

Concluding Remarks

Corporate Stakeholder Responsibility

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First of all I would like to thank Politeia and Emilio D’Orazio for organizing this stimulating day with contributions from academics as well as practitioners. Based on the wide range of ideas we have heard today, I would like to focus on three key impressions.

I. If we consider the contributions of the speakers today and if we read journals or watch TV, we recognize that following the spectacular corporate scandals we have had in the USA and in Europe, a growing number of scientists, practitioners, as well as citizens and voters are urging firms and societal institutions to rethink their responsibilities. In addition to this, global warming and globalization challenge not only firms as economic entities, but also their stakeholders and the socio-political institutions. They all share responsibilities.

The growing awareness of the enhanced responsibilities of all constituencies is a good development. But how can we realize these responsibilities and how can we reconcile ethical, social and economic claims?

In her opening contribution, Prof. Sachs pointed out that the claim for corporate stakeholder responsibility (Sachs and Maurer, 2009) can be realized at least partly, if firms are considered as a part of a stakeholder network, and if stakeholder interactions are not based on a reap and threat mentality but on partnership. In a research project at Pfizer, this resulted in a process of trustful and responsible cooperation between the firm and its stakeholders. The responsibility claim was complemented by the historical-institutional analysis of Prof. Wheeler in the context of climate change. Different contributors from firms (e. g. Telecom Italia, Montepaschi, Terna and others) demonstrated how in various situations they have implemented trustful interactions with stakeholders, accepting them as partners. These firms systematically listen to the expectations of their stakeholders. They try to consider these claims in their strategy and accept that their stakeholder network cannot be dominated or even dictated by the firm. It is encouraging to see that CSR is not just a nice add-on for publicity reasons – or even an illusion – but is considered as a productive element in different functions such as procurement, IT or capital investment. This became evident in a roundtable discussion.

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In contrast to the firms' responsibilities towards their stakeholders, the responsibilities of stakeholders towards firms has not yet been discussed in depth. In this context, the statistical analysis was important, confirming that mutual value creation including firms and stakeholders leads to better results for the firm. I would like to encourage the scholars to analyze to what extent the stakeholders also benefit from mutuality.

All things considered, these presentations of practitioners and academics let me hope that despite all the difficulties and drawbacks, the concept of CSR, seen as a joint corporate and stakeholder responsibility, is moving towards the center of modern managerial thinking in a time of shifting and new realities. There is a growing number of publications on this subject (e.g. Sachs, Rühli et al., 2009).

2. Based on several contributors (David Wheeler, Simon Zadek, Ans Kolk and others) it is becoming clear that firms acting internationally can and must play a special role in promoting new approaches to corporate stakeholder responsibility. Their presentations reminded me of Shell struggling for at least a decade to exploit the oil fields in Nigeria. This ongoing case clearly shows that firms acting in sensitive ecological regions and in difficult cultural and political settings cannot separate economic from socio-political and ecological responsibilities. This has been demonstrated from more favorable perspectives by the different speakers from various international firms (e.g. Bombardier, Barilla, Eni and others).

Today firms are seen as part of the society, and not only as part of the economic system. International firms are not only economic but also socio-political actors. One of the speakers seems to be right about asking if today's managers have the education, knowledge and experience necessary to create sustainable value for and with stakeholders in the complex and dynamic international environment. This challenges management education and selection in the future. Responsible value creation with and for stakeholders in a complex international context should become the center of future executive programs.

3. In reviewing today's presentations and roundtable discussions, I am impressed with the fact that different presenters indirectly assume that it is not sufficient to make minor adaptations with regard to the interactions between business and society. Instead, paradigmatic changes are inevitable. Once again "change"! Why? In the last decade the thinking of managers and politicians and the role of firms in society was strongly influenced by the economic paradigm. This means economic value maximization by individuals and coordination of economic (and even social) activities by market forces. This thinking undoubtedly led to economic welfare. However, the dark side of this paradigm has become more and more apparent. Selfish thinking, ruthless profit maximization, threat and reap mentality, resource waste and ecological destruction have emerged. Markets could not put limits to these defects and abuses. Consequently, market failures became evident.

Famous academics such as Nobel prize winner Stiglitz (2010) have criticized the extreme economic paradigm more and more, and proposed a paradigmatic change of the capitalistic system. But what does this mean and what are the cornerstones of a new

paradigm? At the moment we have more questions than answers:

- Is it enough to moderate the existing economic system by putting limits on its basic assumptions and therefore creating an enlightened capitalism?
- Is the “old” German “Soziale Marktwirtschaft” a new vision?
- Is the so-called “Stakeholder Capitalism”, proposed by Prof. Ed Freeman, a solution (Freeman, Harrison et al., 2010)?
- What about the important needs and claims of the rising societies in China, India, or South America? Do we really understand and consider their cultures and more community oriented mentalities?
- What does “sustainable success” at the firm level mean and what are the correspondent incentive systems?

Firms, societal institutions, nation states and supranational organizations have to find new forms of governance and interactions, if there is the will to find solutions to these questions. The turbulences in the past financial crisis and the problems that face the EU given the enormous debts of several member states confirm this. Again, the speakers of today’s meeting, academics and practitioners, made valuable contributions and developed stimulating new ideas. Hopefully we will see follow-ups.

Let me conclude with the hope that Politeia will stimulate the discussions on sustainability and corporate stakeholder responsibility in the context of an evolving new paradigm also in the future. Today we return to our daily obligations encouraged and enriched with stimulating ideas.

References

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