a more nuance understanding on the relationship between corporate social responsibility and firm performance. New avenues for future investigations are offered.

**Keywords:** *corporate social responsibility, external corporate social responsibility, internal corporate social responsibility, performance, small and medium enterprises, stakeholders, external stakeholders, internal stakeholders, Spain.*

## **THE CSR AND THE SUPPLY CHAIN: ITS EFFECT ON THE RESULTS OF THE SME**

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Currently, companies and more SMEs are looking to be more competitive. For this, they are adopting new business models and strategies that allow them to make the leap towards sustainability. Strategies such as CSR and supply chain management have become decisive for its permanence and financial consolidation.

The literature has stated that the theory of Stakeholders and Sustainability are fundamental pillars for the development and sustained growth of business. The purpose of this article is to examine the effects of CSR and SC on Innovation, image and reputation. And in turn, as innovation, image and reputation influence profitability in the SME.

The research is based on a sample of 143 companies in the city of Guaymas Sonora in Mexico. The sample is composed of SMEs that have from 10 to 185 workers. The technique for collecting the information was through a personal interview (questionnaire) addressed to the leader of the SME. The field work was carried out during the months of September to November of the year 2016. For the analysis and validation of the results, we used the SEM statistical technique based on the variance through PLS (SmartPLS version 3.2.6 Professional).

The findings show that SMEs that develop social and sustainable practices increase the level of innovation, their image, their reputation and financial profitability. This work contributes mainly in the development of Stakeholders and Sustainability. The results of the research have generated important implications that can help strengthen the business management of the SME. In a short term, SMEs managers to compete in economies of scale, it is important that they adopt current economic models such as the circular economy and the bioeconomy in order to achieve sustainability through strategic alliances between stakeholders, such as government, society and its customers.

**Keywords:** *Corporate Social Responsibility (CSR), Supply Chain (SC), Image, Reputation, Stakeholders, Innovation, Small and medium enterprises (SMEs).*

## **COMBINING EQUITY AND EFFICIENCY: THE COMPETITIVE ADVANTAGE OF NORDIC COLLABORATION**

**Atle Midttun, David Sloan Wilson and Nina Witozek**

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The Nordic countries have fairly consistently upheld a dual focus on efficiency and equity, and figure in the top league internationally on both fronts. This article explores how the equity-efficiency combination can be maintained, and how it can work in a modern globalizing innovation economy.

Drawing on evolutionary multilevel selection (MLS) theory, we show how the peculiar Nordic combination of productive efficiency and inclusive welfare makes sense in terms of deeper societal and behavioral principles. We also argue that the MLS model, which is an emergent paradigm in biology and anthropology, can be scaled up to bring important insights into the functioning of modern societies.

The article contributes novel insights both at a theoretical and methodological, as well as a policy level:

From a theoretical and methodological perspective, we argue that moving from a uni-level to multilevel selection framework, allows for transcending the methodological individualism/collectivism divide that has challenged the social sciences since their modern foundation.

From a policy perspective we argue that the MLS perspective highlights the option to establish checks and balances between competition and collaboration at different levels – which, if skillfully applied, may provide the best of both worlds.

The Nordic mini-cases – reinterpreted in a MLS perspective, serve to exemplify both points.

# **WHAT THEMES OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT ARE PRIORITIZED BY THE DIFFERENT ACTORS TO CREATE SHARED VALUE IN TOURISM? A CASE STUDY IN CANADA**

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When making purchase decisions, more informed and educated consumers seek information from their peers in social media. In addition, more and more of them are choosing suppliers of products and services that have adopted practices that are less harmful to natural and social environments. These changes in consumer behavior challenge the legitimacy of organizational practices. Thus, leaders must develop a better knowledge of their customers and review their marketing practices. As proposed by Porter and Kramer (2011), they can rely on the principle of *shared value* to develop an organizational strategy and new customer relationship approaches. These would add to the traditional financial performance, social and environmental considerations to maximize benefits to society and minimize negative impacts on natural environments. As such, a case study conducted in a province of Canada, using a systemic sustainability analysis grid, aimed to identify what themes of the 2030 Agenda for Sustainable Development are prioritized by the different actors to create shared value in tourism? At what level of intensity do the SDGs-2030 fit into the provincial tourism strategy? The study highlighted a split in the communication thread related to the implementation of the SDGs-2030 Program between the various levels of actors, leading to the absence of a holistic approach to creating value in the development of the tourism strategy, the prevalence of the adoption of practices related to the economic dimension of sustainable development, while obscuring responsible practices relating to the protection of the pillars of the tourism industry, namely nature and culture. Recommendations for the different levels of intervention are suggested.

## **VISUAL REPRESENTATION OF CSR BELIEFS IN MASSIVE OPEN ONLINE COURSES (MOOCS)**

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Given the multiplicity of definitions of Corporate Social Responsibility (CSR) and its fast dissemination as a set of values and beliefs, studying how contemporary education promotes CSR ideology appears to be relevant. The study of CSR education covers two main topics. First, which ideas and worldviews are imparted through educational content? Second, which educational instruments are predominantly used to disseminate CSR ideas?

In attempt to answer these questions we evaluate educational innovations revealing themselves in contemporary open and massive courses, known as MOOCs. According to the curriculum ideology of social reconstruction, education is considered as a process causing changes in society. Social reconstructionists find cultural factors to be the main drivers of learning experience and change of behavior. Open education, in its turn, enables new forms of educational discourse representation. Ideas, beliefs and values of CSR are conveyed through MOOCs' multimodal texts, characterized with the dominance of visual constituents. Awareness of how educational content is perceived by learners of different axiologically and culturally specified communities might lead to increase their motivation to learn, consequently make the courses more effective and influential.

To analyze images, meanings they bring along, we apply interpretative approach, which presupposes multidisciplinary analysis from several analytical perspectives: perceptual, structural, ideological. Sequential (social-semiotic) analysis is chosen to interpret images of CSR educational content. According to the structuralist principles, this method presupposes both consideration of image-elements separately one after another and analysis how they interact with each other.

The proposed conference presentation aims at illustrating which social values and beliefs are disseminated through the educational courses on Corporate Social Responsibility (CSR), which semantic

elements are present in the visual content of CSR educational courses available at the platforms of open education, which images are typical to represent CSR values and beliefs.

## **CORPORATE EVENTS TO DEVELOP EMPLOYEES' HIGHER COGNITIVE, SOCIAL AND EMOTIONAL SKILLS AND DISSEMINATE VALUES OF SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

**Olga Chkalova and Sergey Tikhonov**

*Lobachevsky State University*

To become socially oriented and responsible a corporation does not have to go too far looking for communities in need. In the list of any company's stakeholders there are those whose interests can be easily detected. They are employees.

In this conference presentation we share our experience of working with CSR and HR departments to organize social events for corporations' employees. These events are not merely to entertain, encourage and show respect, but, first of all, to prepare employees and their families for rapidly changing working environment. Arranging intellectual happenings, we follow the set of principles:

Professional environment is changing very fast. So changing corporates' personnel qualification requirements. In the conditions of digital society it is a social responsibility of a company to adapt its members to the exigencies of modern times;

Intellectual happenings are directed to develop not physical and manual skills, rather higher cognitive, social and emotional ones. In amusing, encouraging form we tend to show how to become life-long learners;

Intellectual happenings are aimed at developing skills and abilities listed in the Atlas of emerging jobs issued by the Agency of Strategic Initiatives (Russia) and The Moscow School of Management SKOLCOVO (Russia). Some of those skills are Systems thinking, Project management, Multilingual and multicultural abilities, Inter-sector communication, Client focus, Lean manufacturing, Environmentally conscious thinking, Ability to work under uncertainty, Interpersonal skills, Artistic skills;

Intellectual happenings are family oriented, they are organized for both adults and their children. This way companies support not only employees' professional adaptation and workplace learning, but also contribute to career guidance of younger generation.

By investing in intellectual happenings for employees and their families corporations demonstrate and disseminate family values, values of social responsibility and sustainability. Motivated, engaged personnel, in its turn, is expected to positively contribute to a company's economic performance.

## **BRANDS BEHAVING BADLY: THE IMPACT OF IRRESPONSIBLE BEHAVIOUR ON BRAND REPUTATION**

**Laura Zannetti and Francisca Farache**

*Brighton Business School*

In the last two decades the interest in understanding Corporate Social Responsibility (CSR) disclosure has increased significantly and it has become an important field of investigation from both an academic and business perspective. However, although CSR activities are designed with the aim of generating positive outcomes from a business and social perspective, in the contemporary marketing landscape CSR activities often motivates businesses to hide their Corporate Social Irresponsibility (CSI) practices by diverting stakeholders' attention to frivolous CSR activities in order to hide activities such as tax evasion or industrial waste with the intention of reducing costs and achieving a higher level of profits.

CSR has been a relevant topic of studies and it has been explored for more than half a century but little attention has been dedicated to CSI. Specifically, understanding how CSI effects corporate's branding

and firm's reputation from a consumer perspective is a topic that deserves to be explored in order to broaden the already existing literature and furnish new insight for further research.

There is a need to explore in depth how irresponsible practices influence consumers' perception of the brand and how it affects corporate reputation. Therefore, the aim of this paper is to investigate and understand the consequences that acts of irresponsible practices have on the consumers' perception of the brand and how it affects corporate reputation. Moreover, since the relation between responsible and irresponsible practices is a reality in the contemporary society, the scope of this research wants to be a contribution to the already existing literature not just regarding the consequences of CSR on a firms' performance and brand reputation but also about stakeholders' reaction towards irresponsible practices.

*Keywords: Corporate social responsibility, brand management, corporate reputation, consumers' perception*

## **THE SUSTAINABLE DEVELOPMENT PRINCIPLES AND CREATION OF NEW VALUES IN RUSSIA**

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Implementation of sustainable development principles including economic, ecological, social, and institutional dimensions, in business strategy leads to the creation of new values. These added-values build not only financial, but social and natural capital as well, bringing long-term sustainability and the ability to cope with the complexity.

The sustainable development concept is a relatively new management paradigm, especially for Russian companies. Despite the spread of this concept over the last two decades, some challenges still remain, including how to measure sustainability; the applicability of sustainability indicators; the application of sustainable development principles in management processes and their adaptation to the needs of the company.

Our study is focused on measuring sustainability and its influence on the creation of new economic, ecological, social, and institutional values by Russian social entrepreneurs.

Our research questions are as follows:

- What factors lead to the successful implementation of the sustainable development principles in business strategy and management processes of an organization?
- How to reach a balance between the economic, ecological, social, and institutional principles of sustainable development?
- Does the implementation of sustainable development principles lead to the creation of new economic, ecological, social, and institutional values?
- Does the implementation of sustainable development principles lead to the success of an organization in Russia?

To conduct our study, we used a method of in-depth face-to-face interviews with Russian social entrepreneurs. Our data-frame includes three cases in different sectors of the economy.

*Keywords: social entrepreneurship; sustainable development principles; corporate responsibility; creation of new values.*

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# **MORAL VALUES AND CORPORATE RESPONSIBILITY – AN OXYMORON? LEARNINGS FROM THE NOT FOR PROFIT CONTEXT.**

**Helen Stride**

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Morality is at odds with the principles of neo classical economics namely the maximization of utility (well-being) by income constrained individuals (agents) and of profit by companies. It is argued that it is only when ‘agents’ derive utility from the pro-social behavior of organizations that the weight of morality is brought to bear on businesses. Research conducted in the not-for-profit sector will be used to support this case.

Using a thirty- item values scale and a seven – item commitment scale the authors explored the drivers of pro-social behavior with two nonprofit organizations.

Altruism, at the heart of pro-social behavior (Piliavin and Charng 1990), requires empathic sensitivity which is underpinned by values such as benevolence and universalism (e.g social equality), collectively referred to as self-transcendent values (Schwartz 1994). The research shows however that there is little evidence that self-transcendent values other than integrity drive pro-social behavior. Social norms, also said to be important in terms of pro-social behavior, do appear to drive stakeholder behavior although the relationship appears to be non-linear

The fit of compliance values (obedience, moderation, and humility) between the NFP and stakeholders however does drive commitment. Values fit or alignment theory suggests that in this situation donors would derive intangible, self-expressive benefits from such an association whereby self-concept is reinforced and thus self-esteem is increased.

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