UC Irvine

UC Irvine Previously Published Works

Title

Foreword

Permalink

https://escholarship.org/uc/item/4w35z9t5

ISBN

9780521515986

Authors

Cooper, Cary

Pearce, Jone L

Publication Date

2010-07-29

DOI

10.1017/cbo9780511777660.001

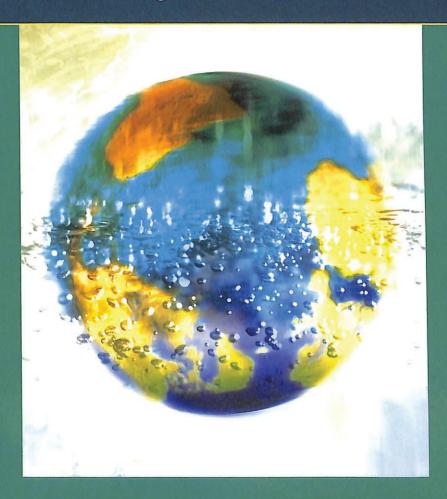
Copyright Information

This work is made available under the terms of a Creative Commons Attribution License, available at https://creativecommons.org/licenses/by/4.0/

Peer reviewed

GLOBAL CHALLENGES IN RESPONSIBLE BUSINESS

Edited by N. Craig Smith, C. B. Bhattacharya, David Vogel and David I. Levine



Global Challenges in Responsible Business

Corporate responsibility has gone global. It has secured the attention of business leaders, governments and NGOs to an unprecedented extent. Increasingly, it is argued that business must play a constructive role in addressing massive global challenges. Business is not responsible for causing most of the problems associated with, for example, extreme poverty and hunger, child mortality and HIV/AIDS. However, it is often claimed that business has a responsibility to help ameliorate many of these problems and, indeed, it may be the only institution capable of effectively addressing some of them. *Global Challenges in Responsible Business* addresses the implications for business of corporate responsibility in the context of globalization and the social and environmental problems we face today. Featuring research from Europe, North America, Asia and Africa, it focuses on three major themes: embedding corporate responsibility, corporate responsibility and marketing, and corporate responsibility in developing countries.

N. CRAIG SMITH is the INSEAD Chaired Professor of Ethics and Social Responsibility at INSEAD, France.

C.B. BHATTACHARYA is the E.ON Chair Professor in Corporate Responsibility at the European School of Management and Technology, Berlin.

DAVID VOGEL is the Solomon Lee Professor of Business Ethics at the Haas School of Business, University of California, Berkeley.

DAVID I. LEVINE is the Eugene E. and Catherine M. Trefethen Professor of Business Administration at the Haas School of Business, University of California, Berkeley.

Global Challenges in Responsible Business

Edited by

N. CRAIG SMITH INSEAD

C.B. BHATTACHARYA
European School of Management, Berlin

DAVID VOGEL Haas School of Business, University of California, Berkeley

DAVID I. LEVINE Haas School of Business, University of California, Berkeley



CAMBRIDGE UNIVERSITY PRESS
Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo, Delhi, Dubai, Tokyo

Cambridge University Press
The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United States of America by Cambridge University Press, New York

www.cambridge.org
Information on this title: www.cambridge.org/9780521735889

© Cambridge University Press 2010

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2010

Printed in the United Kingdom at the University Press, Cambridge

A catalogue record for this publication is available from the British Library

Library of Congress Cataloguing in Publication data
Global challenges in responsible business / [edited by] N. Craig Smith ... [et al.].

p. cm. - (Cambridge companions to management) Includes bibliographical references and index.

ISBN 978-0-521-51598-6 - ISBN 978-0-521-73588-9 (pbk.)

- 1. Social responsibility of business. 2. Corporate culture.
- I. Smith, N. Craig, 1958- II. Title. III. Series.

(HD60.G556 2010)

658.4 08 - dc22 2010011226

ISBN 978-0-521-51598-6 Hardback ISBN 978-0-521-73588-9 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Contents

List of figures		page vii
Lis	t of tables	ix
Lis	t of contributors	x
Foreword		xxi
	Introduction: Corporate responsibility and global business N. CRAIG SMITH, C.B. BHATTACHARYA, DAVID VOGEL AND DAVID I. LEVINE	1
	Part I Embedding corporate responsibility	11
1	A corporate social responsibility-corporate financial performance behavioural model for employees JEAN-PASCAL GOND, ASSÂAD EL AKREMI, JACQUES IGALENS AND VALÉRIE SWAEN	13
2	The integrative benefits of social alliances: balancing, building and bridging IDA E. BERGER, PEGGY H. CUNNINGHAM AND MINETTE E. DRUMWRIGHT	49
3	Integrating corporate citizenship: leading from the middle PHILIP MIRVIS AND JULIE MANGA	78
4	CSR in search of a management model: a case of marginalization of a CSR initiative AURÉLIEN ACQUIER	107

viii List of figures

6.2	Stakeholders' role in the integration and development	
	of IKEA's CSR policies	183
7.1	Structural model	200
9.1	Communities surrounding the Tintaya mine	248
9.2	CSR in the extractive sector: the emerging frontier	261
	Factors affecting the rural population's income	
	and quality of life	272
10.2	Interview sites	280
10.3	Intervention to enhance welfare through socially	
	responsible distribution	289
10.4	Types of intervention	290
10.5	Degrees of leveraged distribution	293

Figures

1.1	Overview of the CSR-CFP behavioural model for	
	employees	page 26
1.2	CSR influence on the dynamics of corporations-	
	employees social exchanges	36
2.1	Drivers, processes and outcomes	59
3.1	Aligning, integrating and institutionalizing	
	citizenship	82
3.2	Models of organizational change	84
4.1	The vicious circle of CSR marginalization	
	within Energy Co.	122
5.1	Examples of choice tasks for athletic shoes	
	and AA batteries	142
5.2	Standardized effects of attributes	
	on choice for batteries	144
5.3	Standardized effects of attributes on choice	
	for athletic shoes	145
5.4	Membership in segments by product	149
5.5	Country membership by segment for batteries	150
5.6	Country membership by segment for athletic shoes	151
5.7	Memberships for segment pairs	153
5.8	Percent knowing about most recent purchase by	
	segment for batteries	154
5.9	Percent knowing about most recent purchase by	
	segment for athletic shoes	155
6.1a	External stakeholders' influence on the development	
	of IKEA's CSR policies from 1981 to 1998 (date of first	t
	code of conduct)	167
6.1b	External stakeholders' influence on the development	
	of IKEA's CSR policies from 1998 to 2006	168

vi Contents

	Part II Marketing and corporate responsibility	133
5	Global segments of socially conscious consumers: do they exist? PAT AUGER, TIMOTHY M. DEVINNEY AND JORDAN J. LOUVIERE	135
6	Impact of CSR commitments and CSR communication on diverse stakeholders: the case of IKEA FRANÇOIS MAON, VALÉRIE SWAEN AND ADAM LINDGREEN	161
7	The relationship between corporate responsibility and brand loyalty in retailing: the mediating role of trust FRANCESCO PERRINI, SANDRO CASTALDO, NICOLA MISANI AND ANTONIO TENCATI	191
	Part III Corporate responsibility and developing countries	215
8	Stretching corporate social responsibility upstream: improving sustainability in global supply chains	217
	EMMA V. KAMBEWA, PAUL T.M. INGENBLEEK AND AAD VAN TILBURG	217
9	EMMA V. KAMBEWA, PAUL T.M. INGENBLEEK	241
9	EMMA V. KAMBEWA, PAUL T.M. INGENBLEEK AND AAD VAN TILBURG Breaking new ground: the emerging frontier of CSR in the extractive sector	

Tables

1.1	Empirical studies on the influence of CSR	
	on employees	page 20
4.1	The 'external control' approach of	
	CSR management	112
4.2	The gap between strategic intent and	
	operational translation	118
5.1	Selected demographic characteristics of respondents	
	by country	139
5.2	Functional and social attributes for	
	athletic shoes and batteries	141
7.A1	Items used in this study	206
7.A2	Measurement properties	207
7.A3	Means, standard deviations and correlations	208
7.A4	Comparisons of structural equation models	209
7.A <i>5</i>	Properties of the indexes	210
9.1	2006 revenues of top mining and oil companies	
	as a percentage of total industry sales	243
9.2	Top ten mineral-dependent economies	244
9.3	The four pillars of the dialogue process	252
9.4	The hierarchy impacts associated with mining	257
10.1	Population living below \$1 and \$2 per day, 2001	271
10.2	Distance to primary school	273
	Electrification rates, 2002	274
10.4	India's rural and urban population living below	
	\$1 and \$2 per day, 2001	277
10.5	Rural share in purchase of selected consumable	
	and durable products in India, 1993–4	278

Contributors

AURÉLIEN ACQUIER is Assistant Professor at ESCP Europe in the Paris campus. In collaboration with various national and multinational companies, his research focuses on the relationships between sustainable development, corporate strategy and institutional change. Aurélien Acquier is the author of various articles in French and English, and co-author of the book Organizing Sustainable Development (forthcoming).

PAT AUGER is an Associate Professor of Information Systems and e-commerce at the Melbourne Business School (MBS), the University of Melbourne. He is currently the Academic Director of the Executive MBA programme at MBS and teaches Information Systems and e-commerce in the MBA and Executive MBA programmes. Pat's research focuses on ethical decision-making by consumers and managers, and on the strategic use of Internet-based electronic commerce in business. He has published extensively in leading academic journals in a variety of disciplines including information systems, marketing, business ethics, international business, and strategy.

BROOKE BARTON is Senior Manager of Corporate Accountability at Ceres. She is responsible for advising Ceres member companies on sustainability strategy, reporting and stakeholder engagement. In this role, she facilitates dialogues between companies and their stakeholders to foster corporate sustainability. Brooke works with companies in the food and beverage, oil and gas, and airline sector. She also leads Ceres' work with companies and investors to address the growing business risks posed by water scarcity. Prior to Ceres, Brooke was a researcher for the Harvard Business School's Social Enterprise Initiative, where she wrote case studies and articles on the CSR strategies of multinational corporations in developing countries. While at Harvard, she co-edited Business Solutions for the Global Poor: Creating Economic and Social Value, a book examining over

twenty business models for serving low-income consumers. Brooke's other professional experience includes communications and advocacy work with ACCION International, a microfinance NGO, and project evaluation with Catholic Relief Services in Bolivia. She holds a master's degree from the Fletcher School of Law and Diplomacy, where she studied corporate social responsibility and development economics, and a BA in economics from Duke University. She speaks Spanish and Portuguese.

IDA E. BERGER's research interests are invested in social identity, ethnic diversity, social alliances, consumer behaviour and advertising. Professor Berger earned BA, MBA and PhD degrees from the University of Toronto and has conducted extensive academic research, authored and co-authored numerous papers, presented many papers at conferences, given numerous addresses and refereed many papers, and presented special conference sessions on subjects related to marketing, branding, advertising, consumer attitudes and consumer social responsibility. Her work has been recognized with awards from the American Marketing Association, Journal of Consumer Research and the Marketing and Public Policy Conference.

C.B. BHATTACHARYA is the E.ON Chair Professor in Corporate Responsibility at the European School of Management and Technology in Berlin, Germany and Everett W. Lord Distinguished Faculty Scholar and Professor of Marketing at the School of Management, Boston University. Dr Bhattacharya received his PhD in Marketing from the Wharton School of the University of Pennsylvania in 1993 and his MBA from the Indian Institute of Management in 1984. He has served on the Editorial Review Board of the Journal of Marketing, Corporate Reputation Review and Business Ethics Quarterly and has also served as editor of special issues of the California Management Review, Journal of Business Research and Journal of Public Policy and Marketing. He has published several articles in journals such as the Journal of Marketing Research, Journal of Marketing, Journal of Applied Psychology, Organization Science, and many other journals.

SANDRO CASTALDO is Full Professor of Management at Università Bocconi and Chairman of the Marketing Department at Sda Bocconi School of Management. He is member of the CSR Unit at Università Bocconi. His research interests include relationship management,

Foreword

With the political and media spotlight falling on climate change, sustainability, the ethics of business leaders (and those in the financial services preceding the recession) as well as the other global problems in the under-developed world of poverty, HIV, etc., the business world is beginning to see the necessity of being more socially and ecologically responsible. This is not just about being 'green', but about exploring the full range of socially responsible behaviours. As Theodore Zeldin suggested in his book An Intimate History of Humanity: 'The Green Movement could not become a major political force so long as it concerned itself primarily with natural resources rather than with the full range of human desires. Its setbacks are yet another example of idealism being unable to get off the ground because it has not looked broadly enough at human aspirations in their entirety'. This book, edited by Craig Smith and his colleagues, provides the research base to this growing and increasingly important field. They focus on three key issues of corporate responsibility: embedding corporate responsibility, marketing and corporate responsibility and corporate responsibility and developing countries. Their contributors are comprised of some of the leading international scholars in the field from eight different countries: Australia, Belgium, Canada, France, Italy, the Netherlands, UK and the United States. This volume is based on state of the art research, which illustrates the importance of corporate responsibility, not only in terms of the ethical and environmental challenges but also because of their business imperative. More and more research is indicating that organizations who behave more responsibly, positively impact their bottom line.²

This book also supports Malcolm Gladwell's contention, in his book *The Tipping Point*, that change can make a difference: 'look at the world around you. It may seem like an immovable, implacable place. It is not. With the slightest push –in the right place- it can be tipped'.' This is the challenge that confronts all businesses, big

xxii Foreword

and small, and this book provides the evidence of what is possible and achieveable. We hope that you will find this book useful in your scholarship, as well as in any change programmes you are considering in your organization, as we all move into a post-recession period of greater social and environmental responsibility.

Cary Cooper, Lancaster University Management School Jone L. Pearce, University of California, Irvine Series editors

Notes

- ¹ T. Zeldin, An Intimate History of Humanity (London: Vintage, 1998).
- ² E. Bichard and C.L. Cooper, Positively Responsible: How Business Can Save the Planet (Oxford: Butterworth Heinemann, 2008).
- ³ M. Gladwell, The Tipping Point (London: Abacus, 2000).