

SOCIAL RESPONSIBILITY REVIEW

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The Social Responsibility Research Network

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The Role of Corporate Social
Responsibility in Enhancing
Corporate Reputation
by Alfonsus B. Susanto

Book Review: Values and Stakeholders
in an Era of Social Responsibility
by Rachel English

Passing the buck:
the new approach to managing
by David Crowther



Letter from the editor

As I write this editorial for the third issue of the Review in 2012, the annual conference is behind us. As usual it was a successful and enjoyable event and thanks are extended to our colleagues in Lahti for their efforts in organising this event. Now we are turning our attention to next year's conference – the 12th conference – to be held in Rio de Janeiro, Brazil. You will find a call for papers in this issue. We look forward to meeting you in Rio next year.

As usual the Network has been busy with publishing activities also and you will find details of some of these activities in this Review. Others are notified in our regular communications. You will see that quite a few of our members are active in writing and organising events.

As usual this issue of the Review contains a varied selection of content but the number of articles we publish is continuing to increase. So too is the variety of topics which people want to write about – a reflection of the strength and breadth of issues which concern people in the field of social responsibility. As usual people who write these value the comments of other people, so when you have read the article then please take the time to send some comments to the author. It does not matter whether you are in agreement or completely disagree – any feedback is valuable to each of us as authors. Most of these authors are new contributors to the newsletter. So read their articles and think about writing an article yourself for the next issue...

That is all for now. Read the articles and look at the news of our future activity. And consider contributing to the next issue. And please distribute copies of this Review to anyone who you think might be interested – and direct them to the website for further details of our activities. We will be in touch again in the near future.

Social Responsibility Review was formerly known as the Newsletter from the Social Responsibility Research Network

The Social Responsibility Research Network Constitution

For each issue of the Review it is considered to be appropriate to print the constitution of the Network. This was agreed at an open meeting during the 2005 conference in London. But note that no Board has ever been elected. So volunteers are welcome... The Social Responsibility Research Network (SRRNet) is a body of scholars who are concerned with the Social Contract between all stakeholders in global society and consequently with the socially responsible behaviour of organisations.

1. Mission

The mission of the SRRNet is to promote collaborative, cross-cultural and international research on any aspect of its social responsibility agenda, to improve knowledge by such research and to disseminate such research globally.

2. Strategy

The strategy to accomplish the mission will be based on:

- The exchange of research through of its website;
- The promotion and organisation of a series of international research conferences, ideally in various parts of the world and each under the leadership of a named individual;
- The production and dissemination of an academic journal;
- The production of such other publications as are deemed appropriate and for which sufficient funds exist:
- The promotion and organisation of a series of international visits and collaborations (depending upon funding) to work on special projects.

3. Organization

Membership of the network is open to anyone. It is a formally constituted organisation governed by this constitution and managed by an elected / nominated board. The management of the network will be delegated to this board, which will be supplemented by a general meeting, open to all members, which will take place at each conference organised. Membership of the board will consist of:

- One member elected at each general meeting, who will serve for 3 years;
- Each conference organiser, who will serve for 2 years prior to and 2 years subsequent to the conference organised;
- The journal editor.

The board may also appoint additional members as deemed necessary, and from its membership shall nominate a chair and a treasurer.

4. Financing

To achieve the mission, the SRRNet (via its board) will seek sources of funding and sponsorship. Additionally it will receive funding via the conferences and the sale of published material.



Chairs of the Network:

Professor Dr. David Crowther, De Montfort University,
Leicester Business School, The Gateway, Leicester LE1 9BH,
UK davideacrowther@aol.com

Professor Dr. Güler Aras, Yildiz Technical University, Institute
of Social Science, Yildiz Besiktas 34349, Istanbul, TURKEY
guleraras@aol.com

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Social Responsibility Review

Editor: David Crowther, De Montfort University, UK

Associate Editor: Lina Gomez, Universitat Jaume I, Spain

Global Climate Change – Spiritual and Human Values Perspectives

Dr. N.Sivakumar¹

Sri Sathya Sai Institute of Higher Learning, Bangalore, India

ABSTRACT

Climate change has emerged as one of the biggest problems of the recent times. Current thinking on climate change has gone beyond environmental issues to spiritual and values perspectives. The current paper discusses spiritual and human values issues related to climate change based on the philosophy of Bhagavan Sri Sathya Sai Baba, a world spiritual leader. After a literature review, the paper discusses the various spiritual and human values issues related to climate change. The paper emphasises that a spiritual and values based approach can provide long lasting sustainable solutions to the global climate change problem.

Global climate change is one of the biggest problems of current times. Current concentrations have reached 380 parts per million of carbon dioxide equivalent (CO₂e) exceeding the natural range of the last 650,000 years. In the course of the 21st Century, average global temperatures could increase by more than 5°C (UNDP, 2008). Global climate is already warming at a rate unprecedented in the past 1000 years and is therefore inevitably altering the character of local and regional weather around the world (IPCC, 2001b). Around the world people are experiencing the effects of climate change: water and air temperatures are rising at alarming rates, adversely affecting the habitats that sustain life for fish, animals, plants and human beings. Devastation caused both by severe droughts and floods are increasing. Storms and hurricanes are becoming more frequent and intense. New diseases are appearing and old ones are spreading. In overly industrialized areas, the air quality is deteriorating. Climate conditions are affecting people's health and in some areas heat-related

¹ Assistant Professor, Department of Commerce, Sri Sathya Sai Institute of Higher Learning, Brindavan Campus Kadugodi Post, Bangalore – 560067, India

Email: nsivakumar@sssihl.edu.in

Ph: 91-80-28452329

Kadugodi Post, Bangalore – 560067, India

Email: edivabuliyar@sssihl.edu.in responsibility?; in D Crowther & L Rayman Bacchus (eds), Perspectives on Corporate

Ph: 91-80-28452329

deaths are on the increase. Hunger is predicted to escalate as the climate changes (Lutheran World Federation, 2009).

Climate Change Challenge – Beyond Environmental Issues

For a long time climate change was considered an environmental issue and was tackled as such. However, current thinking has evolved to see climate change beyond environmental issues. In this regard the Intergovernmental Panel on Climate Change (IPCC, 2001a) states, “natural, technical, and social sciences can provide essential information and evidence needed for decisions on what constitutes ‘dangerous anthropogenic interference with the climate system. At the same time, such decisions are value judgments ...”. Climate change is more than just a secular environmental issue. Values play a significant role in climate change debates. How to adapt to climate change hinges on the values underlying people's perspectives on what the goals of adaptation should be (O'Brien and Wolf, 2010).

While climate change is a complex problem raising issues across and between a large number of disciplines, including the physical and life sciences, political science, economics and psychology, ethics plays a fundamental role. This is because human actions relating to climate change are open to moral assessment. Further, ethical questions are fundamental to the main policy decisions that must be made to tackle climate change. Such decisions include where to set a global ceiling for greenhouse gas emissions, and how to distribute the emissions allowed by such a ceiling. For example, where the global ceiling is set depends on how the interests of the current generation are weighed against those of future generations; and how emissions are distributed under the global gap depends on various beliefs about the appropriate role of energy consumption in people's lives, the importance of historical responsibility for the problem, and the current needs and future aspirations of particular societies (Gardiner, 2006). Like their values impact, many of the issues discussed also have spiritual undertones. Therefore, the Lutheran World Federation (2009) emphasised that climate change is an issue that goes to the core of faith and spirituality.

Spiritual and Human Values Issues in Climate Change - Literature Review

Scholars have expressed the view that in relation to climate change, there is a need for in-depth research that examines inconsistencies and ambiguities in beliefs, values and actions

(Lorenzoni, et. al., 2007). Grothmann and Patt (2005) observed that there has been very little analysis in the climate change literature regarding the relationship between values and climate change adaptation. Research on values places a greater focus on the interior dimensions of adaptation, and can provide new insights on the limits to adaptation as a response to climate change. In this section, research studies have been reviewed, with a focus on identifying the spiritual and human values issues related to climate change.

As the most fundamental issue, research has focused on the spiritual and values reasons behind the climate change problem (Dahl, 2009; Sakakibara, 2008). The spiritual and values reasons behind human misuse and destruction of the biotic web as identified by White (2000) included self-seeking, opportunistic behaviours trying to dominate the planet without restraint. It is in this context, ancient concepts of the sacred and inherent worth within all life forms need to be inculcated for effective environmental protection (Tranter 1996).

The need and importance of addressing the climate change problem from a spiritual and values perspective became the next research issue when the reasons were identified (Gardiner, 2006). The Ecosystem Principles Advisory Panel to Congress (Fluharty et al., 1999) reflected on this need when they recognized that ecosystems are likely to have thresholds which, when exceeded, may cause the system to shift to a new, potentially irreversible state. However, defining these levels for ecosystems is very difficult. This is due to the complex human values interactions and uncertainties associated with large numbers of parameters, and the limited ability to predict ecosystem behaviour. Slimak and Dietz (2006) explained the importance of understanding environmental issues including climate change from a values angle through the study of the personal values, beliefs, and ecological risk perception among members of environmental protection agencies. The importance of religious beliefs were assessed by evaluating a series of questions about the sacredness of nature, whether religious texts are literal, attendance at religious services, belief in God and an afterlife, religious preference, on a religiosity scale. It was found that those who believe that nature is sacred in its own right are more concerned about ecological and global risks than others.

By addressing the question 'Do values subjectively define the limits to climate change adaptation?' O'Brien (2009) succinctly focused on the debate on the spiritual and values consequences of climate change problem. If values subjectively define the limits to adaptation

as a response to climate change, then the positive and negative outcomes of climate change cannot be assessed without considering what different individuals and communities' value, both in the present and future. Successful adaptation will depend on the capacity of individuals and societies to perceive and respond to a spectrum of legitimate values that extend beyond those that are relevant to oneself or one's group. One clear challenge of climate change adaptation is to take into account values that correspond to diverse human needs and multiple perspectives and worldviews. Hulme (2009) expressed that the idea that the climate change problem needs to be used to rethink and renegotiate wider social goals about how and why people live on this planet. There is a need to harness climate change to give new expression to some of the irreducible and intrinsic human values that are too easily crowded out—desires for personal growth, self-determination and creative expression. In this way the climate change problem can be assimilated into the common future of the planet.

Thomashow (2002) suggested that 'biospheric perception is the song of the soul learning to sing earth's music. Life is improvisation and the biosphere is its ever-changing symphony'. Therefore the task at hand is to practice the earth's music. Drawing upon metaphor, imagery, and emotion the author has explored the existential dilemmas and ecological dimensions of global environmental change. Fox (2008) explored several archetypes of assisting modern society in deepening their spirituality. Among these, the 'Green Human' stands out as a metaphor for honouring the earth as a source for the human spirit. It can be a powerful metaphor for celebrating nature and honouring the earth as the foremost source of all vital energy. These studies stressed the fourth research issue dealing with understanding existing models and ideologies of tackling climate change from a spiritual perspective.

Finally research has focused on providing spiritual and values based solutions for the climate change problem. Hansla, et. al. (2008) studied values orientation of people and their environmental concerns. Benevolence is related to local environmental concerns, whereas universalism is related to global environmental concerns. Values such as being helpful, forgiving, loyal and responsible lead to actions that benefit the local environment while values such as tolerance, equality, social justice and peace lead to actions that benefit the environment on a global scale. Armstrong (2010) outlined 'twelve steps to a compassionate life'. Compassion impels people to work tirelessly to alleviate the suffering of fellow

creatures, to dethrone themselves from the centre of the world and put others there. It also enables people to honour the inviolable sanctity of every single human being, treating everybody, without exception, with absolute justice, equity and respect. Such an approach is most important in the current times to protect nature. Sustainable alternatives in relation to climate change in building design were analysed by Guy (2010). This analysis recognized both the contested nature of the sustainability concept and the need to encompass the differing contextual values of the design process across cultures when understanding buildings. By exploring sustainable architectures, it is possible to find new socially viable solutions to the mounting challenges associated with climate change.

The review of literature in this section has thus been able to identify the research issues on spiritual and human values perspectives related to the climate change problem namely:

- The spiritual and values reasons behind the climate change problem
- The importance of addressing the climate change problem from a spiritual perspective
- Spiritual and values consequences of climate change problem
- Understanding existing models and ideologies of tackling climate change from a spiritual perspective, and
- Spiritual solutions for the climate change problem.

This paper attempts to study these issues from the perspective of the philosophy and values enunciated by Bhagavan Sri Sathya Sai Baba.

The Philosophy of Bhagavan Sri Sathya Sai Baba

Bhagavan Sri Sathya Sai Baba (referred throughout this paper as either Baba or Bhagavan Baba) is worshipped by millions across the globe as a foremost spiritual leader (More information about Bhagavan Baba can be had at www.srisathyasai.org.in). The philosophy of Bhagavan Baba is a modern day exponentiation of *sanathana dharma* or eternal human values. Baba describes that '*dharma* is a power-packed term epitomizing an entire philosophy and a way of life' (Baba, 2008). At the level of performing actions *dharma* means, 'being careful not

to offend propriety or the canons of good nature; not playing false to the promptings of the inner voice; being prepared at all times to respect the appropriate dictates of conscience; watching ones steps to see whether they are in someone else's way and being ever vigilant to discover the truth behind all the scintillating variety' (Baba, 2003). *Dharma* at a rule based level can be observed in the golden rule, 'do unto others what you wish them to do unto you; do not do unto others what you do not wish them to do unto you' (Baba, 2009, vol.2).

Sanathana Dharma is intimately spiritual in nature. According to Baba, the goal of *dharma* is the merging of the self in the over-self. To become intoxicated with the nectar of union with over-self; that is the ultimate goal of *dharma* and of action inspired by *dharma*. The aim of *dharma* is to make individuals give up attachment to external nature and the illusion that it causes and to make individuals realize their reality or rather, unrealize what they have now taken as real so that they may stand revealed in their genuine identity (Baba, 2003).

The philosophy of Baba as seen above has both spiritual and human values underpinnings. Therefore this philosophy can be extremely relevant in understanding the various spiritual and human values issues related to climate change.

Issues in Climate Change – Spiritual and Human Values Perspectives From Baba's Philosophy

Lerner (2000) contended that a spiritual approach is at the core to solving environmental problems since political and social activist strategies have failed. Environmental lobbyists fight for narrow victories, while environmental visionaries work for larger causes. In the course of the next fifty years more and more environmentalists would understand that spiritual issues do matter. Therefore spiritual transformation of human consciousness is the linchpin to save the environment. The further parts of this section discuss the spiritual and values perspectives of climate change using Baba's philosophy.

The spiritual and values reasons behind the climate change problem

There are several spiritual reasons for the climate change problem to assume gigantic proportions. These are discussed below.

- Loss of human values: The most important spiritual reason for aggravation of the climate control problem is the loss of humanism and human values. Dahl (2009) contends that

climate change is a consequence of materialistic economy and consumer society. One of the expressions of loss of human values in a consumerist society is value free economics. Anderson (2006) in this regard argues that orthodox environmental economics borrows from conventional economics and unhappiness about moral judgments and moral discourse. It prefers to stick to the facts and therefore moral discourse about the environment has to be translated into the language of consumer preference. If anyone says that they have a moral obligation towards future generations, this is interpreted as meaning that that person has a set of consumer preferences which assign a high value to the future. This type of moral value-free economics is, in a very literal sense, an irresponsible economics, because everyone, by virtue of being members of the human community, has a responsibility for making the world a better place. Loss of human values leads to exploitation of the environment. Baba explains the loss of humanism in relation to the treatment of nature thus, 'humans are deriving innumerable benefits from nature. But what is the gratitude they are showing towards nature? (Baba, 2009, vol. 21). Whatever humans seeks to achieve they have to rely on nature. Nature is not anyone's property. It belongs to god. Not realizing this truth, some people embark on the exploitation of nature, out of arrogance and self-conceit. This is highly misconceived' (Baba, 2009, vol. 22). The loss of human values leading to climate change has affected the human rights of several millions. The Human Development Report (UNDP, 2008) reinforces, 'climate change is a human tragedy in the making. It represents a systematic violation of the human rights of the world's poor and future generations and a step back from universal values'.

- Loss of sacredness of nature feeling: Holding nature as sacred has a great significance for environmental conservation. Viewing nature as 'spiritual or sacred in itself' is associated with environmental activism (Tranter 1996). Throughout human history nature has always been held sacred. Baba in this regard emphasises, 'individual is a limb of the society. Society is a limb of humankind. Humankind is a limb of nature. Nature is a limb of God' (Baba, 2009, vol. 32). Baba further explains, 'nature is the projection of divine will. Therefore, in every object emanating from nature, the divine principle must exist' (Baba, 2009, vol. 21). However the feeling of sacredness of nature among people has diminished. The Bible forecasts this process vividly, 'many people have destroyed my vineyard, they have trodden my portion under foot, and they have made my pleasant portion a desolate wilderness. They have made it desolate,

and being desolate it mourns to me; the whole land is made desolate, because no man lays it to heart' (Jacobsen, 2010). When nature is not held sacred, ecosystems are more like treated as commodities to be exploited (Clewel and Aronson, 2006). On the other hand, those individuals who believe nature is a sacred entity are more concerned about risks that directly affect nature (Slimak and Dietz, 2006).

- **Spiritual desolation:** According to the Lutheran World Federation (2009), 'climate change is more than just a secular environmental issue; it is an issue that goes to the core of our faith and spirituality and is reflected in the ways we view the world. Climate change is moving us to reconsider how we have thought about God and the rest of creation'. Spiritual desolation leads to a situation in which people disconnect themselves from God and all creation. Bhagavan Baba in this regard states, 'humans are misled into believing that nature is their rival which has to be defeated and conquered. They consider it heroic to undergo travail in what is called as the conquest of nature' (Baba, 2009, vol. 19). This in turn leads to exploitation culminating in climate change. Jacobsen (2010) correctly correlates the chain of actions thus, 'spiritual desolation and subsequent upheaval causes terrestrial desolation and upheaval'.

- **Loss of cultural moorings:** Across the globe, culture has always been a great lynchpin to keep people moored to their spiritual underpinnings. However, in the current times, several communities across their globe have lost their cultural foundations. Bhagavan Baba too has reiterated this problem, 'people have forgotten the greatness of their own cultures. The sacred tenets of culture no longer convey any meaningful messages to people in the social makeup of today' (Baba, 2009, vol. 12). This in turn has exacerbated the climate change problem as identified in several studies. These include studies of Pacific island countries (Barnett, 2001), Cape York in Australia (Ockwell, 2005), India (Brahma Kumaris Environment Initiative, 2011), Inuit cultures (Leduc, 2007), Rhine floodplains (Straatsma, et. al., 2009), Tibetan villages (Byg and Salick, 2009), Alaska (Sakakibara, 2008) and Arctic Bay (Ford, et.al., 2006) . With regard to the Arctic Bay it has been found that the decrease in importance of the extended family, the emergence of intergenerational segregation, decline in practice of traditional cultural values, concentration of resources in fewer hands, and the emergence of social tension had tended to

weaken the relations of trust, reciprocity, and exchange that had facilitated sharing and the pooling of risk. This in turn has increased vulnerability to climate change.

The importance of addressing the climate change problem from a spiritual perspective

The Lutheran World Federation (2009) states that spiritual and religious institutions are deeply affected by and are getting increasingly active in addressing concerns regarding climate change. The importance of addressing climate change problem from a spiritual and human values perspective include:

- **Acceptance of Responsibility:** ‘Spirituality operates in the manner to preserve the cosmic order. When this order is disturbed, the world is in peril’ emphasises Baba (Baba 2009, vol. 22). Spirituality has the responsibility for providing new ethical foundations to create a just social order with an economy that is altruistic and cooperative, creating employment and eliminating poverty. Religions have the duty of developing sensitivity to environmental issues (Dahl, 2009). If spiritual leaders remained silent in this situation it would be an abdication of responsibility (Bock, 2009). Further the Evangelical Environmental Network (2009) emphasises that ‘if the bible teaches us that Christ has created the universe, gives it life and sustains it, and has reconciled everything to God, then our actions should participate in Christ’s creating, sustaining and reconciling work. We certainly shouldn’t be doing things that thwart this work’.

- **Transformation:** It is important to address the climate from a spiritual perspective because spirituality has a lot to offer in the transformation of self, social and ecological ethics, and reconnecting with the sacred in the beauty and elegance of the natural world (Dahl, 2009). Baba in this regard states the transformational purpose of nature, “what for nature came into being? Nature’s role is to help humans, the crowning achievement of the evolutionary process, to realize the divinity immanent in creation’ (Baba, 2009, vol. 21). Spirituality deals with transformation and therefore helps to look at the climate change problem from a correct perspective.

- **Vulnerability:** Climate change makes several millions vulnerable. (Gardiner, 2006) states that, ‘the climate change problem interacts in some unfortunate ways with the

present global power structure. For one thing, the responsibility for historical and current emissions lies predominantly with the richer, more powerful nations, and the poor nations are badly situated to hold them accountable. For another, the limited evidence on regional impacts suggests that it is the poorer nations that are most vulnerable to the worst impacts of climate change'. Spiritual institutions have a of primary calling to serve and protect the poor and vulnerable, who contribute the least to this problem yet will suffer the most from the impacts of climate change (Bock, 2009). Baba emphasises the spiritual significance of serving the vulnerable, 'the weak, the destitute and the helpless need to be served. Even in rendering service to such persons, there should be no feeling that 'others' are being served. Instead it should be felt that the God who dwells in them is being served' (Baba, 2009, vol. 20).

- Stewardship: Brahma Kumaris Environment Initiative (2011) states that that spirituality has a role of stewardship for the environment in general and climate change in particular. Some of the reasons for this include:

- Spiritual institutions are repositories of deep traditional knowledge.

- Spirituality inherently understands that the balance of different forms of life is crucial for life to continue.

- Spiritual values have a great ability to face the challenges created by consumerism and the consequent changing lifestyles.

- Spirituality promotes the cultivation of contentment which is of foremost importance to save the environment.

Bhagavan Baba reinforces these spiritual ideas thus, 'in dealing with nature there are three requirements. The first is the knowledge of the laws of nature. The second is the skill to utilize the powers of nature for human needs. The third is to maintain the balance among natural forces. It is the disturbance of the balance that leads to consequences as soil erosion, pollution of the atmosphere etc.'" (Baba, 2009, vol. 19).

Spiritual consequences of climate change

The climate change problem has spiritual consequences. This is because when humans exploit nature, nature in turn hits back not only physically but also spiritually. Baba explains

that several people are involved in activities which are destructive. Through this they put the entire human kind at a risk and are in turn destroying themselves (Baba, 2009, vol. 16). The spiritual impacts of climate change include:

- Values damage through threatening of freedom: Cook and Tauschinsky (2008) state that, besides the evident threat to life as a result of severe weather events caused by climate change, climate change also affects the ability of the individual to fulfill their needs, and thus threatens their freedom. Climate change leads to specific threats to human values in terms of the fulfillment of basic human needs, equity, justice and social tensions. Further as UNDP (2008) suggests, the long run damage to human development generated through climate shocks has been insufficiently appreciated. Media reporting of climate related disasters often play an important role in informing opinion. However, it also gives rise to a perception that these are 'here-today-gone-tomorrow' experiences, diverting attention from the long-run human consequences of climate change.

- Threat to spiritual experience: Nature has always helped humans to appreciate spiritual experiences. For example for Pacific Islanders, land remains an important aspect of their culture and spirituality (Regenwanu 1985). However, climate change is affecting spiritual experience. For example Ifupiatic storytelling, a deeply spiritual experience in Alaska is going through a transition. The changes are evident in the shift in the distribution of spiritual appearances, personal qualities, and encounter contexts (Sakakibara, 2008).

- Impact on human rights and human development: UNDP (2008) describes that strategies for coping with climate risks can reinforce deprivation. For example, producers in drought prone areas can be forced to forego production of crops that could raise income, preferring to produce crops with lower economic returns but resistant to drought. When climate disasters strike, the poor may be forced to sell productive assets, with attendant implications for recovery, in order to protect consumption. And when that is not enough households are forced to cope in other ways: by cutting meals, reducing spending on health and taking children out of school. These are desperation measures that create life-long cycles of disadvantage, locking vulnerable households into low human development traps. Therefore, Cook and Tauschinsky (2008) state that, climate change raises human rights law implications. The effects will impact on the ability to secure and realise rights such as the right to life,

liberty and security, and the right to a standard of living which is adequate for good health and well-being.

Understanding existing models and ideologies of tackling climate change from a spiritual perspective

There are several models and ideologies which deal with climate change and their consequences. It is important to have a spiritual understanding of these ideologies to ensure that these ideologies can be viewed from a fundamental perspective to provide deep-seated solutions for the climate change problem. Some of the major ideologies discussed below include:

- **Deep ecology:** Deep ecology, a term coined by noted Norwegian philosopher Arne Naess, was a worldwide grassroots environmental movement that sought to redress the shallow and piecemeal approach of technology-based ecology (Drengson and Inoue, 1995). Naess believed that humankind saw itself as the pinnacle of evolution only because humans did the ranking. While other organisms find a state of equilibrium with their respective biospheres, humans, in their arrogance, tend to overwhelm and destroy the environment in which they live. Deep Ecology advocates a paradigm shift toward a way of life in harmony with nature rather than being masters over it (Martin, 2011).

- **Green economics:** Anderson (2006) describes 'green economics' as a model to deal with climate change. Green economics includes questions of values in dealing with environmental issues. Green economics is normative, as opposed to the value-free pretence of conventional economics. Green economics therefore has a great deal of material and ideas to draw on, including concepts and data both from inside conventional economics and from other disciplines and modes of thought. Green economics concerns itself with the interaction between human economic activity and the natural world. It considers both directions of that interaction, i.e., human dependence on the natural world, and the human impact on it. Through interactive values based discourse green economics tries to arrive at values based solutions for the climate change problem.

- **Spiritual Renewal:** Clewell and Aronson, (2006) have used the ideology of spiritual renewal as an antidote to climate change. Spiritual renewal involves using acts of restoring ecosystems as a kind of meditation or yoga so that over time practitioners can realise they are an active and vital participant in ecosystem processes. This intuitive realization acts as an epiphany that effects or contributes to spiritual renewal. This is described as an encounter with immanent divinity. Through restoration practices ending in spiritual renewal, this ideology attempts to tackle climate change innovatively.

- **Spiritual Ecology:** According to Lee (2010) spiritual ecology is an exploration of the spiritual dimension of the present ecological crisis. At the core of 'Spiritual Ecology' is an understanding that the present outer ecological crisis is a reflection of an inner spiritual crisis. Most people are less aware of the inner spiritual crisis that underlies the outer crisis - that a lack of awareness of the sacred within themselves and within all of life has created an inner wasteland as real as any outer landscape. The interconnection between the outer and inner is foundational to life which has been understood by indigenous peoples since the very beginning. It is difficult to address the ecological crisis without a real consciousness of the inner situation. The physical environment can be redeemed only by restoring people's relationship to the sacred.

All the above models have both an implicit and explicit values and spiritual content. The understanding of this foundation is very important. Unless the spiritual foundation is understood, any solution provided to the climate change problem will be superficial. Bhagavan Baba in this regard links every issue to a spiritual foundation. This can ensure that the basic issues are correctly understood. For example, Baba explains, "nature is a vast mirror. People regard as real the varied objects they see as nature. But they are all different forms of the divine (Baba, 2009, vol. 21). Nature is not falsehood. It is the splendour of god, god's reflection. God reflected and nature appeared. It is god's own substance, manifested as multiplicity, as latent energy (Baba, 2009, vol. 19). The cosmos demonstrates the unity of god and nature. Nature is dependent on god and god is the basis of nature" (Baba, 2009, vol. 19). With this understanding of nature, it will be possible to develop spirituality based solutions to the climate change problem.

Spiritual solutions for the climate change problem

The final issue deals with evolving spiritual solutions to the climate change problem. As the external problem of climate change is really a reflection of an inner spiritual crisis, it is necessary to bring the light spiritual awareness into the present predicament. Only then it is possible to heal the world and bring it back into balance (Lee, 2010). The Spiritual Science Research Foundation (2011) emphasises that at a mental and spiritual transformation (along with the physical measures such as reducing carbon emissions) is necessary to avoid natural disasters and catastrophic war over the next decade. Baba (Baba, 2009, vol. 21) in this regard states, 'there has been any amount of transformation in the political, social and scientific fields. But all this development is of no avail if there is no commensurate transformation in the mental outlook of the people. Ethical transformation depends on social transformation. Social transformation is related to spiritual change. Without spiritual transformation, social progress tends to become inimical to human advancement. Spiritual transformation is the basis for ethical transformation'.

The spiritual solutions to the climate change would include:

- Synergy with divine: Baker and Morrison (2008) while using environmental spirituality as a way of tackling the climate change problem, emphasise that promoting sustainable development requires the utilisation of the energy of creation and the enhancement of synergy with God as creator. Such a synergy can help in developing sustainable approaches to climate change. Bhagavan Baba advices (Baba, 2009, vol. 19), 'although people are deeply involved in matters relating to the day-to-day material world, they should remember always their connection with the world of the spirit, and carry on their work with full knowledge of the world of the spirit.'

- Realising the spirituality of nature: The climate problem can be effectively managed if the spiritual character of nature and environment is realised. This will make people realise that nature too has a soul. In this regard, Lee (2010) laments that people have forgotten that the world also has a soul. The anima mundi, the world soul, is no longer part of the society's collective consciousness, even though for centuries it was understood as the root of everything sacred in creation. When the spirituality of nature is realised, people will recognise its living needs too (Croft, 2007). Then people will cease being human beings and start becoming to be human becomings. They will become humane enough to realise the

spirituality of nature. Bhagavan Baba articulates, “look upon nature as the vestment of God; it is the manifestation of God’s glory; God’s power; God’s might; God’s majesty. See these in every blade of grass, in every floral petal, every slice of fruit. Through this worshipful attitude to human and beast, plant and stone, people can remove their veil of ignorance and achieve equanimity”(Baba, 2009, vol. 19). Such an attitude is most fundamental in tackling the climate change problem.

- Tapping inner resources: One of the major problems of today’s society is overreliance on the intellect and its prowess. However, environmental conservation requires the usage of the heart over the head (Sivakumar, 2007). Martin (2011) emphasises that tapping inner spiritual sources to inform outer actions may help people understand and act more appropriately. For this a meditative attention to the quintessence of nature which underlies all elements of nature is important. Baba stresses, “it is enough if Prema (divine love) is cultivated, the Prema that knows no distinction between oneself and another, because all are but limbs of the One Corpus of God Almighty. The bond of love will knit all into a rare type of family, which knows only one Will and one direction. If people remember that the one goal they must place before themselves is Aathma-saakshaathkaara (realisation of the Self), then people will make their lives worthwhile (Baba, 2009, vol. 19).

- Awakening to oneness: The climate change problem was originally caused due to diverse strategies used by nations to achieve their economic and other objectives. However, the climate change problem has brought about the awareness of the principles of interconnection and interdependence. The actions and behaviour of one nation affects all others. Understanding the interconnection and the deeper spiritual significance of Oneness can guide people through the many changes that must take place and help them develop a more sustainable and life supporting future. Working through carbon trade agreements is important but it is not enough. For the human community to set itself on a truly sustainable course, a shift in mind set, in understanding, is needed (GPIW, 2009). Realising the oneness in all creation is the true solution to the climate change problem. Bhagavan Baba calls this as the realisation of the “One in All”. When this realisation takes place the ego will be dissolved; all signs and symbols of particularism like name, form, caste, colour, creed, nationality, church, sect and the rights and duties attendant thereon, will fade. For such liberated individuals who

have merged their ego, the only task they will adhere will be the uplift of humanity, the welfare of the world (Baba, 2009, vol. 7). Such liberated and realised individuals are truly required for most effectively tackling the climate change problem.

- Spirituality inspired sustainability: Ultimately the climate change problem can be tackled only through sustainability based solutions which have their foundations in spiritual values. Some of the possible action plans in this regard could include:

- Contribution to climate change mitigation by industrialised countries based on a sense of responsibility towards the world and due to a fraternal attitude towards less developed and less equipped nations (GPIW, 2009).

- Reduction in carbon emissions through a feeling of oneness with nature.

- Reduction in wasteful consumption through a realisation that true happiness lies in conservation of resources created by the divine and not in their wanton exploitation (Baba, 2009, vol. 16 and vol. 31).

Conclusion

This paper has discussed spiritual and human values issues related to the global climate change problem from the perspective of the philosophy of Bhagavan Sri Sathya Sai Baba. The paper points out that spiritual and human values perspective provide the most foundational way of addressing the climate change problem. Further, solutions based on spirituality and human values are sustainable and long lasting in tackling the climate change problem.

Dedication: The author humbly dedicates the paper to Bhagavan Sri Sathya Sai Baba, The Revered Founder Chancellor of Sri Sathya Sai Institute of Higher Learning, Prasanthinilayam.

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The Role of Corporate Social Responsibility in Enhancing Corporate Reputation

Alfonsus B. Susanto

Chairman, The Jakarta Consulting Group

Faculty of Economics, President University, Jakarta, Indonesia.

Abstract

Today, people demand companies to be more socially responsible. However, Corporate Social Responsibility (CSR) activities should also be beneficial for the companies so that they will be addressed seriously. This paper discusses the benefits of CSR for a company in enhancing its reputation. Based on many studies, the correlation between CSR and financial performance is not always positive. However, in the long run, CSR can enhance corporate reputation. Therefore, any CSR activity should be driven by reputation motives and also should be aligned with corporate strategy by using strategic management approach

Keywords: Corporate Social responsibility, financial performance, reputation, strategic management.

1. Introduction

Corporate Social Responsibility (CSR) has been the topic of discussion since the last few decades. There are increasing demands from various stakeholders such as customers, employees, suppliers, communities, governments, and non-governmental organizations (NGO's). They expect companies not to care only about financial performance, but also to contribute to the well-being of societies.

The debates concerning CSR start with the question whether companies should involve themselves in social and environmental activities. According to Friedman (1970), in a free society, "there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." (Tsoutsoura, 2004). Only the government has the responsibility in solving social problems. The

involvement of a company in social activities will reduce its competitiveness, because of the cost that must be allocated.

2. The Definition of CSR

European Commission defines CSR as “*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*”. While according to McWilliams and Siegel (2001), CSR is “*actions on the part of a firm that appear to advance the promotion of some social good beyond the immediate interests of the firm/shareholders and beyond legal requirements*”. Socially responsible companies will focus their attentions on what is known as Triple Bottom Line or TBL (Elkington, 2004). According to TBL concept, in addition to its effort to increase the financial performance, a company should also strive to enhance its social and environmental performance. In other word, in addition to profit, a company should address its surrounding community (people) and its environment. CSR is directed toward inside and outside the company (Susanto, 2009). Inside the company, CSR is directed to the shareholders and employees. To the shareholders, a company should strive to maximize shareholder value. A company should also address the well-being of its employees. Thanks to their hard work, dedication, and sacrifice, the company is able to perform many activities and succeed. Outside the company, CSR relates to the company contribution in paying taxes, creating employment opportunities, improving the well-being and competence of society, and preserving environment for future generations.

3. The Benefits of CSR

For companies, CSR brings various benefits. First, support from communities. Companies perform their social responsibilities consistently will win the public support. Should there be accusations of any wrongdoing, public will show their support. Second, CSR will help companies minimizing the risk of any crises. Tsoutsoura (2004) suggests three kinds of risks related to CSR, namely corporate governance, environmental aspects and social aspects. Companies that adopt the CSR principles are more transparent and have less risk of bribery and corruption. They will also implement stricter quality and environmental controls. Therefore, they run less risk of having to recall defective product lines and pay heavy fines for pollution. CSR also help companies reducing social risks.

Third, employee engagement and pride. Employees will be proud of working for a reputable company which consistently helps societies improving their quality of life. Employees will feel more motivated to work harder for the company's success. Socially responsible companies will also be able to attract and retain best talents more easily, reduce turnover rate, and lower cost for recruiting new people.

Fourth, CSR will strengthen the relationship between a company and its stakeholder, since it shows the stakeholders that the company cares about those contribute to its ability to operate and success.

4. CSR and Financial Performance

Companies expect CSR activities will result in better financial performance. However, studies regarding the relationship between CSR, as measured by corporate social performance (CSP), and financial performance show mixed results. The relationship can be positive, negative, or neutral. Probably this is because there is still no agreement regarding standards and measurements in social activities. There are differences regarding concepts, operations, and methodology in defining CSP.

Differences could also be found in measuring the financial performance. Researchers use different financial indicators, such as Net profit, Earning per Share (EPS), Return on Equity (ROE), or Return on Assets (ROA). Each indicator used in measuring financial performance also has its limitation. Accounting measures, for instance, capture only historical aspects of firm performance (McGuire, Sondgren, and Schneeweis, 1988). Moreover, they are subject from managerial manipulation and differences in accounting procedures. While the movements of stock prices often do not reflect a company's real condition.

5. CSR and Reputation

Studies regarding the relationship between CSR and financial performance produce inconclusive result. However, the CSR activities continue to increase. According to Minor (2009), when managers are asked why they engage in CSR, they claim it is to secure a better brand and reputation. As Fombrum et. al (2000), suggests ' the activities that generate CSR do not directly impact the company's financial performance, but instead affect the bottom line via its stock of 'reputation capital' – the financial value of its intangible assets".

Reputation consists of the accumulation of corporate images possessed by the stakeholders over the relatively long time (Susanto, 2009). In reputation management, corporate images should be managed based on the corporate wish. In order to succeed in managing their reputations, companies should set policies and deliver actions that will support their performance. Subsequently, these policies and actions should be supported by effective communications so that misperceptions can be avoided.

Changes in Business environment could affect corporate reputation. Media proliferation and information, increasing demand for transparency, attention to CSR, and recent scandals involving large scale corporations have pressured companies to strengthen their effort in building and maintaining reputation.

Notion regarding the importance of reputation has been confirmed by several studies and ratings, as published by media such as Fortune, Business Week, dan Wall Street Journal. They try to identify companies categorized as the best or the worst and attract media attention. Survey conducted by Chief Executive Magazine-Hill and Knowlton Corporate Reputation Watch indicated that between 1999-2000 the number of CEO's stated that they formally performed the reputation measurement had double from 19 percent to 37 percent (Argenti, 2002).

Fombrum (1996) suggests that strong reputation will attract company features and provide more options for manager, such as more freedom to set product prices and implement innovation programs. Therefore, there is no doubt that reputation can be the source of competitive advantage. Companies with strong reputation will be able to attract and retain best talents, loyal customers and partners. Those all will contribute to the company's growth and financial success.

Rayner (2001) suggests seven main drivers of reputation, namely first, financial performance. Financial performance indicates competitiveness and investor's trust. Second, corporate governance and quality of management. Corporate Governance can be defined as a series of rules, mechanisms and processes generated by the interaction between the different entities on various institutional levels, in order to guarantee the interests of those who operate around and within the company in an equal and satisfactory way, with respect to both the organization's survival conditions as well as the widespread values generally shared by the

original collective (Gatti M., Della Piana B., Testa M., 2005). Displaying good corporate governance is a major contributor to reputation. Third is social, ethical, and environmental performance. Fourth: employees and culture. Stakeholders interest in an organization's human capital is leading them to demand information on the kind of people employed in the organization, their diversity, their skills, their training programs, their motivation and attitude to their employer, their remuneration, staff retention levels and recruiting processes, and organization culture. Fifth are marketing, innovation, and customer relations. Through product and process innovation, a company obtains its competitiveness. Competitiveness should be maintained through customer satisfaction and trust. Sixth: regulatory compliance and litigation. Violations of laws and regulations could have serious consequence on company reputation. And seventh: communication and crisis management. Some organizations introduce early warning systems to identify and manage events which may lead to crises so that corrective policies and pertinent communication actions can be taken before company reputation is damaged.

Susanto (2009) suggests four indicators which can be used to estimate the strength of company reputation. First; the company's ability to charge premium prices for its products for a relatively long period of time. Second; the company's ability to retain best talents. Third; consistency in gaining support and positive recommendation. And fourth; public support in the time of crisis.

Susanto (2007) also suggests that the damage on reputation occurs when there are perceived gaps between corporate performance and stakeholders' expectations. One example is when stakeholders find that the company gains huge profit while at the same time they perceive the deterioration quality of life. This will damage the company reputation, so that soon or later the company's profit will drop. Even the company's existence is threatened. The CSR program will help the company reducing such risks.

Regarding social responsibility, a company has five obligations: Be Profitable, Be Ethical, Be Involved, Be Obedient, and Be Bigger. Company should gain sufficient profit so that it can pay taxes, compensate employees, and fulfill any other obligations. Company must not disregard ethics in doing business. It must involve itself in activities aimed at improving the well-being and quality of life of communities and their surrounding environment. A company

must comply with existing law and regulations, and have bright future by discovering new opportunities.

6. Strategic Management Approach in CSR Activities

Although CSR is highly important in enhancing corporate reputation, there is no certain practice which can be considered the best for every company in every industry. Therefore, CSR activities should be integrated with the company's vision; mission; strategic goals and objectives; and culture. Internal and external factors should also be considered. Stakeholders affected by CSR activities should be clearly identified. CSR activities require support from all employees.

Next, the company should develop a strategy as a roadmap for CSR activities, starting with decisions regarding direction and scope of CSR activities so that resources utilization can be optimized. A company can learn from other parties' experience and knowledge, such as from other companies or industry associations. Strategy should also include specific CSR activities plans and their objectives.

CSR activities cannot be performed effectively without commitments from all employees. Therefore, communications and discussions with stakeholders affected by CSR activities are needed. A company should also create a system in which all complaints, suggestions, responses, and information regarding CSR activities can be received.

In order to transform the CSR commitments into action, a company should develop integrated and supportive decision making structure, which must be aligned with goals, objectives, and strategy. Because CSR activities basically deal with transparency, accountability, and performance, it is important to make CSR decision making structure as a part of corporate governance. Those who are responsible for CSR activities should be provided with adequate resources and incentives. Their performance must also be evaluated.

In ensuring the effectiveness of CSR activities, a company should set specific, measurable, achievable, reliable, and timely targets. Measuring the success of CSR activities is also important. Therefore, a company has to select an accurate, balanced, integrated measurement. The measurement results should be reported so that they can be used as references for external parties in making decisions, such as investors, who want to invest their

money, customers who want to buy the products and services, or employees who want to develop their career. For the company itself, the report can be useful for the future CSR activities and, most importantly, as the source of learning.

7. Conclusion and discussion

Today, companies are under increasing pressure to contribute to the well-being of society and the quality of the environment. The Definition of CSR is dynamics and evolved, as people become more critical and media proliferation is pervasive. However, the correlation between CSR and financial performance is not always positive. Whereas a company needs a strong motive to perform its social responsibility, that has a positive impact for the society, not just because of the pressure from the communities.

Although CSR do not have direct impact on a company's financial performance, it can strengthen reputation capital. Therefore, as a profit seeker, a company will have a strong reason to allocate cost for CSR activities. In the long run, CSR will bring many benefits which lead to competitive advantage. CSR can be included as a part of reputation management. It should be integrated to the company's vision, mission, objectives, and strategy.

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Author Information:

Alfonsus B. Susanto serves as Chairman of The Jakarta Consulting Group, a leading strategic management consultant in Indonesia. He is also the Dean of The Faculty of Economic, President University, Jakarta, Indonesia. He obtained his Bachelor Degree and Master Degree from University of Indonesia and Doctorate Degree from Duesseldorf University, West Germany. He also has Doctoral Degree in Strategic Management from University of Padjadjaran, Indonesia. He is the author of several books especially in strategic management, change management, family business, and Corporate Social Responsibility, and corporate culture.

Passing the buck: the new approach to managing

David Crowther

It is well known that President Harry Truman² kept a sign on his desk saying “the buck stops here” because he recognised that, as the person in charge, whatever happened was his responsibility. And he did not seek to pass that responsibility on to his subordinates. More recently President Barak Obama reiterated this by saying “the buck stops with me”. This sentiments has been repeated by various other public figures over the years. It is a clear understanding that along with authority comes responsibility and this is the basis for all organised activity.

It used to be the case that this connection of responsibility to authority was an integral part of management in the same way that risk and rewards were – unquestionable as a basis for managing. Over time this has been changed and I described in 2004³ how the changes in legislation over time⁴ had meant that corporations were increasingly made less responsible for the problems caused by their actions. This separation of rights and responsibilities has led to the bonus culture which continues to destroy the financial sector and the credence given to the people managing it. Similarly the separation of risk from rewards led to profligate gambling decisions and to the complete failure in governance which has been unfolding during the past 5 years of financial collapse and economic recession.

It seems that the full scale of misbehaviour has still not been exposed. At the time of writing another scandal has rocked the UK banking industry as it has become apparent that the banks have been lying (again) to increase their profits through a deliberate overstatement of interbank rates to raise the LIBOR rate⁵ and therefore rates charged to businesses and individuals.⁶ This of course inflated the profit of banks by enabling them to charge unnecessarily high interest rates and this had the effect – inter alia – of causing some businesses to fold. Interestingly this revelation has come in a week when the credibility of the banking industry is at an all time low because incompetence in the modifying of crucial real

² President of the USA 1945-53.

³ Limited liability or limited responsibility?; in D Crowther & L Rayman Bacchus (eds), *Perspectives on Corporate Social Responsibility*, Aldershot; Ashgate, 2004, pp 42-58

⁴ This was described fully by Buckminster Fuller 30 years ago – see Buckminster Fuller R (1981); *Critical Path*; New York; St Martin's Press

⁵ LIBOR = London Interbank Offered Rate

⁶ The LIBOR is the world's most widely used benchmark for short-term interest rates. It's important because it is the rate at which the world's most preferred borrowers are able to borrow money. It is also the rate upon which rates for less preferred borrowers are based. For example, a multinational corporation with a very good credit rating may be able to borrow money for one year at LIBOR plus four or five points. Countries that rely on the LIBOR for a reference rate include the United States, Canada, Switzerland and the U.K.

time systems has resulted in millions of people being denied access to their money with resulting damaging effects on lives.⁷ Clearly being witnessed here are failures in governance, something that I have written about extensively in recent times.

But in this article I do not want to focus of such failures in governance despite their obvious importance and their effects upon the global economy and upon people's lives. Instead I want to focus upon another facet of management which seems to have become ubiquitous and is far more worrying. This is the new approach to managing – and to accepting authority when in charge. Now the buck does not stop at the top but instead can be passed as quickly and as far as possible until a suitable scapegoat can be found. And of course this scapegoat is always a less powerful person further down the organisational tree – less powerful and less senior and therefore expendable like the sacrifices I wrote about in 1997.⁸ Thus the new style of management can be epitomised as *passing the buck*.

This worrying trend was first observed in the political arena when government ministers ceased resigning because they were responsible for the problems in their ministerial departments. More recently it has spread to the business arena. So recently we have seen Stephen Hester⁹ fail to take responsibility for the computer system malfunctions described above although he magnanimously – after much critical comments – agreed to give up his £2million bonus: a bonus which is supposed to be paid for good performance! At almost the same time we have witnessed Diamond Bob¹⁰ refuse to resign and instead blaming the problems upon a small number of staff for rigging the LIBOR details reported. Given that this has been practice for a number of years then that small number by now must be quite large. And given that this was a deliberate policy of Barclays during the banking crisis which saw RBS largely acquired by the state then this small number must have included some fairly senior figure. In fact I would think that some were so senior that if the chief executive really did not know then he should be dismissed as incompetent.

Worryingly at the same time another scandal was revealed as the Financial Services Authority has reported banks mis-sold specialist insurance, known as interest rate swaps, to thousands of small businesses. The FSA said it had found "serious failings" in the sale of the products, designed to protect firms taking out loans against rising interest rates but had reached agreement with Barclays, HSBC, Lloyds and RBS over providing "redress".

⁷ The most extreme hardship suffered was a person being kept in prison over a weekend because the bank was unable to transfer the bail money which had been deposited.

⁸ Subsequently published in 2000 as Crowther D, Carter C & Cooper S; Appeasing Quetzalcoat: accounting for ritual sacrifice; University of North London Management Research Centre Discussion Paper No 16

⁹ Chief Executive of the Royal Bank of Scotland

¹⁰ Bob Diamond, chief executive of Barclays Bank.

These revelations have naturally caused a furore and there are calls to find out who is responsible and to punish them. Of course I agree with this but it seems clear to me that the buck should not be simply passed down the hierarchy until a suitable scapegoat / sacrificial victim can be found. The buck stops at the top and the people at the top are culpable for allowing a culture in which such behaviour is considered acceptable. One reason why such a culture has developed of course is because everyone tries to negate their personal responsibility for consequences which stem from their actions (or inactions) and behaviour. So any risk can be taken when responsibility can be passed to another.¹¹ Maybe it is time for Williamson's Organization Failure Framework to be amended and extended to incorporate this seeming new feature of organisational existence.

The message from this changed managerial behaviour seems clear – obfuscate clear authority and its concomitant responsibility and problems ensue. Surely it is time for this to be made clear to all involved and a stress laid upon appropriate managerial behaviour. And those of us who are management educators have a responsibility in making this clear.

Comments by Shahla Seifi:

I did enjoy my dear professor's brilliant ideas as always. Whatever I can add is that usually it is observed that the top usually is eager to take the responsibility on condition that a success is brought about. I am not sure about where and when I read the following text about Marshal Petain and its accuracy. However the story is that after the First World War, when Marshal Petain was asked about the victory in Verdun battle, he assumed the full responsibility for it. And although he was later during the Second World War put in prison for his life, but he is known the great victor of France.

Anyhow according to total quality management rules the responsibility should be integrated in the whole organisation. No matter how powerful in fact this requirement is but the main concern is that as it was mentioned here, the top management wouldn't put the responsibility upon the shoulders of staff of inferior ranks like scapegoats.

However the good news is that reading your fruitful opinions in form of a paper accessible to all is a sign of freedom and democracy in a part of the globe. A desire quite inaccessible in some other areas of the world where for instance economists and university professors are put into jail when they try to enlighten their nation about cases of embezzlement in top management or government and where government and the so called leaders are sacred and free from any fault or error and questioning their functions means an unforgiven guilt.

¹¹ Surely a case of groupthink reminiscent of the Bay of Pigs fiasco.

Is there a place for sustainability in a technology-dependent society?¹²

Lina M. Gomez¹, Edwar Romero²,

¹Universitat Jaume I, Spain, ²Universidad del Turabo, Puerto Rico

Introduction

Any thought about electronics and their marvelous progress in the last few decades, brings to mind the need to carry a power cord or a battery pack for its use along with the device. However, the increasing cost of electricity and the pollution associated with fossil fuels remind us of the price of that progress. In addition, the technical marvels of modern life usually end up discarded in landfills, and the batteries that power most electronic portable devices are an environmental concern for the hazardous chemicals employed. Although recycling programs already are in operation around the globe, several thousands of tons of batteries are still discarded in landfills in the United States alone. What can be expected from the developing world? How sustainable can the future be if the pollution and the consumption of non-renewable energy resources continue their current trend? Environmental technology, or green technology, promises an answer.

History shows that technology has helped advanced societies use fewer resources, pollute less, and improve the standard of living. In the search for alternative technologies, energy harvesting is emerging as a new technology to continue this progress. The main advantage of this technology is that devices powered by energy harvesters have the possibility to diminish or even avoid battery use. This approach also provides a longer lifetime for portable electronic systems, as well as reducing the number of batteries and chemicals disposed into the environment.

Energy harvesting, or energy scavenging, is the process of transforming energy from external sources (such as wind, thermal, solar, or mechanical motion) into mainly electrical energy for powering portable autonomous devices. Although this technique has been employed recently in new technological developments for energizing miniature or portable electronics (e.g. shake-driven flashlights, solar-powered calculators, crank-driven radios), the history dates back to the waterwheel and the windmill. The first energy harvester in history that is known to power a portable device is the self-winding watch. In this watch, a spring is

¹² Corresponding author: Lina M. Gomez, lina@linamgomez.com

wound by a mechanism using an eccentric mass that moves as the person walks. This idea was first described by Swiss watchmaker Abraham Louis Perrelet in 1770¹³, but it was not until the 1960s that this mechanism became better known.

New technologies have profound implications to society because, in addition to the direct benefits they bring, sometimes there are some unexpected consequences or environmental concerns, such as the case for oil, pesticides, or nuclear power plants for their realized and potential hazards. Therefore, it is likely that society will embrace promising new technologies but will also question them for their potential unwanted outcomes. At this point of technology development, past experiences can be used to highlight possible future scenarios for the case of energy scavenging and systems they would power. Learning from history can help us understand the societal and environmental implications and avoid missteps in the introduction of new technologies for reaching a sustainable world.

The Environmental Battery Reality

With the advent of the 20th century came power lines and power cords, then came freedom from the cables only to be attached to batteries. This new marvelous wireless world in the 21st century has brought simplicity and portability in the shape of battery-operated devices (e.g. cellular phones, digital cameras, wireless keyboards and mice, portable videogames and music players), but this approach has made the world addicted to batteries (disposable or rechargeable). Although battery technology has evolved incredibly in the last decades since the voltaic pile in 1800 by Alessandro Volta, it has not kept pace with other technological industries as shown in Fig. 1. This graph is an extension of the one presented by Starner and Paradiso (2004) that covered the period from 1990 to 2003, and from specialized computer magazines.

¹³ <http://www.hautehorlogerie.org/en/players/famous-watchmakers/18th-century/abraham-louis-perrelet.html>

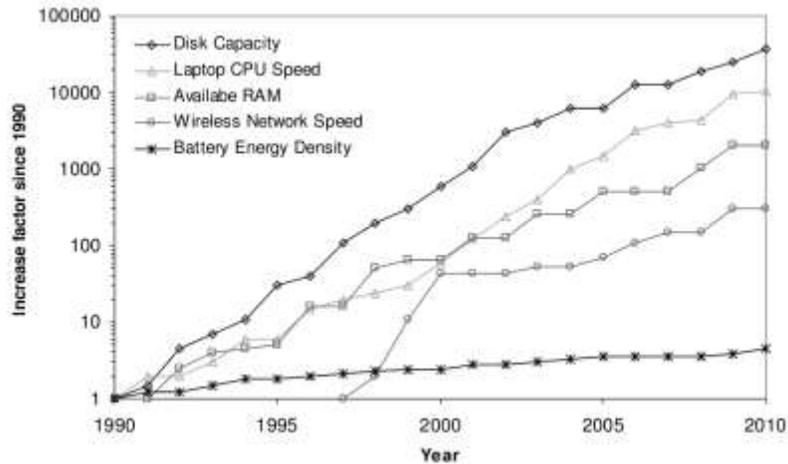


Figure 1. Portable computing improvements from 1990-2010. Wireless connectivity only considers the IEEE 802.1 standard released in 1997

A battery is a combination of electrochemical galvanic cells that store chemical energy to be released as electrical energy. They commonly are classified into disposable (primary cells) and rechargeable (secondary cells). Zinc-carbon and zinc-manganese (alkaline) are the most used materials for primary cells. Battery components consist of an anode, a cathode, and an electrolyte, which are made of an array of potentially hazardous materials such as copper (Cu), zinc (Zn), lead (Pb), mercury (Hg), cadmium (Cd), nickel (Ni), manganese (Mn), and lithium (Li).

In the past, zinc-carbon battery technology used to employ lead, cadmium, and mercury, even though cadmium is one of the most hazardous elements. By 1995 more than 80% of the rechargeable batteries were made from NiCd. Although this chemistry is being replaced by an environmentally-friendly one, nickel-metal-hydride (NiMH), this newest system has higher manufacturing costs as mentioned by Bernardes et al. (2004) based on the work of Putois about the market of NiCd batteries. A European study by Van den Bosshe et al. (2005) provided an assessment of the environmental impact for sustainable battery technologies used in electric vehicles as presented on Figure 2. Lead-acid, the traditional car battery, was used as a reference to compare against the others types. As a result, traditional chemistries (Pb-acid, NiCd and NiMH) were found to have twice as much environmental impact as the newest types (Li-ion and NaNiCl). Although the newest chemistries are promising, several technical

limitations delay their widespread adoption (safety, stability, and cost for Li-ion, and the need to keep a high operating temperature close to 300°C for the NaNiCl, even when not in use).

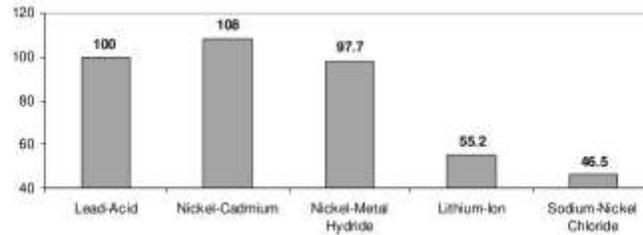


Figure 2. Relative environmental score vehicle battery technologies, chart adapted from Van den Bosshe et al. (2005)

When batteries are depleted most are disposed directly into sanitary landfills, stabilized (chemically treated before disposed in landfills), incinerated, or recycled. The problem with batteries in landfills is that heavy metals can dissolve and leach into soil, leading to groundwater contamination, which can be a significant problem. Recycling, on the other hand, can be difficult to build into consumer habits. For instance, a study published by Bernardes et al. (2004) documented consumer research in Germany, The Netherlands, and Belgium. This study showed that 80-90% of the population knew about battery collection systems in place, but only 30-50% of the population used them. The volume of batteries produced can give an idea of the magnitude of the battery disposal problem. For example, Europe produced 5 billion battery units in year 2000 (Bernardes et al., 2004) whereas nearly 3 billion batteries were sold in the United States circa 2001 of which close to 180,000 tons ended up in landfills (Frost & Sullivan, 2001).

In the US, the Environmental Protection Agency (EPA) has issued regulations concerning hazardous waste (universal waste) to be separated from municipal waste and managed in appropriate systems. As a result, most of the states have their own waste programs. The Resource Conservation and Recovery Act (RCRA) is the legislation that governs the disposal of hazardous wastes materials (such as nickel-cadmium and lead-acid batteries), but household batteries containing no cadmium, lead, or mercury are not regulated by RCRA. They can still end up in sanitary landfills, depending on state regulations (Bernardes et al., 2003). In emerging economies and developing countries, the situation is more apparent. In

Brazil, for example, only 2% of municipal waste goes into a recycling process, and this is a country that consumes a billion batteries per year (~30% alkaline batteries, and 2% automotive batteries). Brazil is one of the few countries in South America with regulations for battery disposal, but little is done to enforce the laws (Bernardes et al., 2003).

Therefore, the environmental situation around the world for the disposal of billions of batteries is not ideal. Proven solutions that avoid using batteries that are disposed of later can provide an environmental advantage. Since the world relies on two choices for electrical power (either the power grid or batteries), alternatives that overcome the limitations of being wired to a power grid or using batteries are more than welcome. Maybe the 21st century will free the world from power cords and batteries; maybe devices will be operated by scavenging energy from the surroundings.

Some examples of this technology have been available for some time. Examples are the solar-powered calculator and the electronic self-winding wristwatch, which produce enough energy to power themselves. Thus, the technology exists, but is limited to the low power requirements of electronic devices (as shown in Figure 3). Solar cells and thermoelectric generators are more environmentally-friendly but provide a lesser amount of power. They also depend on the availability of enough solar light and temperature gradients to generate energy. However, they have been found practical for less power hungry devices. On the other hand, the human body provides a much smaller amount of power, but enough to be usable for some applications where fuel-based devices, solar cells, or thermoelectric generators cannot be employed.

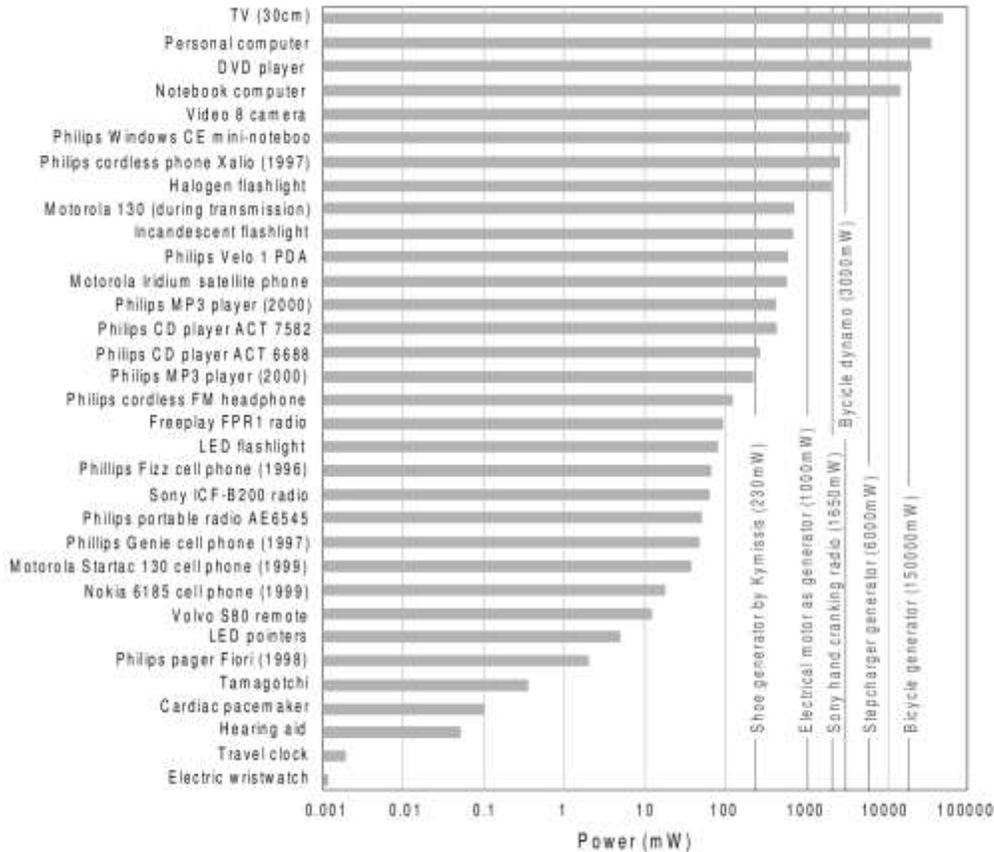


Figure 3. Comparison of power consumption (horizontal bars) against power generation (vertical lines) for some electronic devices, chart adapted from Flipsen (2005)

Energy harvesting technology can help minimize battery dependency and, thus, minimize environmental disposal problems. Energy harvesting from human activities is one interesting research area because it can use body motion to energize portable, wearable, or implantable electronic devices. This has real potential to increase the use of biomedical sensors and instrumentation for monitoring patient health and treatment, including wireless body sensor networks for health-monitoring as mentioned by Jovanov et al. (2005) and Hao and Foster (2008). Jovanov et al. (2006) describes the Wireless Body Area Network (WBAN) as a new enabling technology for health monitoring. In order to showcase this approach, a prototype WBAN was built with off-the-shelf components for physical rehabilitation applications and ambulatory monitoring. It was claimed as an inexpensive, unobtrusive, and unsupervised ambulatory monitoring technique. Hao and Foster (2008) presented a comprehensive review of the developments in wireless technology for monitoring human

physiological responses. As a result, it is expected that this WBAN technology will make healthcare more ubiquitous at home while lessening the load for clinicians in hospitals.

Miniaturization, Pervasiveness, and Public Perception

New developments in low-power consumption electronics increase the operating life of devices while reducing overall dimensions. Hence, the merging of energy harvesting, low-power electronics, and reduced sizes promises new applications for health, environmental, and surveillance monitoring. Energy harvesting can also facilitate wide deployment of sensors and autonomous systems for monitoring tasks that otherwise would be too costly for battery-operated devices. Therefore, the pervasiveness of electronic devices is something that can be expected in the near future. For instance, advances in electronics, sensors, and wireless communications have made it possible to integrate devices for Wireless Body Area Network. This WBAN technology is being developed for patient health monitoring, computer-assisted physical rehabilitation applications, and ambulatory monitoring. This type of system constantly monitors the wearer's condition and sends information wirelessly to a central unit. It provides a relatively inexpensive, unsupervised, and wearable monitoring device for remote patient observation since it does not require specialized personnel. In addition, as mentioned by Jovanov et al. (2006), the privacy of wireless communication of health-related information (between sensors or between a sensor and an interrogating device) can be a sensitive issue since legal regulation will be required for this.

Wireless networks, pervasive computing, smart networks, intelligent sensors networks, smart computing, mesh networks, cloud computing, or the “Internet of things” are some of the terms often used in what is expected to be the next technological revolution where electronic devices will be interconnected. Wireless devices and Radio Frequency Identity Chip (RFID) tags are today the precursors of the intelligent sensors networks of the future. The world will contain more and more electronic devices that communicate wirelessly and transfer information about the object or about ourselves.

However, the same technology that helps to shape the world with its pervasiveness can face privacy implications due to the surveillance capabilities it poses. In addition, continuous

scale downsizing and price reduction of electronic devices makes the public aware of the feasibility of the Big Brother¹⁴ or Panopticon¹⁵ scenario.

It is the tracking, the surveillance possibilities, and the misuse resulting from this nascent technology, either direct or indirect, that concerns people and their sense of identity and security (Toumey, 2007; Van den Hoven, 2008; Lyon, 2002). In this scenario the public should be able to enforce its privacy if they are aware of the presence of monitoring devices. Thus, users and manufacturers dealing with this kind of technology will have to worry about privacy in order to make it visible and detectable in order to take appropriate measures. This is the case for the large-scale video surveillance technology deployment in London initiated by the mid-1980s, as summarized by the House of Commons report in (2008) or by the crisis of London essay from Thornley (1992). This Big Brother scenario, however, would be the price to pay in order to enjoy the benefits of constant health, environment, and surveillance monitoring.

Privacy concerns go hand-in-hand with new technologies such as the RFID tag tracking. RFID tags are small integrated circuits with antennas for radio reception and transmission of information either powered by batteries (active RFID tags) or by RFID readers (passive RFID tags). RFID tags are expected to replace bar codes in the future to speed up handling and facilitate tracking of goods. As technology progresses, self-powered circuits can be a reality by means of energy harvesting from environmental sources. This, combined with the ever decreasing size and low prices, can open the door for mass production and mass adoption. Thus, tracking of individuals can be an indirect result of the technology, where wireless technology, while facilitating life, keeping medical records, or personal information handy, could undermine privacy. Van den Hoven (2008) summarizes some of the actual tagging possibilities, such as the FDA approval in 2004 for implantable RFID tags for hospital patients, the trace of Japanese school children with subcutaneous chips, the tracking of government

¹⁴ The Big Brother is a character of fictional novel Nineteen Eighty-Four by George Orwell, where society is under complete surveillance by the authorities, and people are constantly reminded of this by the phrase "Big Brother is watching you" on telescreens.

¹⁵ The panopticon is a prison building designed by philosopher and social theorist Jeremy Bentham in 1785 where prisoners can be observed without them knowing if they are being observed. It is also being used as a metaphor for the surveillance by closed-circuit television (CCTV) cameras in public spaces. This metaphor is also used by Shoshana Zuboff (1989) in his book *In the Age of the Smart Machine: The future of Work and Power*, about how the information panopticon makes the user more vulnerable.

officials in Mexico in case of kidnapping, the use of implantable chips to simplify ID verification in clubs and to trace runaway pets in the US, and even an RFID tracking system has been suggested to monitor the movements of legal immigrants in the US.

Public reaction and public trust are now at center stage when developing new technologies. For instance, as mentioned when technology and society face each other by Keller (2007), the risk perception of nuclear power in the US has delayed development for more than 30 years while public acceptance in France and Japan has been practically the opposite (the US generates close to 20% of its electricity from nuclear power, whereas France is close to 80%). Another well-known case is the sensationalist news headlines of Frankenfoods¹⁶ (genetically-modified organisms) that has been in the eye of the hurricane of public perception as mentioned by Kulinowski (2004) because of the controversies that some technologies have faced. In the case of Frankenfoods, a critical report was published in *Nature* by Losey et al. in 1999. After that, genetically-modified (GM) foods were under intense scrutiny by the public, especially in Europe, as mentioned by Kulinowski (2004). This controversy has been based on concern about the safety of the products, or the health risks they can pose, and the benefits they promote, although no adverse health effects have been documented to date. A book published by Miller and Conko (2004) relates how activists against GM foods have been spreading unfounded and inaccurate stories to continue the controversy.

Often the public perception molds society decisions, otherwise how can we explain the differences between nuclear power development among the US and France? Studies have suggested that the public relies on heuristics, or intuitive judgments, in order to evaluate new technologies, as summarized by the study of Scheufele and Lewenstein (2005). In addition, the information often provided by the mass media influences the public opinion on new technologies to the point that it determines the level of support for funding research. A rigorous regulatory system is often seen as a way to gain the public confidence in new technologies, yet the system can be so rigorous that sometimes it can delay improvements,

¹⁶ Frankenfoods is a term coined against genetically modified foods after Frankenstein's character in the novel of the same name.

such as the lengthy FDA regulatory process for new drugs approval¹⁷ that can take between 8-12 years, as summarized by Lipsky and Sharp (2001).

Roco and Bainbridge (2005) provided an insight of what future technology development will mean from the view of societal implications. Although the analysis is specifically elaborated for nanotechnology, the perspective of the implications of new technologies can be used for other areas as well. They focused on the benefits of nanotechnology to humanity; but also the risk, uncertainty, legal aspects, and public interaction. Technology is seen as a tool to help solve some social problems, such as healthcare, fertility, poverty and inequality, natural resources, and economic development, where new developments will directly improve the life quality, and help to boost the prosperity of nations. For instance, nanotechnology has been heralded as a solution for solving many problems in the developing world where the developed world see technological innovation as the main solution to alleviate poverty (Salamanca-Buentello et al., 2005; Barker et al., 2008; & Canton, 2006). On the other hand, there are situations where the social context is more important than the technology itself (Invernizzi & Foladori, 2006; Keller, 2007, Meaney, 2006, & Freeman 2006). Thus, public perception, public trust, and technology awareness must be considered when accepting or rejecting a new technology.

Micro Electro Mechanical Systems (MEMS) is an example of a relatively young technology that had a turning point in 1982 when attention was centered on silicon microstructures. Sensors have become a major point of MEMS devices, with pressure and acceleration sensors the best known examples. Disposable blood-pressure sensors have made their way into patient diagnostic surgical procedures, where their social impact is direct, as summarized by Bryzek (1996). History has also shown that new technologies involve a close relationship with society. Society is affected by the introduction of new technologies, and society also affects how technology is developed and perceived. MEMS and nanotechnology are not exceptions to this rule. For instance, since nanotechnology has a broad potential of applications such as medicine, biomaterials, electronics, energy generation, and others, it has opened the debate to future implications of this technology. The implications are so intricate

¹⁷ The FDA drug approval process starts with preclinical testing with an investigational new drug (IND) application filed. After that, if successful, clinical trials follow later with three phases. Again, if successful, the final step is to submit a new drug application (NDA) containing all the information obtained previously. If approved, post market studies are conducted later.

that ethical, social, medical, legal, and environmental concerns have raised questions about the benefits and potential risks (Smiley-Smith et al., 2009; Schuler, 2004; Moor and Weckert, 2004; & Robison, 2004). That is why it is important to learn from past lessons. History often offers insights of sensitive social issues, unexpected consequences, and pitfalls on how technology develops.

Energy Harvesting Implications

Energy harvesting by itself is a technology that enables some applications to run without batteries or to extend battery life for others while diminishing the number of batteries and the hazardous chemicals disposed in landfills. Energy harvesters represent a clean energy alternative because they do not require consumables to function and do not release byproducts from its operation. Since these generators employ environmental energy sources (such as light, temperature changes, or motion) there is little to no interaction between the generator, the carrier, and the environment. Since it has been challenging to get consumers to recycle household items such as batteries (Bernardes, et al., 2003), energy harvesting seems a viable alternative. In addition, this makes this type of technology attractive, environmentally-friendly, and relatively safe to use. However, since the use of this technology seems to be focused for biomedical application or portable electronics, the potential market can be small or a niche market, then the environmental benefits of using energy harvesters can be reduced.

Although power output for generators based on body energy is relatively low (Figure 4), it is clear that the power envelope depends on specific applications (as shown in Figure 3). Therefore, the target market for this kind of technology is in low-power electronics and/or biomedical devices. The advantages of this energy generation approach are multiple, from the simplicity of operation, the reduced maintenance, and a longer battery lifespan, up to the elimination of battery substitution. Users of medical devices would need less frequent battery replacement, especially for those with surgically-implanted devices.

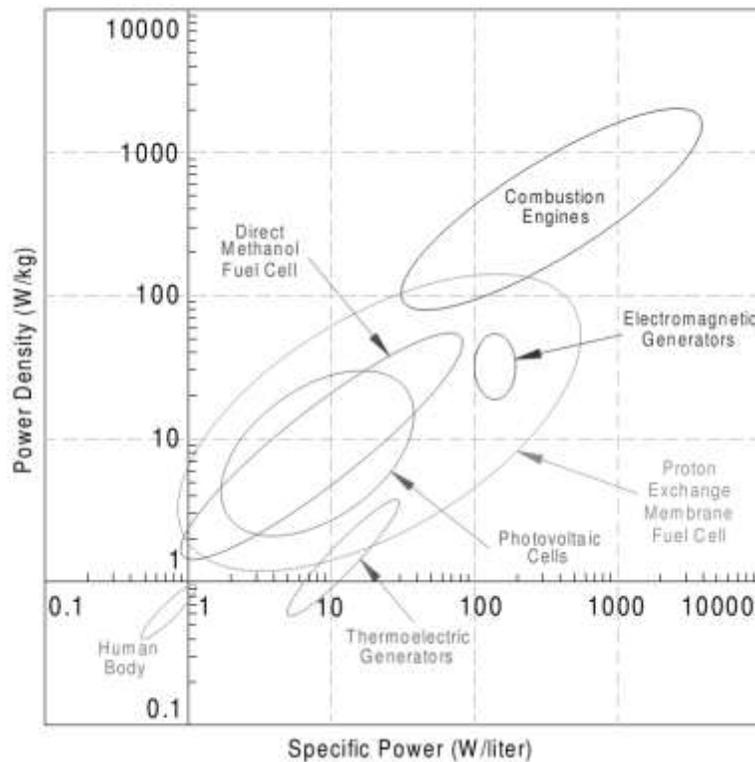


Figure 4. Comparison of power sources, chart adapted from Flipsen (2006)

Environmental monitoring is another area that can be the direct beneficiary of this approach. Environmental monitoring requires the deployment of multiple sensors commonly powered by batteries, but battery-powered devices need to be regularly serviced for battery replacement. Deployment of sensors into remote or difficult-to-access locations is therefore limited. Energy harvesting is then a technology that can enable broader monitoring capabilities for environmental purposes.

However, the possibility of a wider deployment of monitoring sensors brings to mind the surveillance and privacy fears discussed earlier. It is expected that the WBAN technology for medical monitoring of patient whereabouts will raise privacy questions as well. This is also a concern inherent in existing battery-powered devices for continuous sensing and monitoring, not for a battery-replacement technology such as energy harvesters. The development on electronics has enabled the reduction of devices' physical dimensions, but most of them are still limited as autonomous systems. In these independent systems the battery still dictates the final size. Although energy scavengers are intended to assist or

replace batteries, their physical size can be in the same order of magnitude as the batteries they intend to replace. Only autonomous systems operating for several years could have reduced sizes since there is no need for a large battery. In addition, power generation scales proportionally with size: large harvesters produce a relatively large power output, while smaller scavengers will produce a fraction of that. Particularly, motion-based energy harvesters do not downscale favorably at reduced sizes. These scavengers generate energy proportional to their internal proof mass, if the mass has dimensions 10X smaller, then the energy generation gets reduced by 1000X of the initial value. Although smaller generators can drive smaller devices, their capabilities are reduced accordingly. Therefore, miniaturization shouldn't be a concern for this technology since it will have similar physical constraints as batteries, and devices can be smaller but not invisible.

Conversely, RFID tags (active or passive) are a more pervasive technology. Ethical aspects generally arise from misuse of a technological system not the individual technological aspects by themselves (Toumey, 2007; & Van den Hoven, 2008). In the case of implanted biomedical devices, energy harvesters do not differ much from batteries since both are energy sources but they use different energy generation principles.

One important area to consider is the cost, from how much it costs to manufacture to how expensive can be a final device. Low-cost devices can make a difference for wide deployment of sensors or for portable electronics if the cost is competitive with batteries (including its low environmental impact cost). New industries can be derived from applications of this technology or new related services can prosper. However, the commercial aspect also requires us to know how reliable the technology is, especially for medical applications. This also brings the question of how accessible the technology can be. Will it be for medical-related products or for consumer devices? Although the technology is created for specific purposes, unexpected uses could appear later.

The results from this technology and the societal implications are not deemed unsafe, but there are some potential issues that could arise depending on the final application. Since it is difficult to know all the side effects until a technology is in the consumer's hands, the only approach that is certain from history is that there will be unanticipated consequences, either positive or negative. This suggests the need to avoid the traditional hype when a new

technology is introduced, but recognize the benefits associated for humanity while still being aware of possible future concerns after implantation.

It is important to carefully examine the advantages, as mentioned earlier, of energy scavengers over the technology it intends to replace: batteries. This is a clean energy generation system with zero-to-little environmental impact, while making it possible to create battery-less electronic devices. Since this technology is only a component of a system, it is expected that society recognizes it as a useful technological tool that can enable new applications to enhance sustainable life quality. (Keller, 2007; Kulinowski, 2004). That is why public perceptions of this technology are what build public trust, and in the end, it is the public perception which dictates the success of new technologies. The summary of findings includes:

Advantages

- **Environmental:** Can alleviate the battery disposal problem, since fewer batteries would be disposed in landfills. This would make it a green technology for portable and/or medical devices.
- **Extended operation:** Since devices can be battery-less or hybrids (energy harvester + rechargeable battery), the operational lifespan can be extended almost indefinitely. Due to the extended operation or enhanced capabilities of autonomous systems, technologies such as WBAN, could have increasing applications for health services.
- **Cost:** Since batteries are not required or less-frequently replaced, the servicing cost or operational cost of electronic devices is expected to decrease. In the case of surgically-implantable biomedical devices, health care cost would be reduced.
- **Research:** Energy harvesting could increase the research interest for new related technologies or new set of solutions can be envisioned for multiple applications. This could also lead to new industries and diversified markets.

Potential Obstacles

- Privacy: As new technologies enable wider monitoring, there is always the cost of privacy, especially if there is the need of a constant monitoring of a person whereabouts. History has provided multiple examples about this topic to consider.
- Reliability: Since this is a new technology, there is the need to know how reliable it is in order to be accepted or evaluated. However, the generator presented shares similitude in operation to the wristwatches which can be helpful, but not enough if it is not a tested technology.
- Accessibility: Depending on the applications, there is always the question of how accessible is the technology to the public. If the applications are directly focused into medical areas, it is highly likely that the cost will be high, but if consumer products are the main target, the public will have better access to them.
- Unexpected consequences: This is always a difficult point, since unexpected uses can be given where implications were not envisioned ahead. There are always unanticipated consequences of technology implementation.

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Reflections on the 11th International Conference in Corporate Social Responsibility

Suriati Saad

Universiti Sains, Malaysia

The serene scenery of a small town 60 miles from Helsinki, Finland was the landscape for the 11th International Corporate Social Responsibility Conference. The event was a gathering of professionals and academia from all over the world including Lebanon, United Kingdom, Canada, Sweden, Malaysia, Turkey, India and many more. The event which was co-organised by Social Responsibility Research Network (SRRNet) and Lahti University of Applied Sciences is indeed a successful venue of bringing in together knowledge, experience, research and innovation in corporate social responsibility.

The opportunity to attend and present at this conference means a lot to me. I was able to update myself with the latest research in the area of corporate social responsibility. The gist of the 3 days event is about sharing and exploring the next level of social responsibility. Terms such as sustainability and shared value have been used by many if not all the participants of the conference.

The theme of the conference is set to be CSR and Risk Management which was well attempt by the keynote speaker Mikko Routti who is leading the Finnish Business and Society, a key CSR network in Finland. Mr Routti shared with the audience a framework that describes different stakeholder level of risk management, how this practices influence the overall operations of the corporations and the role of corporations for sustainable future.

The second keynote speaker Stephen Griffiths is the Head of the Centre for International Development, Swansea Business School, Swansea Metropolitan University talk about the small business practice emphasizing on the shared value and assessing ethical risk as part of CSR in small businesses. Joining the academic world from a strong industrial background , Mr Griffiths believes that CSR is the key factors in business strategy formulation. He also shared some practical perspectives of how risk should be managed and discussed the connection between competitive advantages and social issues.

Both keynote speakers and paper presenters shared their perspectives and practices relating to social responsibility. What becomes the essence of most discussion is the shared value among stakeholders and also performing beyond ordinary duties. Are we just realising our social responsibility towards stakeholders or we are taking those measures seriously and perform our duties? Despite the core principle of every corporation to perform their economic responsibility, stakeholders are now looking forward for more. It is no longer about corporations performing CSR but to how to be sustainable in their CSR efforts and managed the risk that comes along.

The parallel sections provide avenue for participants to present the current work and the scenario of CSR around the world not limited to just risk management, but also other aspects such as corporate disclosure, communication of CSR, media reporting, education, stakeholder engagement as well as case study of CSR practices from many different industries around the world. Each presentation in the parallel session and the doctoral colloquium was followed with a stimulating discussion that generates more knowledge to each topic presented.

I presented a presentation titled 'Corporate Social Responsibility: Conscience or corporate strategy?' derived from my on-going PhD thesis which discusses the perception developed by stakeholders towards CSR initiatives by organisation in Malaysia based on the nature of the initiatives and organisation. I received constructive feedbacks from Professors and other fellow researchers that will help me to enhance my research.

Attending conferences is not just about presenting your research paper; it is the network that you established with other researchers and academia that share the same interest with you and in this particular one, Corporate Social Responsibility. The discussion, exchange of notes among the participants and potential for future collaboration added more value to the conference participation.

Besides paper presentation, a book review session was also conducted. A book titled 'Value and Stakeholders in an Era of Responsibility' by Paolo D'Anselmi was reviewed by Alice Costa and Jacob Rendtorff. Both reviewers agreed that this is an amazing book looking at social responsibility in a perspective that is so refreshing. I was motivated to have a hold on this book just by listening to the reviews.

It is said and proven that to learn one culture is to get to know the people and the food. While I was in Finland (Lahti & Helsinki), I come to know that the people are warm and friendly. A cocktail party was held at the Lahti City Hall on the evening of the 1st day of the conference and a Gala Dinner on the following day was arranged at the authentic Hollolan Hirvi Restaurant located in a farm about 20 minutes from the Lahti City center. Foods were great served from local grown products.

On the last note, I must say that I had a great time during the conference and looking forward for future collaborations with some of the participants that I have come to know during the conference. I was also hoping that I will be able to attend the next conference in Rio De Janeiro, Brazil in 2013. My greatest appreciation goes to Professor David Crowther, Professor Aras Guler, and Emerald for the Young Academician Awards presented to me. I am deeply honoured and motivated with the appreciation given. Sincere gratitude also dedicated to Associate Professor Jamilah Ahmad who have introduced me to Social Responsibility Research Network (SRRNet).



Book Review

Managing Corporate Social Responsibility – A Communication Approach

W. Timothy Coombs & Sherry J. Holladay

Published in 2012 by Blackwell Publishing

ISBN 978-1-4443-3645-0

180 pages

Reviewed by John Margerison, De Montfort University, June 2012

This book outlines a communication-centred way of thinking about a corporation's potential relationships with CSR and with stakeholders. The authors hope that it can help provide a useful perspective and guidance on developing a workable process for those committed to bringing CSR initiatives to fruition in a meaningful way. The core of the book is The CSR Process Model with most of the chapters developing a particular stage of the process. So, it is judged to be a practitioner guide to the CSR process but it's very readable and straight forward style lends itself to reading by all students of CSR – whether in practice or in college classrooms. Anyone who is looking for a short introduction to CSR and the CSR process would benefit from reading this book.

The first chapter conceptualises CSR using the vehicle of a number of case studies such as apartheid in South Africa (leading to the Sullivan principles), Union Carbide (the Bhopal disaster) and Nike (treatment of workers). In the three cases, corporations engaged in bad or irresponsible behaviour which created pressure for responsible behaviour – what might be called CSR initiatives. The chapter goes on to discuss definitions of CSR and proposes a new definition of CSR (p7): “CSR is the voluntary actions that a corporation implements as it pursues its mission and fulfills (sic) its perceived obligations to stakeholders, including employees, communities, the environment, and society as a whole.” As can be seen, it is stakeholders, their relationship with corporations, and communication's role in this relationship and the CSR process that comprise the major theme running through the book. The chapter goes on to look at the benefits and costs of CSR both to society and to

corporations before moving on to a historical discussion of the development of CSR as a concept.

The idea of strategic CSR, in the sense that CSR becomes strategic when it is integrated into larger corporate plans and goals, is the subject of Chapter 2. Again case studies are used to illustrate good practice (Anita Roddick and Body Shop, Yvon Chouinard and Patagonia, IKEA). CSR is seen to be driven by the corporation's mission and values but also by stakeholder expectations. The authors contend that communication is central to successful CSR initiatives – it is the glue that binds together the different departments responsible for CSR. The concepts of proactive and reactive stakeholder expectation utilization are developed - proactive when management works to anticipate stakeholder social concerns and reactive when CSR efforts are adopted after stakeholders challenge the corporation to change (Kimberly-Clark is used to illustrate this). The CSR Process Model is introduced as a five stage circular model depicting a continuous process composed of stages that should inform a strategic CSR effort:

1. Scanning and monitoring
2. Conducting formative research
3. Creating the CSR initiative
4. Communicating the CSR initiative
5. Conducting an evaluation and providing feedback

The next five chapters develop the five stages of the model: Chapter 3 on CSR scanning and monitoring suggests that the CSR process begins by identifying potential CSR concerns that may be translated into CSR actions by corporations. Scanning searches inside and outside the corporation for potential issues, whilst monitoring evaluates current efforts to address a social concern. Scanning includes prioritising CSR concerns and the authors use “likelihood and impact” as an evaluative tool to assess CSR concerns. Likelihood is the potential of the CSR concern to attract interest from a wide array of stakeholders and impact is the effect the CSR concern can have on society and the corporation. Cases of BP and Marks and Spencer are used in the discussion of monitoring, with the notion of expectations gaps being introduced. The chapter goes on to discuss the role of stakeholder engagement with the authors asserting that the organization scans the

environment for CSR concerns and relevant stakeholders. The chapter ends with a list of critical questions for scanning and monitoring which is a useful checklist for practitioners.

Chapter 4 is on formative research which examines the CSR opportunity or problem in detail in order to provide the information necessary for selecting which CSR concerns to convert into CSR initiatives. The authors discuss how to examine CSR concerns in terms of problem and opportunity potential, within which a thorough list of relevant stakeholders is created – leading on to stakeholder engagement. Heinz is used as a case of such engagement which determined the issues that were most important for the corporation to address. In researching stakeholder expectations, two approaches are outlined: expectation gaps and alignment. Expectation gaps represent a reactive strategy that is used when stakeholders confront corporations about being out of touch with CSR concerns (IKEA and child labour is used as a case here). Alignment is more proactive when management tries to anticipate future CSR concerns (Coca-Cola and its vending machine initiative is an interesting illustrative case of alignment). The end result of formative research is a list and explanation of the CSR concerns the corporation could incorporate into its CSR initiatives.

Chapter 5 discusses the next stage of the model – creating the CSR initiative. This starts with a discussion of how to decide on which CSR issues to address using ideas of stakeholder saliency or the degree to which managers give priority to competing stakeholder claims. Stakeholder salience is seen to be a composite of power, legitimacy and urgency on the part of the stakeholder. Clearly the authors take a very instrumental stance on stakeholders – with those stakeholders seen as important to the business being given priority in CSR decision making. The authors' discussion of developing CSR objectives outlines a useful distinction between process objectives and outcome objectives. Perhaps this chapter could have had more discussion of the steps that follow on from the development of objectives – practicalities of implementation are not really addressed.

Chapter 6 is perhaps the most important chapter when one considers the title of the book - looking at communicating the CSR initiative, but the authors do say that communication is woven into all parts of the process. This chapter explores how, once the CSR initiative has been created, it can be communicated to stakeholders. The CSR promotion communication dilemma is outlined in that too much communication can be looked on by

stakeholders with cynicism and scepticism. Communication channels are overviewed in terms of those that are controlled by the corporation and those that are uncontrolled. The online environment is well covered with a good overview of social media and a strategic approach to using social media in CSR communication. Annual reports and CSR communication is also well covered with the GRI framework and the ISO 26000 initiative included in the discussion of frameworks for reporting.

Chapter 7 covers evaluation and feedback, the fifth and “last” stage of the model – but leading back into the first stage – scan and monitor - in the circular form of the model. The authors argue that corporations are good at evaluating processes but are not so strong when evaluating outcomes. Starbucks is used as a case of good practice in assessing outcome objectives. Assurance (by an external party) is seen as an important part of the evaluation process. Feedback, involving assessing stakeholder reactions to the CSR initiative, as well as the engagement process in which the stakeholders participate. The notion of a communication audit for the CSR initiative is discussed. As with all the chapters on the stages of the model, a set of critical questions is posed which would be useful to practitioners.

Having fully developed the CSR Process Model in the preceding chapters the authors conclude with a short chapter on CSR issues. An interesting discussion of CSR initiatives from a manager’s perspective highlights three issues:

1. The need to align stakeholder concerns with the strategic concerns of the corporation.
2. The need for tangible gains for stakeholder concerns.
3. The importance of perceived justice in the CSR process.

The issue of culture is perhaps a little belatedly addressed in the final section of the book, with an acceptance that CSR practices will differ in different countries and that this should be taken account of by those seeking to implement CSR initiatives.

Overall this book provides a neat and short introduction to CSR and the process of implementing it in a corporation. It is written in a very universal style with no country bias and cases taken from many countries to illustrate points. The model it develops seems to be very much a common sense approach and provides a good source for practitioners – new and established. Its stakeholder approach is still much accepted and useful and provides a pragmatic basis for the CSR Process Model.

Book Review

Values and Stakeholders in an Era of Social Responsibility Cut-Throat Competition?

Author: Paolo D'Anselmi.

Publisher: Palgrave and Macmillan, Basingstoke, Hampshire & New York. 2011

Reviewer: Rachel English, De Montfort University, UK renglish@dmu.ac.uk

When I started to read the introduction of *Values and Stakeholders in an Era of Social Responsibility Cut-Throat Competition?* I wondered what to expect as the introduction was a conversation between a Barista and Paolo. The Barista is busy serving coffee and going about his daily routine and asks Paolo what he does for a living. Paolo then explains that he writes books based on company balance sheets and government accounts. The conversation goes deeper as Paolo tries to explain to the Barista not only what he does in relation to accountancy but also as to his work within something called “corporate social responsibility (CSR).” The reader is then intrigued as to whether Paolo can provide the Barista with a responsible level of understanding or whether the Barista is just making polite conversation. The last line of the conversation is the Barista’s “Now your coffee’s cold. Let me make you another one” So we will never know if he has understood Paolo’s explanation. However, it does provide the reader with some light amusement.

The introduction overall explains well what the book covers and is quite profound in some instances, it provides an insight into how companies respond to society’s problems by analysing a number of corporate CSR reports within a framework of the Unknown stakeholder, disclosure, implementation and micro-ethics. The author considers horizontal and vertical competition and how CSR integrates within the parameters of competition.

Chapter 1 The Backstage of Capitalism

Within this chapter there are 11 cases of international companies examined and their CSR reports are brought to the fore with the author reviewing each one in reasonable detail. The subject matter covered by the author is very wide in relation to CSR. He brings to the fore a variety of issues in relation to the heading of CSR. For example he reviews, Microsoft, Mac

Donald's, BAe Systems, Total, Nike, Fiat, to name a few, which in itself covers corporations dealing in software, French fries, weapons, oil, foot-ware and cars.

Chapter 2 CSR is who you are (It's not what you do).

This draws upon observations the author has made with regards to various corporations he has examined and he starts to generalise from these observations to help him provide a framework for the rest of the book. From these observations, the author makes an interesting comparison of a knife cutting through an onion. The knife representing Corporate Social Responsibility and an onion, which has different layers. The outer ring of the onion represents CSR, Good management is represented on the next layer, law is at the centre. As the knife of CSR cuts through the onion and reveals all the different layers, the level of personal responsibility taken by the senior management to ensure good management of the company is highlighted within each layer. This is emphasised by reference to BP and when their executive Lamar McKay was questioned by US Congress. It took three requests by congress for him to personally apologise for the disaster, he kept on protecting the company by making statements such as "we did make the camera materials and videos available to the authorities". At the end of the questioning Lamar McKay finally said "We are sorry". Therefore the author makes the analogy of the knife being CSR which dissects the various company policies and establishes that senior managers must accept personal responsibility for corporate decisions.

Within chapter 4 a framework is developed by the author by which he uses as a comparison to when reviewing the various CSR reports. There are four guiding values these are:

Stewarding the Unknown stakeholder;
Allowing information disclosure;
Developing a culture of implementation; and
Exercising micro-ethics.

The author refers this as the USDIME framework and is used through-out the book. I found this very useful as it clarifies the comparisons that the author is making.

Within chapter 10 the USDIME framework is applied. A number of companies are represented in brief at the beginning of the chapter. At the end of the chapter, however, and there are two

companies that are focused on in detail, Telecom Italia and Vodafone. Both companies are compared to using all the different aspects of the framework. Both companies are similar in their subject matter, which is reflected within their CSR reports, there are a few gaps but in the main the USDIME framework appears to work well.

Chapter 12 the author tries to measure aspects of public administration to evaluate whether CSR is being provided. For example he looks at data which examines the cost analysis of emergency call service within Italy. He breaks the data down into answered calls, number of personnel involved once calls are answered and the full cost per year to run the emergency call service. It provides an interesting perspective on how public administration could be measured. The accounts of the courts are discussed along with micro health services. The author tries to consider the data in a meaningful way and hypothesized the personnel resources absorbed by each activity. This provides an interesting approach to measuring the level of service provided within a public administrative organisation and provides valuable information when evaluating CSR.

Chapter 16 reflects how competition drives accountability. He shows how public administration and monopolies workforce may not be subject to vertical competition and therefore have a sheltered work life compared to workers who are subject to competition. He reviews the workers in the private sector within corporations, small and medium – sized, and nonprofit enterprises are not sheltered and are subject to competition. At some point the workers that are engaged in the private sector will demand for accountability of those workers within the sheltered work life, as indirectly the private sector workers are paying for the sheltered workers in the form of taxation. It provides a different aspect in relation to CSR and certainly provides thought provocation.

The author draws upon many of his own findings and experiences within the corporate sector and the world of corporate social responsibility. He tries to provide a different paradigm to analysing and discussing CSR. In particular how competition drives accountability. With the current economic climate and private sector workers having to work harder to keep themselves in employment it will be interesting how/if these workers start to want accountability of the public sector workforce. The author makes the reader aware of how much CSR has come to the fore within the corporate sector over the last 10 years and

that it is still developing with the unknown stakeholders being considered and more information is being made available. He is able to provide the ethos of CSR in a general way which allows the reader to become involved in the text they are reading and provide a level of understanding on how important CSR has now become. At times the subject matter can be a little bias of the author's opinion but on the whole the book is a very interesting and thought provoking read. It provides a sound introduction for those who are first discovering as to what Corporate Social Responsibility actually is.

The Handbook of Communication and Corporate Social Responsibility

Ihlen, Ø.; Bartlett, J., May, S. (Editors)

Review by María del Mar Miras, Universidad de Sevilla

Words such as trust, dialogue, reputation, rhetoric, “green-washing”, legitimacy, skepticism, power, culture, identity, media, transparency, credibility are going to be discussed around all the book, being so essential to the understanding of CSR and the its communication.

This handbook is not another book talking only about the benefits and the advantages of CSR. You could find several criticism about how some companies use the CSR policies to “washing” their poor social image. In addition, you could find lots of examples that make more real and comprehensive the arguments provided by the authors and you could realize what the companies are or are not doing in CSR.

In the objectives, the authors make a statement of intentions. They want to discuss about CSR and Communication of CSR and provide some keys and implications for the managers of the companies. Therefore, it is a book oriented to both academicians and practitioners. Likewise, they highlight the need of this book due to the importance of developing a good communication strategy and the limited literature to explore these issues until the moment.

Moreover, they argue about the conceptual differences between Corporate Citizenship, Corporate Responsibility and Corporate Sustainability. This debate about terminology will be broadly discussed in others chapters. In some situation, in accordance with some authors, the lack of consensus about the CSR concept could allow companies to define it in the way that fits best to their business. In addition, they talk about the problem of skepticism derived from the perceived differences between rhetoric and real practices in the companies. So for the companies, two of the challenges are: developing trust in all the stakeholders and communicating authentic values, beliefs and practices. It was also evident in several chapters, the need to adjust the communicating strategy depending on the stakeholder we are addressing.

From chapter 3, the theoretical framework for CSR communication is argued based on the Resources Dependency perspective, the Legitimacy Theory, the Stakeholder Theory. Most of the times, the communication of CSR is adopted as a reactive strategy (as a reaction of corporate scandals or something that happen further along their supply chain) instead of a proactive one. According to some authors, reports have mainly two functions: medium of communication the CSR strategy and self-promotion. Furthermore, it is discuss deepen about the forward-looking nature of the reports, being this debate consistent with the long versus short term controversy.

From a public relation point of view, the different possibilities of expectations between organization and environment have also been analyzed focusing on those which involve the business success.

They authors point that although there are numerous international (the reporting, the internal and external dimension of communication) and industrial comparisons, recurring problems about CSR in some countries/industries continue unresolved. Specifically, the authors show that the discourse of CSR in the Western culture may not be entirely appropriate in other context like Japan and China. Likewise, the CSR communication strategy has to vary across if it is a multinational or a SMEs companies.

From a marketing perspective, some authors talk about “Social Marketing´s product” as behaviour. They highlighted the differences between the sustainability index and the customer´s opinion, so there´s a failure in communication.

Being more critical, some authors agree about the reason why companies make a commitment with CSR, and it is mainly due to the threat of loss of reputation and image. However, it is evident that there are several degrees of CSR engagement, and authors provide many classifications that help to distinguish between a company that consider CSR such an obligation or if it is a really engaged company.

One of the main challenge which is illustrated in the handbook is convincing and involve to the principal stakeholders because the interest between the different ones are likely to be confronted, so the companies have to decide what the priority are. According to most of the authors, the main risks of CSR to to know what is expected by stakeholders and meeting the expectations.

Along the book, it is emphasized the important role that NPOs and, overall, the NGO have in the CSR. Nowadays, NGO's are influential actors in the CSR communication, so multinational companies are frequently associated with them, although the objectives pursued by this collaboration are different.

The debate in the literature about voluntary versus mandatory CSR moves to the field of the CSR reporting. It is discussed about the pressures to publish the non-financial reports from institutions such as the European Union, and advantages and disadvantages of the GRI standards.

Some communication strategies are provided in the handbook. They are so useful because communicating CSR well is fundamental to the organizational missions and for the long term economic and community success.

And how companies could manage the different stakeholders? There is no only way to do it, but in accordance with most of the authors the dialogue is the best way to do it, although it is often controlled by the companies. They alert us to be aware about possible confusion with an information giving or a consultation.

Also it is highlighted the need to adapt the communication strategy to new technologies, providing internet a large number of easy, quick and cheap alternatives. Moreover, these new tools allow the companies to be in touch continuously with the different stakeholders and personalized the answers to everyone. Other way to communicate CSR is through advertising, although we could find more resistance towards the CSR advertising claims because most of the times are associated with a "green-washing" strategy. By the way, having too much attention by the media could be a double-edged sword.

In the last chapters, authors encourage us see the complete story of every company in order to see really what happens with CSR. Moreover, they wonder if the communication of CSR is only an instrument or have a vital role, and if the dialogue is also good to the CSR implementation. They warn about the consequences that the decrease of the profits could have on CSR actions.

I strongly recommend you to read this book whether you're an expert on CSR as if you're a beginner in this subject. All of you, I'm sure, will find something useful for your company or for your research.

News from the Network

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Universidade Federal Fluminense

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Social Responsibility
Research Network

www.socialresponsibility.biz

12th International Conference on Corporate Social Responsibility

20, 21 and 22 – June 2013

Universidade Federal Fluminense, Brazil

For our 12th conference in this series we will be visiting Brazil where the conference will be held in Rio de Janeiro and hosted by Universidade Federal Fluminense. It will be organised as usual in conjunction with the Social Responsibility Research Network (SRRNet).

Call for Papers

As always the conference is intended to be interdisciplinary and welcomes contributions from anyone who has a perspective on this important issue. This time we will be focusing on one of the most significant issues of the present. So at this conference there will be a focus on the theme of

Rio + 20 and after

It is now 20 years since the United Nations Conference on Environment and Development, better known as the Earth Summit was held in Rio de Janeiro. The issues addressed in the conference included:

- A scrutiny of patterns of production – particularly production with hazardous components or waste, such as lead in petrol, or poisonous waste from other products;
- Alternative sources of energy to replace fossil fuels which had already been linked to global climate change;
- A reliance on public transport systems in order to reduce vehicle emissions, congestion in cities and the health problems caused by polluted air and smog;
- The growing scarcity of water as a resource in various parts of the world.

An important achievement of the conference was an agreement on the Climate Change Convention which in turn led to the Kyoto Protocol. Another was agreement to “not carry out any activities on the lands of indigenous peoples that would cause environmental degradation or that would be culturally inappropriate”. Now 20 years later it is time to examine the effects of this conference.

Although the conference will be focused on Rio + 20, papers addressing all other areas of CSR are welcome. Thus papers are welcome on any topic related to this broad theme and suggested topics for papers include:

- Post Rio activity and inactivity
- CSR and environmental activity
- CSR and business ethics
- CSR and a low carbon economy
- CSR and sustainability
- Corporate governance and sustainability
- Evaluating CSR activities
- Developing sustainable strategies
- Accounting for climate change
- Social entrepreneurship
- Dealing with Hubbert’s Peak
- Measuring and managing virtual water content
- Carbon footprint accounting
- Socially responsible business activities
- Globalisation and Corporate Activity
- Regulation of Corporate Social and Environmental Behaviour
- Relationship between CSR and corporate performance
- CSR and value creation

Offers to run workshops, symposia, poster sessions, themed tracks or alternative events are especially welcome. Please contact Alice Costa (alicecosta.rj@uol.com.br) with suggestions.

Although preference will be given to full papers, abstracts of 200-500 words will also be considered. **All papers and abstracts should be sent by 1st March 2013** by email to davideacrowther@aol.com. No more than 2 papers will be accepted from any author.

We will publish proceedings and full details concerning other publishing opportunities for the papers presented at the conference will be provided during the conference.

Doctoral Colloquium

This year we will again be running a doctoral colloquium as part of the conference. The aim will be to give detailed feedback to doctoral researchers concerning their papers. Feedback will be specific to each person and their research, and will be given by an experienced academic in the field. The colloquium will be an integral part of the conference and all delegates will be expected to participate fully in the conference but the sessions will give extra time to presenters – to allow for discussion and formal feedback. This colloquium will be organised by Professor Dr Güler Aras and **abstracts of 200-500 words should be sent by 1st March 2013** by email to guleraras@aol.com. In order to allow detailed feedback full papers will be required in advance of the conference – full details will be given to participants upon acceptance. Following the tradition established at the 6th conference in Kuala Lumpur, a Young Academician award will be made during this colloquium.

Venue of the Conference

The conference will be held in Rio de Janeiro. The conference fee will be announced later and will include accommodation, meals and conference materials. An optional sightseeing tour will be organised at the end of the conference; full details will be available later. We look forward to welcoming you to Rio in 2013 for the 12th conference in the series.

Full and updated details can be found at the conference website:

www.socialresponsibility.biz/12csrhome.htm

Professor Alice Costa
Conference Chair
Universidade Federal
Fluminense
Brazil
alicecosta.rj@uol.com.br

Professor Dr David Crowther
Chair of SRRNet
De Montfort University
UK
davideacrowther@aol.com

Professor Dr Güler Aras
Chair of SRRNet
Yildiz Technical University
Turkey
guleraras@aol.com

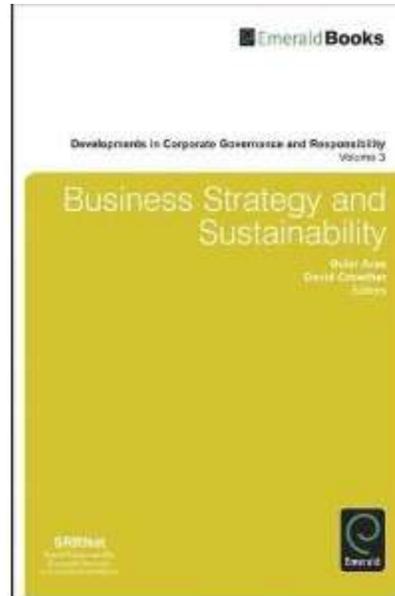
New Book

Developments in Corporate Governance and Sustainability Volume 3 - Business Strategy and Responsibility

ISBN: 978-1-78052-736-9

Edited by: Güler Aras, David Crowther

Published: 2012



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Chapter 4 Norms of Corporate Social Responsibility: Densification or Degeneration?

Dominique Bessire, Emmanuelle Mazuyer

Chapter 5 Online Reporting of Sustainability: A Study of Global Clothing Suppliers

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Chapter 6 Comparative Corporate Social Responsibility in the United Kingdom and Turkey
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Chapter 11 Challenges of Environmental Accounting in Tourism Destination as a Trend of
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News from our members

2nd Organisational Governance Conference Global Governance: the raising of awareness 14 & 15 September 2012 Rabat, Morocco

Conference Organizers

Mourad Oubrich and colleagues, CIEMS

David Crowther, De Montfort University

Sara Abdaless, Conference manager, De Montfort University

Venue of the Conference

The conference will be held in the Institut National des Postes et Telecommunications (Rabat, Morocco). Full and updated details can be found at the conference website:

www.ciems.ma/conference/ogc2012

We look forward to welcoming you to Rabat in 2012 for what promises to be an exciting conference.

Professor Mourad Oubrich

Conference Chair

President, CIEMS

INPT

Rabat

Morocco

Email: oubrich.mourad@ciems.ma

Professor David Crowther

Chair of Scientific Committee

Head of CROG

De Montfort University

Leicester

UK

dcrowther@dmu.ac.uk