Seminar in Corporate Social Responsibility

Spring Term 2011
Christian Vögtlin

Content

I. Seminar topic: The field of CSR
II. The challenges of the globalization process
III. Seminar themes
IV. The research projects at our Chair
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VII. How to write scientific papers
VIII. Discussion and questions
I. The field of CSR

- The social responsibility of business is to increase its profits (Friedman, 1970)
- [Social responsibilities] mean that businessmen should oversee the operation of an economic system that fulfills the expectations of the public. And this means in turn that the economy’s means of production should be employed in such a way that production and distribution should enhance total socio-economic welfare. (Frederick 1960, p. 60; cited in Carroll, 1999, p. 271)
- Before anything else, the business institution is the basic economic unit in our society. As such it has a responsibility to produce goods and services that society wants and to sell them at a profit. All other business roles are predicated on this fundamental assumption. (Carroll, 1979, p. 500)
The field of CSR

- Definition of the UN: „corporate social responsibility suggests that firms should also consider their impact on a range of stakeholders, i.e., parties that affect or are affected by a corporation’s action“ (United Nations Commission on Sustainable Development, 1998).

- CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic (Carroll, 1999, p. 286)

- CSR subsumes concepts that regard social responsibility as something that transcends the direct economic interests of the firm (Carroll, 1991, p. 39).

Pyramid of CSR

(Carroll, 1991, p. 42)
Theories associated with CSR

- Corporate Citizenship
- Corporate Social Responsibility
- Corporate Social Performance
- Sustainability
- Stakeholder Theory
Theories associated with CSR

Examples of implementing CSR

- Three levels of analysis (also reflected in course outline):
  - Macro-level: Business organizations in (global) society
  - Meso-level: Organizational structures and culture
  - Micro-level: Intentions, cognitions, behavior of individuals in an organizational context
Examples of implementing CSR

- Business in global society
  - Global governance initiatives
  - Self regulating industry standards
  - Firms assuming political roles

- Examples
  - UN Global Compact: http://www.unglobalcompact.org/
  - Global Reporting Initiative: http://www.globalreporting.org/Home
  - Max Havelar: http://www.maxhavelaar.ch/
  - Aquaculture Stewardship Council: http://www.ascworldwide.org/
  - Global Responsible Leadership Initiative: http://www.grli.org/

- Questions of legitimacy; efficiency; control

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Examples of implementing CSR

- **Aquaculture Stewardship Council**
  - **Mission:** To transform aquaculture towards environmental and social sustainability using efficient market mechanisms which create value across the chain.
  - **Partners:**
    - http://www.ascworldwide.org/index.cfm?act=tekst.item&iid=2&iids=40&lng=1
  - Too many business firms?

- **GRLI:**
  - **Mission:** GRLI’s vision is a worldwide network of companies and learning institutions characterised by vast action and thorough exchange of learning. GRLI’s mission is to “develop a next generation of responsible leaders” through collective and individual actions.
  - **Partners:**
  - Too many academic institutions?

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University of Zurich™
Examples of implementing CSR

- Organizational level:
  - Codes of conduct
  - Sustainability programs
  - CSR departments
  - Compliance programs

- Examples:
  - ABB: [http://www.abb.com/cawp/abbzh258/235cfa4c193429f0c1256968005e09f.aspx?v=4C1E&lefdb=global/ABBZH/ABBZH258.NSF&nDifferentPage=10dcee60d9cd60f7c1257192030f99](http://www.abb.com/cawp/abbzh258/235cfa4c193429f0c1256968005e09f.aspx?v=4C1E&lefdb=global/ABBZH/ABBZH258.NSF&nDifferentPage=10dcee60d9cd60f7c1257192030f99)
  - UBS: [http://www.ubs.com/1/e/about/corp_responsibility.html](http://www.ubs.com/1/e/about/corp_responsibility.html)

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<table>
<thead>
<tr>
<th>Company</th>
<th>Industry and Country of Origin</th>
<th>CC statement</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Billiton</td>
<td>Mining, Australia</td>
<td>As stated in the BHP Billiton Charter, one of the indicators of success is that &quot;the communities in which we operate value our citizenship.&quot; Sustainable community development ensures communities benefit throughout all phases of the life of an operation—from development, operation and closure.</td>
<td>Sustainability Report 2006</td>
</tr>
<tr>
<td>Manulife</td>
<td>Insurance and Financial Services, Canada</td>
<td>To Manulife, being a good corporate citizen is part of our corporate culture. We are proud to participate in various education initiatives and help to help Vietnamese children have a better life and a brighter future.</td>
<td>2006 Public Accountability Statement</td>
</tr>
<tr>
<td>Microsoft</td>
<td>Software, US</td>
<td>Microsoft's ongoing work in the area of global citizenship is focused on building our innovation across the company to create opportunities in communities around the world, to foster economic growth, and to serve the public good through innovative technologies and partnerships with government, industry, and community organizations.</td>
<td>Citizenship Report 2005</td>
</tr>
<tr>
<td>Total</td>
<td>Oil and Gas, France</td>
<td>As a responsible energy company with operations in 130 countries and 180 societies, Total has a role to shape public debate about sustainability and worldwide</td>
<td>Corporate Social Responsibility Report 2006</td>
</tr>
<tr>
<td>Unilever</td>
<td>Food and Personal Care, UK</td>
<td>Unilever is a globally operating company with a dual responsibility: to operate in a socially and environmentally responsible manner, while at the same time serving the interests of its shareholders. Unilever works to shape public debate on sustainability and worldwide</td>
<td>Sustainability Report 2006</td>
</tr>
</tbody>
</table>

Crane et al. 2008, p. 27
Examples of implementing CSR

- **Individual level:**
  - Emphasis on ethical decisions making; ethical leadership
  - Ethics officers; Ombudsmann
  - Corporate Volunteering
  - Training programs

- **Example: PwC and the Ulysses Program (Pless & Schneider, 2006):**
  - [http://www.pwc.com/gx/en/ulysses](http://www.pwc.com/gx/en/ulysses)
  - Future leaders participate in cross-sector partnerships; the aim is to develop leaders and contribute at the same time to the common good

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Examples of implementing CSR

- **Ulysses 2007: Save the Children**: Child protection: China
  - The team’s role was to review the efficiency and effectiveness of the current activities in the Livelihoods component of the Fuyang Community-based Model for Children Affected by HIV/AIDS and to make recommendations about the future development of this component. The team was also asked to conduct an in-depth analysis of two of Save the Children’s NGO partners as to the sustainability of their business models and the possibility for replication of their work.

- **Ulysses 2006: Save the Children**: Basic education: China
  - The PwC team provided support to the Yunnan Minority Basic Education Project (YMBEP) which was formed by Save the Children in collaboration with the local government. The team was asked to review the income generation element of the YMBEP which helps provide scholarships to poor children to allow them to access and continue basic education. In response to this the team made recommendations and helped develop models and methodologies for the appraisal of income generation projects.

II. The challenges of the globalization process

Globalization challenges

- Increased integration of value creation transcending national boundaries
- Weakening of the modern Nation State
- The Nation State loses its capability to provide societal integration
- Nation State as primus inter pares
- Deficits on the level of a "Global Governance"
- MNC become Co-Creators of Governance-Structures
- They depend on public legitimacy
- CSR increasingly becomes a strategic impetus
The new post-national constellation (Habermas) and growing complexity of legitimacy demands

- Globalization is the process of growing transnational interdependence of economic and social activities

- Regulation capacity of nation state agencies is in decline
  - Global public goods problems
  - Loss of congruency between political sphere and economic sphere
  - "Failed states", absence of rule of law, corrupt governments, weak law and enforcement
  - As a result business firms operate in heterogeneous legal environments with unclear legal standards

- Cultural homogeneity within social communities is eroding due to processes of migration and individualization
  - Increasing heterogeneity/pluralism of norms, values and life-styles
  - As a result business firms operate in heterogeneous cultural environments

- Business firms are facing a growing complexity of legitimacy demands and societal expectations in their corporate environments

Consequences of the post-national constellation

- Positive and negative consequences of business firm conduct:
  - Business firms exploit free space of liberalizing markets
  - Business firms as political actors
  - Pressure from international competitors; shareholders
  - Pressure from growing group of stakeholders

Scherer, Palazzo & Matten, 2009

Consequences of the post-national constellation

- The post-national constellation increases the need for legitimizing organizational conduct (pragmatic, cognitive, moral legitimacy)
- In the post-national constellation manipulation strategies and adaptation strategies are likely to face their limits
- Societal expectations are becoming more heterogeneous and complex
- Moral argumentation strategy becomes more important
- Business firms have to establish the organizational capacity to activate each of the three strategies as conditions require
- They follow different legitimization strategies at the same time or switch between one strategy to another
  - examples: Nike (manipulation, adaptation, & moral argumentation)

Sustainable development and the role of public policy and private business

- "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Bruntland Report)

- Three dimensions
  - economic development
  - social development
  - environmental protection

- Sustainability as a challenge for public policy and private business
  - externalities, globalization, weak and failed state institutions
  - international organisations: UN, ILO, OECD etc.
  - CSR, corporate sustainability, social entrepreneurship

Sustainability and the ambivalent role of private business

- Business as the problem: Unsustainable business practices:
  - economic processes that are not sustainable (production, distribution, consumption, disposal)
  - social miseries (inequality, low wages, suppression of unions, unsafe or unhealthy work environments etc.)
  - environmental damages

- Business as the solution: Corporate Sustainability and CSR
  - private production of public goods
  - self-regulation
  - UN Global Compact and other initiatives that emphasize the political role of business

- Both the identification of problems and the quest for solutions provoke legitimacy questions for business firms
Globalization challenges

The challenges of globalization according to levels of analysis:

- Macro-Level (Organization and society): Firm as a political actor; global governance
- Meso-Level (Organizational structures): Corporate legitimacy; codes of conduct; stakeholder management
- Micro-Level (individual behavior): Leadership; organizational behavior

II. Research projects at our Chair
Overview of research projects

- Macro-level:
  - Political theory of CSR
  - Firms as political actors
  - Global governance
  - Legitimacy strategies/spillover

- Meso-level:
  - Corporate Governance
  - HRM and CSR
  - Compliance vs integrity

- Micro-level:
  - Responsible leadership
  - Group level and business ethics
  - Neuroleadership

Private business firms provide global rules

GLOBAL RULES AND PRIVATE ACTORS: TOWARD A NEW ROLE OF THE TRANSNATIONAL CORPORATION IN GLOBAL GOVERNANCE

Andreas Georg Scherer, Guido Paltano, and Dominique Rastamann

Abstract: We discuss the role that transnational corporations (TNCs) should play in developing global governance, creating a framework of rules and regulations for the global economy. The central issue is whether TNCs should provide global rules and assume individual citizenship rights, or instead focus on maximizing profits. First, we describe the problems arising from the globalization process that affect the relationship between public, private, and labor issues. Here we redefine the position of economic and management theories in relation to the social responsibility of the firm. We argue that instrumental stakeholder

A political conception of corporate responsibility

TOWARD A POLITICAL CONCEPTION OF CORPORATE RESPONSIBILITY: BUSINESS AND SOCIETY SEEN FROM A HABERMASIAN PERSPECTIVE

ANDREAS GEORG SCHERER
University of Zurich

A New Political Role of Business Firms

The new political role of business firms

Table 1: Comparison of Postbureaucratic and Postmodern CSR School of Thought

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Traditional CSR</th>
<th>Postbureaucratic CSR</th>
<th>Postmodern CSR</th>
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<tbody>
<tr>
<td>Flexibility</td>
<td>Restricted</td>
<td>Improved</td>
<td>Improved</td>
</tr>
<tr>
<td>Stewardship</td>
<td>Reactive</td>
<td>Collaborative</td>
<td>Participatory</td>
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<tr>
<td>External focus</td>
<td>Functional</td>
<td>Networked</td>
<td>Global network</td>
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<tr>
<td>Goals</td>
<td>Profit-orientation</td>
<td>Sustainability, Ethics, Value</td>
<td>Sustainability, Ethics, Value</td>
</tr>
</tbody>
</table>

The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy

Andreas Georg Scherer and Guido Palazzo

University of Zurich
Corporate legitimacy and the role of communications

III. Seminar CSR: Our agenda
<table>
<thead>
<tr>
<th>Date</th>
<th>Theme</th>
<th>Contributor</th>
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<tbody>
<tr>
<td></td>
<td>Introduction into the Field of CSR</td>
<td>Christian Vögtlin</td>
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<td></td>
<td>Introduction: The Case of BP</td>
<td>Christian Vögtlin</td>
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<td></td>
<td>Theoretical Foundation: Corporate Social Responsibility (CSR)</td>
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<td>Theoretical Foundation: Corporate Citizenship</td>
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<td>The Corporation in Global Business: Aspects of Global Governance</td>
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<td>The Corporation in Global Business: Building and Securing Organizational Legitimacy</td>
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<td>Implementing CSR: The Role of Organizational Structures</td>
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<td>Guest Speaker</td>
<td>Prof. Jonathan Doh</td>
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<td>Implementing CSR: Challenges and Implications for HRM</td>
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<td>Implementing CSR: The Role of Individual Behaviour</td>
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<td>Implementing CSR: Responsible Leadership</td>
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<td>Implementing CSR: Organizational Communication</td>
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<td>Case Studies</td>
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<td>Summarizing the Seminar</td>
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V. Administrative details
Administrative details

- Seminar every Tuesday, 10.15-12.00; participation is mandatory
- Please read the syllabus
- Please read for each session the respective text in your reader
- You design the lecture: Presentation of seminar theme; 45min to 1h of presentation, then group discussion
- Avoid plagiarism!

You will find all further infos concerning the course on our homepage: [http://www.iou.uzh.ch/bwl/index.php](http://www.iou.uzh.ch/bwl/index.php)

Module-booking: only those of you shall book the module that were assigned to a theme

Deadline for the module-booking of this course is March 18, 2011

Deadline for handing in the seminar papers is June 17, 2011

Please write me if do not want to participate any more
Distribution of themes and participants

VI. Research design
Research Questions

The following research questions can guide you in preparing your presentations as well as your papers (these shall support you, they are not mandatory):

- What is the practical relevance of the topic you analyze?
- What is the academic relevance?
- What are the challenges for multinational corporations or their employees in relation to the topic you analyze?
- What are possible solutions?
- What are theoretical and practical implications that can be derived from these solutions?

Research Questions

- What motivates your research? (e.g., practical and/or theoretical problem)
- Which theory can help you explaining the phenomenon?
- What methods best suit your analysis? What methods does the theory you draw upon comply with?
- Do you start with a theoretical assumption or a practical problem? (Inductive or deductive)
Ways to analyze the problem

- Theoretical discussion

- Empirical research
  - Qualitative research methods (e.g., case study analysis; interviews; discourse analysis)
  - Quantitative research methods (e.g., questionnaires; experiments)

IV. How to write scientific papers
Formalities

- Structure of your paper:
  - Front page (theme/title for your work, your name, title of seminar, your address and Mat. Nr., date)
  - Table of Content, Figures and Tables, List of abbreviations
  - Your text (introduction, main part, discussion)
  - References (containing all references used in the text in alphabetical order)
  - Appendix
  - Eidessätzliche Erklärung

Quelle: Merkblatt Hinweise zur Erstellung einer wissenschaftlichen Arbeit

Formalities

- Guidelines for your seminar paper:
  - 15 pages text (without front page, references, content table, etc.)
  - Font: Times New Roman
  - Space 1.5 between lines
  - Font size 12 pt
  - Enough margins (2.5 cm on each side)

Quelle: Merkblatt Hinweise zur Erstellung einer wissenschaftlichen Arbeit
Formalities

How to cite in text:

- Short citation: only name of authors, year of publication and page numbers (e.g., Scherer & Palazzo, 2007, p. 1111)
- Please cite in brackets after the quote or summary you draw from other sources
- Please differentiate between a direct and an indirect quote!!! (direct quote in quotation marks with page number of original source)
- You may try a reference manager (e.g., reference manager; EndNote; new Word versions also have a reference manager)

Reference list at the end:

- Full citation; make sure to choose one style consistently
- E.g. draw on APA (American Psychological Association), or regard the style of specific journals (e.g., AMR/AMJ)

Examples

Formalities: Evaluation criteria

- Is the paper complete, i.e. does the seminar paper contain all relevant parts?

- Is it formally correct?
  - Spelling and grammar
  - Was every use of other persons’ words correctly cited?

- Is it clear, i.e. is the work in its wording and diction clear, concise and accurate?

- Is it stringent, i.e. was the chosen design coherently used throughout the text?

Quelle: Merkblatt Hinweise zur Erstellung einer wissenschaftlichen Arbeit

Research problem and goal

- How to find a research question
  - Practical problem
  - Gap in the academic literature
  - Your personal motivation

- Introduction of your paper
  - Problem (theme, practical and academic relevanz),
  - Goal (research question, overview of academic research relating to your topic, narrows down your theme)
  - Method, structure of your work
  - Length of introduction about 2 pages
Research problem and goal

- Reference points you can draw upon:
  - Hints in the reader
  - Introduction or future research in recent journal articles
  - Try to formulate concrete questions

- Derive your research goal from the problem you have identified:
  - This helps you to narrow down your theme
  - Guides you in structuring your paper

Quelle: Folie Lst. Prof. Dr. Sybille Sachs, modifiziert.
Research problem and goal: Evaluation criteria

- Relevance: To which practical or theoretical problem does the paper make a relevant contribution?
- Innovation: Does the work offer new insights or solutions for the problem?
- Precision: Is the research problem and the subsequent goal formulated precisely?
- Narrowing down of problem and goal: Was the research problem and the goal narrowed down in a meaningful way?


Structure

- Structure of your paper
  - The structure highlights your line of argumentation throughout the paper and guides the reader in following your thoughts
  - Systematizes the problem
  - Helps the author as well as the reader

- Table of content
  - Number your chapters consecutively
  - Include reference to pages
Structure: Evaluation criteria

- Formally correct
  - Is the structure formally correct (e.g., the numbering)?

- Logic
  - Is there an inherent logic to your structure?
  - Does the structure of your chapters make sense (e.g., the levels, the relation between chapters/levels)?

- Informational value
  - Does your structure provide the reader with an idea of the topic you want to address?

Structure of your argumentation

- Introduction
  - Problem, goal, and method

- Main part
  - Capture and systematize the problem
  - Display of relevant literature and theoretical frame
  - Research, analysis, empirical investigation
  - Presentation of the results

- Discussion
  - Summary
  - Discussion and critique
  - Limitations and future research
Structure of your argumentation: Evaluation criteria

- Accuracy and correctness of content
  - Is the research topic and the literature discussion on the topic presented accurately and correctly?

- Clarity/Unambiguity
  - Are the main concepts clearly defined and used

- Coherence
  - Is the argumentation coherent, consistently and unambiguously

- Zielstrebigkeit
  - Wird auf Themenausschweifungen und Wiederholungen verzichtet? Werden die Fragen zielstrebig beantwortet?

- Ability to critically question assumptions
  - Werden die Untersuchung und deren Ergebnisse kritisch kommentiert?

Contribution

- Treatment
  - Paper should be your own work; cite other persons' thoughts

- Precision
  - Layout, structure, argumentation, results

- Innovation
  - Your own thoughts and contribution, critical stance

- Schedule/timetable
  - Deadline: June 17, 2011!! (earlier handing in possible)
  - Work with milestones and self-controlling
Contribution: Evaluation criteria

- Your own work
  - Did you write the paper on your own?

- Addressing gaps in the literature
  - Did you try to close gaps in the literature?

- Uncover contradictions
  - Did you uncover contradictions or points of tension in the literature that you tried to solve?

- Your own arguments and ideas
  - Does the work show own thoughts and ideas?
  - Do you argument for your position?

How to find relevant literature

- Exemplary approach
  - Look for Handbooks of the topic
  - Search a recent contribution to the topic (e.g., by searching for keywords)
  - Take a renowned journal or look for a review article (keywords: Meta-Analysis or Review)
  - Take this article as a starting point for further research by either looking at the cited literature in the reference list or in the introduction
How to find relevant literature

- Handbooks and books for general introduction into the theme can be found in the university library or are available at the Chair of Prof. Scherer.

- Important journals in business administration and management are (among others):

Literature research

- Look directly for electronic journals
- EBSCO (Business Source Premier)
- ISI Web of Knowledge (isiknowledge.com/)
- JSTOR
- Google Scholar (http://scholar.google.de/)
Literature research

[Diagram of a computer screen showing literature search functionalities.]

- Meta-Search or Database List
- Direct Database List

[Text in German discussing literature search strategies and tools.]
References – Scientific writing


- On our Homepage you find further remarks on scientific writing:

IV. Discussion
References


Thank you for your attention!