OSTBAYERISCHE
TECHNISCHE HOCHSCHULE
REGENSBURG

BETRIEBSWIRTSCHAFT

REGENSBURG PAPERS IN MANAGEMENT AND ECONOMICS - NO. 3

„Sustainability in Business – What drives Corporate Social Responsibility?“

AUTHORS:
ELKE LANDSTORFER, THOMAS GROLL

Sustainability in Business – What drives Corporate Social Responsibility?

Keywords: Sustainability, Corporate Social Responsibility, Ethical Responsibility

Abstract

This article analyzes what drives companies to implement sustainable practices in business. A description of how sustainability affects business shall give an exemplified picture of sustainable corporate behavior. The term ‘sustainability’ is described. The approach of the three dimensions of sustainability shall serve as a basic understanding to evaluate the possibilities of an implementation of sustainability in business. The concepts of environmental management, sustainable management and Corporate Social Responsibility are described. The meaning of the driver ‘ethical responsibility’ in business is analyzed as a framework for Corporate Social Responsibility. This can be implemented in business through a code of ethics, for example. Studies and current findings confirm that Corporate Social Responsibility has become an evolving trend and is of growing importance in business today. Conclusively, the driver ‘ethical responsibility’ was found to motivate companies towards sustainable business practices.

Table of Contents

List of Figures

List of Tables

1. About the Need to Act Sustainably

In 1972, the Club of Rome studied five different aspects of growth in their publication 'Limits to Growth': population, nutrition production, industrialization, environmental pollution and the exploitation of resources. The annual increase in these areas rises exponentially.[1] This was one of the first claims to be published and stated that, if the behavior of nations and economies would continue as it was, the world would soon reach its limits to growth. Thirty years later, Dennis L. Meadows published an update of his former work 'Limits to Growth' which gave evidence on the limitations of resources and economies. This warning is not only applicable for nations and the economies in which they exist, but also the companies of these economies. Dykhoff and Souren describe the relation between nature and economy in two different ways: On the one hand, nature gives resources which are used by the bodies of economies to produce goods and to use these goods. On the other hand, nature also receives waste material of the economy and changes that into resources, if possible. This natural cycle has been intact for thousands of years, but with the industrial revolution, the cycle was interrupted. Too many resources were taken from the natural environment, which was unable to cope with its lack of resources.[2]

Today, we are facing an environment with scarce resources and steadily changing frameworks for the economy. The World Commission on Environment and Development summarizes this status as follows: "Two conditions must be satisfied before international economic exchanges can become beneficial for all involved. The sustainability of the ecosystem, on which the global economy depends, must be guaranteed. And the economic partners must be satisfied that the basis of exchange is equitable; relationships that are unequal and based on dominance of one kind or another are not a sound and durable basis for interdependence. For many developing countries, neither condition is met."[3]

In order to overcome the problems companies are facing in the global environment, various initiatives were founded to give a framework and guideline to companies. One example for such an initiative is the Global Reporting Initiative (GRI), which was founded in 1997 and collaborates with the United Nations Environment Program (UNEP). Its mission is to develop sustainability reporting guidelines which apply to all organizations. These reports need to contain environmental, economic and social aspects of sustainability.[4] The GRI guidelines serve as a complete framework of sustainability reporting.[5]

Besides international frameworks, such as the one of the GRI, rating agencies and investment companies name the following challenges as the most important societal, cultural and social ones that companies face: equality, especially encouragement of women, ethnical minorities, foreign workers, people with disabilities and the elderly. Furthermore, the fight against child labor, guarantee for employment, but also the abidance to law are problems to tackle.

[1] Meadows, D. L. (1972), p. 18.
[2] Dyckhoff H./Souren, R. (2008), p. 26.
[3] World Commission on Environment and Development (1987), p. 67.
[4] Global Reporting Initiative (2004), accessed November 2019, p. 2.
[5] Global Reporting Initiative (2004), accessed November 2019, p. 8.

Companies must consider and improve their work atmosphere, governance style and continuously monitor social standards along their supply chain, as well as respect social concepts, politics and cultural engagement.[6] According to the three dimensions of sustainability, sustainable business shall consider economic, ecological and social conditions and effects as well as the relations between the dimensions. If business is oriented towards a sustainable development, the orientation must focus on the long-term as a basis for todays and future satisfaction of needs of all stakeholders of a company. A sustainable company must therefore aim to exist off its earnings rather than substance. This is applicable not only for financial capital but also for all other kinds of capital, such as human capital.[7]

The concept of sustainable development can be applied to developed and emerging countries, as the 'Brundtland Report' suggests. Furthermore, its impact affects every single nation. Ultimately, the companies in these nations are the ones which carry out the demanded actions for a sustainable business. As the implication of sustainability in business, the ethical reasoning behind corporate social responsibility in business shall be examined in this article.

2. Terms and Definition of Sustainability

The supposedly first book ever mentioning the concept of sustainability was 'Sylviacultura Oeconomica' by Hans Carl von Carlowitz, published in 1713. This book is about his theoretical and practical experiences with the resource wood in Leipzig, Germany. It criticizes the short-term orientation on profit at that time. He suggested various changes to happen, i.e. a sort of efficiency revolution in building houses, such as heat insulation, and he demanded a planned and structured reforestation by planting wild trees and plants. In his book he first used the German word 'nachhalten', used in its modern meaning, to sustain. The Latin words 'reservare', 'conservare' and 'sustenare' can all be found as origins of the modern term 'sustain'. They all mean a similar behavior: to hold back for the future ('reservare', used formerly in 'law language'), to conserve ('conservare') and to hold/carry ('sustenare'). But the word 'to sustain' has various meanings: In German language it may be translated into 'keep in being' or 'to preserve and continue in a certain state'. Other translations of this word may be 'to keep and maintain at the proper level or standard' or 'to preserve the state of'. Grober comes to the conclusion that 'sustainable' shall mean 'to hold back for the future', in the sense of 'to conserve something'.[8] Besides these definitions, three key aspects of sustainability were proven to contribute to the understanding of sustainability. Therefore, the following topics should be examined in more detail: The 'Brundtland Report' and its influence on sustainability, the concept of the three dimensions of sustainability and its implication on business today.

---

[6] Schaltegger, S. (2002), p. 8.

[7] Steimle, U. (2008), pp. 91f, referring to Dyllik, T./Hockerts, K. Beyond the Business Case for Corporate Sustainability, 2002, In: Business Strategy and the Environment, Vol. 11, No. 2, 130-141, p. 132.

[8] Grober U. (2010), pp. 17ff; 113ff.

2.1. The Brundtland Report

In the 1970s, thoughts about sustainability started to evoke. The thoughts of authors, such as Rachel Carson ('Silent Spring' - 1962), Paul Ehrlich ('The Population Bomb' - 1968), René Dubos and Barbara Ward ('Only One Earth' - 1971) and the Club of Rome ('Limits to Growth' - 1972), were a trigger to a changing view of society and soon the debate concerning environmental problems developed into discussions on a political and economic level. Diverse conferences and meetings were taking place which made sustainability their focus topic. With that, they made the path of sustainability become the important topic it is today.[9]

The 'Brundtland Report' of 1987, with the original title 'Our Common Future', is one of the main works on the development of sustainability. According to this report, sustainable development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."[10] Two key concepts are striking in this definition: "The concept of 'needs', in particular the essential needs of the world's poor to which overriding priority should be given; and the idea of limitations, imposed by the state of technology and social organization, on the environment's ability to meet present and future needs"[11].

The report requests that "economic and social development must be defined in terms of sustainability in all countries - developed or developing, market-oriented or centrally planned. Interpretations will vary but must share certain general features and must flow from a consensus on the basic concept of sustainable development and on a broad strategic framework for achieving it."[12]

The 'Brundtland Report' set a milestone in the history and understanding of sustainable development. Another diversification of sustainability, which helps to understand the concept of sustainable development better, is the three dimensions approach of sustainability, which serves as a basic understanding of sustainability in the business case today.

2.2. The Three Dimensions Approach

This approach has developed in the middle of the 1990s and since then dominated the sustainability debate internationally: the principle of equableness of the dimensions ecology, economy (of nature) and social aspects.[13]

In business, a corporate orientation towards sustainable development may mean directing the behavior of individuals according to the requirements of this higher-ranked, globally or socially accepted concept of sustainable development.[14] The following figure shows an overview of how topics on business can be divided upon the three dimensions of sustainability:

[9] Windauer, E. (2013), pp. 6ff.
[10] World Commission on Environment and Development (1987), p. 42.
[11] World Commission on Environment and Development (1987), p. 42.
[12] World Commission on Environment and Development (1987), p. 42.
[13] v. Hauff M./Jörg A. (2013), p. 7.
[14] Steimle, U. (2008), p. 37.

Table 1: Sustainability Topics in Business. [15]

Ecological	Economical	Social
– optimization of eco-efficiency – reduction of economic footprint – reduction of waste, emissions, toxic substances – sewage management – recycling – increase of eco-efficiency – energy saving; e.g., Zero-, Plus-emission houses, energetic restoration – renewable energies – health – cradle-to-cradle – biodiversity	– fight against corruption – (r)evolutionary business models – consumer protection – facilitation of R&D and innovation – facilitation of sustainable production and consumption – assessment of Non-Financial Performance – sustainable marketing, cause-related marketing – orientation towards sustainability on supply-chain – product responsibility	– human rights, prohibition of child labor – increase in cultural diversity – well-being, healthy work environment; e.g., health and security – work-life-balance – stakeholder dialogue – demographic change – qualification, education, advanced training – partnerships between companies, organizations and schools

Sustainable development can be described in economic terms as follows: "The concept is intended to embrace the idea of ensuring that future generations inherit an Earth which will support their livelihoods in such a way that they are no worse off than our generation today. In economic terms, then, we can equate 'development' with increased, or at the very least, constant per capita 'well-being' over some time horizon."[16] Economical sustainability is oriented towards the maintenance of an expected standard of living within the course of time. This lifestyle demands a change in the dominating method of production by companies as well as in the consumption style of consumers.[17]

Ecological sustainability is a fundamental question for humankind, since maintaining the quality and stability of nature's ecological system is necessary for humans to survive. The ecological system alone cannot be sustainable, as it is only the interplay of economy and the ecological system that makes a persistent existence of the ecological system possible.[18] In the business case today, a company interferes with the environment and therefore the ecological aspects at all times. It affects the environment indirectly by its need for infrastructure, production processes and the relating burden on the environment through that.[19]

Social sustainability can be described as the long-term protection of social capital in a society. The 'Enquete Commission' of the 13th German '*Bundestag'* says that human health is the aim of the social dimension of sustainability and should be a precondition for further goals.[20]

The division into three dimensions of sustainability helps to specify different aspects of sustainability. How these aspects influence corporate behavior in business shall be examined in the following.

[15] Table adapted from Pufé, I. (2012), pp. 119ff.
[16] Pearce D./Atkinson G. (no year), accessed November 2019, p. 3.
[17] v. Hauff M./Jörg, A. (2013), p. 9.
[18] v. Hauff M./Jörg A. (2013), p. 7, referring to Majer, H. Nachhaltige Entwicklung – Leitbild für Zukunftsfähigkeit; in: Volkswirtschaftslehre, 2003, No. 7; p. 935-943.
[19] Stahlmann, V. (2008), p. 157.
[20] Steimle U. (2008), pp. 70ff.

2.3. Implications of the Dimensions on Business

Considering the three dimensions of sustainability it becomes a challenge for companies today to face the problems related to them. The different branches of management that are concerned with the aspects of sustainability are examined in the following.
Oftentimes, sustainable management is mistaken for environmental management. Therefore, a closer look at environmental management shall be taken first, followed by a look at sustainability management and its implications on business itself.

2.3.1. Environmental Management

Environmental management can be defined as “[a]dministrative functions that develop, implement and monitor the environmental policy of an organization.”[21] Environmental strategic management is concerned with the development of strategies which are suitable to reach the economical goal and to use potentials for success through sustainability. According to the social dimension, good relations with relevant stakeholders need to be built and taken care of within the strategies. The ecological dimension of sustainability can be implemented in the strategic management by pushing environmental protection internally and also among all business partners.[22] The environmental operative management deals with the implementation of environmental management systems, such as EMAS or ISO 14001. Strategic planning instruments, such as waste accounting, but also the advanced training of employees are aspects of the environmental operative management.[23]
Besides strategic planning, environmental management is also concerned with risks facing the company. Risk management oriented towards sustainability means to identify, analyze and evaluate company-internally caused danger to humankind and nature. Furthermore, strategies and measures must be planned in order to avoid such dangers, to reduce them and make sure that such potential risks are insured by the company.[24] Risk management can be defined as “[t]he identification, analysis, assessment, control and avoidance, minimization or elimination of unacceptable risks. An organization may use risk assumption, risk avoidance, risk retention, risk transfer or any other strategy (or combination of strategies) in proper management of future events." [25] Ecological risks facing the environment could be potential damage to nature as an outcome of a company’s production, e.g. air pollution. This type of risk is a danger, as it harms the environment in such a way that the pollution exceeds the permitted measurement levels of law or society. Therefore, it is important for the public interest and needs to be legitimated publicly. Environmental risks are understood to be part of civilization risks, as they can result

[21] Business Dictionary, “What is environmental management? definition and meaning,” accessed November 2019.
[22] Balderjahn, I. (2004), pp. 42ff.
[23] Balderjahn, I. (2004), pp 42ff, p. 109.
[24] Balderjahn, I. (2004), p. 109.
[25] Business Dictionary, “What is risk management? definition and meaning,” accessed November 2019.

in global natural catastrophes, but also are very unlikely to occur very often.[26] Another type of risk are social risks. These are risks that mean a potential danger for humans and societies, such as risks through products that are harmful to health. Oftentimes, ecological risks can be connected to social risks. An example for such a risk that can be classified as both social and ecological, are the risks related to nuclear plants. All operating risks by the company must be detected in advance by the management of a company and estimated correctly. Therefore, the management executives must be conscious of potential risks.[27] According to Müller-Christ, the fight against such risks, e.g. the protection of the environment and natural resources, has not yet been established completely in today's economy. Hence there are many challenges to the real economy at hand. Since the 1970s and 1980s, there have been improvements to water safety and air pollution, but in comparison to what needs to be done in terms of the protection of our resources, this has been too little.[28]
A management aiming for sustainable development can be implemented by creating tasks that aggregate and coordinate sustainable development among different departments.[29]

In order to diversify the terms 'environmental' and 'sustainability management', an analysis of sustainability management will be given in the following.

2.3.2. Sustainability Management

Corporate sustainability management aims for a permanent connection between social, ecological and economic objectives with authentic proof for success in all three areas. It therefore adds to a sustainable development within the whole society.[30]
Analyzing sustainability management according to the three levels in management - normative, strategic and operative management - the following division can be drawn: in normative management, the corporate philosophy is based on ethical conviction and experiences of concise persons of a company. All employees are supposed to adhere to these guidelines.[31] The corporate philosophy serves as a source of the role, mission and function of a company.[32] Sustainable normative management[33] shall give guidelines oriented towards a sustainable development. Most importantly, the company must show its willingness to deliver products and processes which are socially and environmentally compatible.[34] If corporate governance communicates such a philosophy precisely, then it has an integrating function and motivates

[26] Balderjahn, I. (2004), p. 109, referring to Balderjahn, I./Mennicken C. Das Management ökologischer Risiken und Krisen: Verhaltenswissenschaftliche Grundlagen, In Albach, H./Dyckhoff, H. (Eds.), Handbuch Produkt-Management, 2nd Edition, Wiesbaden, 2002, pp. 25f.
[27] Balderjahn, I. (2004), pp. 109f.
[28] Müller-Christ, G. (2010), p. 60.
[29] Dyckhoff H.; Souren, R., (2008), p. 125.
[30] Stahlmann, V. (2008), p. 182.
[31] Dillerup R./Stoi, R. (2011), p. 59.
[32] Steimle, U. (2008), pp. 110f, referring to Bleicher, K. Das Konzept Integriertes Management. Visionen - Missionen - Programme. 7. Auflage, Frankfurt/Main, New York: Campus, 2004, p. 89.
[33] See further reading: Dyllik (1992) and Burschel et al. (2004).
[34] Steimle, U. (2008), pp. 110f.

a certain kind of actions.[35] The missions of the normative level of sustainable management serve as objectives for the strategic and operative level.[36]

The strategic level of sustainable management is concerned with the development of programs in order to implement the missions given by normative management. Such strategic programs focus on the long-term. They contain answers to how the given objectives can be achieved economically as well as socially. Typical sustainable strategies are oriented towards innovation and pro-active thinking and behavior. Operative sustainable management implements the strategic programs of the strategic management level. Especially the implementation of resource-saving and environmentally friendly performance are key elements of this management level. Improvements of all processes in daily business, but also for individual projects, must be made.[37]

Most companies accept social responsibility and environmental protection as general corporate goals. They can react in three different ways to these aspects in their strategic behavior. The first behavioral type is a 'defensive, structurally conservative' behavior. The manager of a company does more than expected by law or standards for environmental protection. Non-economic goals are declared as 'ideology'. This defensive behavior can be interpreted as economically rational, as products with high production costs are preferably replaced rather than made-more environmentally friendly. If products contain environmentally critical ingredients, this type of behavior may lead to conflicts in the management levels and governance. The second type of behavior is called 'halfhearted awareness for trends'. Key words, such as 'organic', 'nature' and 'ecological' are used as they are very effective in advertising. Managers use these terms as an alibi to pretend to be part of the movement towards sustainable development, though in reality, the approach of this management is unstructured and without any coordination. Managers wait until they receive a reaction from the state, consumer or the competitors. In case external pressure becomes too intense, action is taken. This implies a high affinity for risks in this case. The third strategy of companies is a rather 'offensive, pro-active and innovative sustainability strategy'. In this case, environmental protection is understood as the basis of corporate work and seen as a challenge. Within a systematic approach, all synergetic effects are analyzed within the corporate program and employees are actively integrated into the sustainability strategy of the company. In this case, management takes social, ecological and economical aspects into account and develops a strategy, where environmental consciousness is evident in all departments of the organization. This third behavioral type of manager is often called an 'ecopreneur' – a short-term for 'eco-entrepreneur'. A company with this type of strategic management enters the market with an environmentally innovative product with the goal to reach economies of scale by selling mass

[35] Dillerup R./Stoi, R. (2011), p. 59.
[36] Steimle, U. (2008), pp. 111f, referring to Bleicher, K. Das Konzept Integriertes Management. Visionen - Missionen - Programme. 7. Auflage, Frankfurt/Main, New York: Campus, 2004, p. 164.
[37] Steimle, U. (2008), pp. 114ff.

products at cheap prices in order to reach a broad range of consumers that are interested in sustainable products.[38]

The difference to Corporate Social Responsibility (CSR) is that CSR refers to market research and trends, while sustainability management means the active implementation of such concepts oriented towards sustainable development. But, according to Schaltegger, societal aspects can also be interpreted wrongly in CSR, as they might interfere with the fight against environmental problems.[39]

The concept of Corporate Social Responsibility will therefore be explained in detail in the following.

2.3.3. Corporate Social Responsibility

The term Corporate Social Responsibility was mentioned in scientific literature already in the 1930s. Twenty years later, an intense discussion about company's responsibility developed. CSR was first defined[40] as a company's responsibility to behave according to values and goals which are given by the society. Scientific discussions about CSR were economically motivated, stating that the only societal responsibility of a company is to generate revenue with given means.[41] Others' motivation was ethical[42], in that case CSR was supposed to contribute to society as companies would take on responsibility for projects which exceeded the economic, technical and judicial frameworks given to them.[43] The term Corporate Social Responsibility is a vague description of various concepts. A clear definition has yet to be defined, so this term is often mistaken for 'Corporate Sustainability', 'Corporate Social Responsiveness' and 'Corporate Citizenship'.[44] The close connection of these terms is depicted in the following figure:

[38] Stahlmann, V. (2008), pp. 165f.
[39] Stahlmann, V. (2008), p. 182, referring to Schaltegger, S. Unternehmerisches Nachhaltigkeitsmanagement, in: Forum Nachhaltig Wirtschaften 2/2007, pp. 19ff.
[40] See further reading: Carroll (2006), p. 5, who cited Bowen (1953).
[41] See further reading: Friedman (2004).
[42] See further reading: Davis (1960).
[43] Weber, M. (2008), p. 40.
[44] Schaltegger, S./Müller, M. (2008), p. 17.

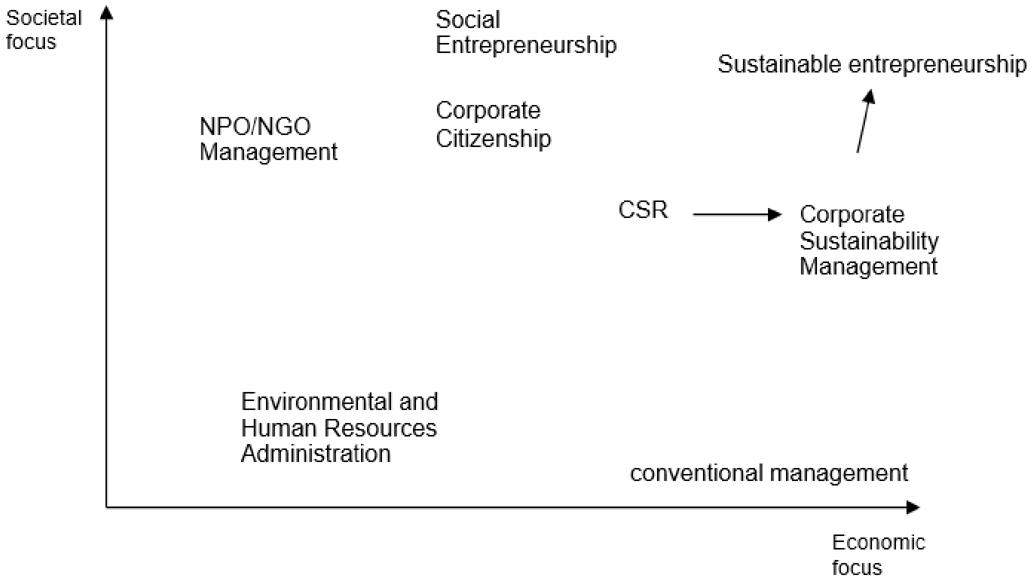

Figure 1: Relation of CSR and Corporate Sustainability Management. [45]

CSR in sustainable terms can be defined as the "business's contribution to sustainable development. Consequently, corporate behavior must not only ensure returns to shareholders, wages to employees and products and services to consumers, but they must respond to societal and environmental concerns and values."[46]

In the discussion about CSR, the aspect of it being a voluntary activity for companies has dominated scientific literature. The European Commission defined CSR in 2001 as a concept which serves as a basis for voluntary activities on behalf of environmental and social aspects, which are integrated in the relations with stakeholders.[47] The 'Rat für Nachhaltige Entwicklung' of the German *Bundestag* stated in 2006 that CSR is more than corporate compliance to environmental and social expectations. Therefore the voluntariness of CSR can be seen as one of the important aspects.[48]

In 2011 though, the European Commission published a new definition of CSR, describing it as 'the responsibility of enterprises for their impacts on society'. Respect for applicable legislation and for collective agreements between social partners is a prerequisite for meeting that responsibility. To fully meet their Corporate Social Responsibility, enterprises should have in place a process to integrate social, environmental and ethical factors as well as human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- Maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large.

[45] Figure adapted from Schaltegger, S./Müller, M. (2008), p. 30.
[46] Weber, M. (2008), p. 43, referring to OECD. Corporate social responsibility: Partners for progress. Paris: OECD, 2001, p. 13.
[47] Welzel, E. 2008, p. 54, referring to EU-Kommission. Grünbuch Europäische Rahmenbedingungen für soziale Verantwortung der Unternehmen, KOM (2001) 366 endgültig, 18.7.2001 Brüssel.
[48] Weber, M. 2008, p. 41, referring to Rat für Nachhaltige Entwicklung. Unternehmerische Verantwortung in einer globalisierten Welt – Ein deutsches Profil der Corporate Social Responsibility: Empfehlungen des Rates für nachhaltige Entwicklung. Berlin: Rat für Nachhaltige Entwicklung, 2006, p. 22.

– Identifying, preventing and mitigating their possible adverse impacts.[49]

The voluntary element of previous definitions was not named anymore. Therefore, in today's globalized world, companies must pay increasing attention to the moral duties and political questions arising in the field of CSR.[50]

CSR can further be described as "categories of levels of economic, legal, ethical and discretionary activities of a business entity as adapted to the values and expectations of society"[51].

Current definitions of Corporate Social Responsibility have in common with the definitions of sustainability, that they both take social and ecological aspects into consideration. One criticism is that the economic dimension of sustainability is not a part of the CSR definition, but as economic success usually derives from the interests of business-management, it is therefore derived from CSR activities. Therefore, CSR can be seen as part of the sustainability management, or as it is often called, the 'Corporate Sustainability'.[52]

CSR has been established and developed besides similar concepts in management, such as 'Corporate Ethics', 'Corporate Social Responsiveness' or 'Corporate Citizenship' (CC). The distinction between these concepts has not yet been clearly defined in scientific literature. Especially the difference between CSR and Corporate Citizenship has been discussed intensively.[53] The topic of CC has become more common in business practice since the 1990s. This concept can be seen as an overall orientation of a company according to the principles of a society in which each citizen feels obliged to the common good of the society.[54] Nevertheless, it is questionable whether a company can be understood as a citizen of a city.[55] The development of the area of CC was influenced by the movement in the 1990s to set up a political conception in business ethics. Moral duties, which were transferred to the global context, were demanded by companies. This was the start of the development of a "new conceptual language for discussing the responsibilities of corporations."[56]

As it is difficult to define or describe the concept of CSR precisely, the model of Carroll and the categorization of Frederiksen and Nielsen shall give two pictures of CSR in the following.

According to Carroll, the society expects companies to behave with economic responsibility, in accordance with the law, with philanthropic responsibility and ethical responsibility.[57]

Carroll has developed a system on how to diversify CSR, as shown in the following figure:

[49] European Commission (2011), p. 6, accessed November 2019.
[50] Brink, A. (2011), p. 16.
[51] Schaltegger, S./Müller, M. (2008), p. 18.
[52] Weber, M. (2008), p. 44.
[53] Welzel, E. (2008), p. 53.
[54] Weber, M. (2008), p. 44, referring to Ulrich P./Kaiser M. "Das Unternehmen, ein guter Bürger: Corporate Citizenship im Zeichen gesamtgesellschaftlicher Mitverantwortung", New Management, 70 (12), 25-31, 2001, p. 29.
[55] Weber, M. (2008), pp. 44f.
[56] Brink, A. 2011, p. 16.
[57] Schaltegger, S./Müller, M. (2008), pp. 20f, referring to Caroll (1979)

Figure 2: System of CSR. [58]

This picture serves as a first attempt to structure CSR. It is important to note that the different levels of CSR fade into one another and one cannot separate them from each other in the real business case.[59] Blowfield and Murray explain Carroll's framework more deeply. Economic responsibility "refers to the fundamental responsibility of business to produce goods and services that society wants and which it sells at a profit."[60] Legal responsibility "refers to the obligation of business to fulfill its economic mission within the confines of law."[61] They describe ethical responsibility as "companies that go beyond legal compliance."[62] Philanthropic responsibility can also be described as discretionary responsibility, which "refers to voluntary responsibilities, such as philanthropy, which a company can assume even if there are no clear-cut societal expectations."[63]

Besides the model by Carroll, there are three approaches to CSR by Frederiksen and Nielsen: the instrumental approach, the ethical approach and the hybrid approach. The instrumental approach is focusing on CSR in business. It presumes that "[o]ne should engage in CSR-practices if, and only if, they are, at the end of the day, profitable."[64] This means that companies only engage in voluntary socially expected activities, if the law demands it or if these activities enhance the company's positive image on the mass consumer group. In this manner, CSR is part of the company's branding activities and a marketing tactic. It underlines that customers are making their buying decisions according to the reputation of a company. This aspect is also important for the stakeholders, such as business partners, policy-makers or current and future employees.[65]

The instrumental approach can also be criticized, as it might not be stable in the long-term perspective. Frederiksen and Nielsen explain: "If a company only invests resources in CSR-programs and only 'behaves ethically' if it is indeed profitable and backs out whenever long-term maximizing of profits are seen to be undermined by doing so, then stakeholders such as customers, employees and policy-makers are likely to be alienated. Of course, a clever

[58] Figure adapted from Schaltegger, S./Müller, M. (2008), pp. 20f, referring to Carroll, A.B. „The Pyramid of Corporate Social Responsibility. Toward the Moral Management of Organizational Stakeholders", Business Horizons, 34 (4), 39-48, 1991, p. 42.
[59] Schaltegger, S./Müller, M. (2008), pp. 20f.
[60] Blowfield, M./Murray, A. (2008), p. 21.
[61] Blowfield, M./Murray, A. (2008), p. 21.
[62] Blowfield, M./Murray, A. (2008), p. 21.
[63] Blowfield, M./Murray, A. (2008), p. 21.
[64] Frederiksen C.S./Nielsen, M.E.J. (2013), pp. 19ff.
[65] Frederiksen C.S./Nielsen, M.E.J. (2013), p. 19.

instrumental approach might take this into consideration. But the stability of such a line of thought depends ultimately on the same happy coincidence between morality and profits that is unlikely to hold for hybrid theories."[66] Furthermore, the instrumental approach has a lack of legitimization: it seems that no moral arguments could validate it. Therefore, companies should not have any arguments to legitimize profit being the top-level goal of their corporation instead of being able to provide ethical theories in reference. The second approach, the ethical approach to CSR, focuses on ethical questions as the basis of behavior rather than profitability by increasing reputation. The question behind CSR activities, according to this approach, is whether they are morally right. This does not have to always generate profitable outcomes either. Loss of profit might be accepted by companies due to moral reasoning.[67]

The third approach, the hybrid approach, tries to balance the two previous approaches. Conflicts between moral and profitable questions are rejected, as the business reality is taken into consideration. This approach assumes that the interests of society at large and the company's interest must generally be in agreement. The empirical evidence of this approach is still questioned. It provides an attractive solution to the conflict between morality and profitability, even though it is rather not evident in daily business life.[68] This relation between morality and profitability is often depicted as a 'rule of three', consisting of the demand to be responsible in the ones behavior, the attitude to want to take over responsibility and the basic business position to show responsibility with one's own behavior. In the interplay of these three items - claim, attitude and business position - sustainable management can be put into practice.[69]

Companies can engage in CSR according to the levels of Carroll or within the approaches of Frederiksen and Nielsen. As the Corporate Social Responsibility department of a company might supervise and guide the orientation towards a sustainable development, sustainability must be measurable in the business context.

2.3.4. How to Measure Sustainability

Generally, absolute statements concerning a company's sustainability cannot be drawn. However, methods such as benchmarking can give relative statements about a company's achievements in being sustainable, as they are compared to others.[70]

Besides benchmarking, there are different certifications for companies which show the degree to which they achieve objectives in the field of sustainability. An audit is a control instrument to show differences between the status quo and a desired status. There are different forms of audits today, such as legal compliance audits, which guarantee the abidance to law, performance audits, which prove the abidance to corporate performance measurements and

[66] Frederiksen C.S./Nielsen, M.E.J. (2013), p. 21.
[67] Frederiksen C.S./Nielsen, M.E.J. (2013), pp. 19ff.
[68] Frederiksen C.S./Nielsen, M.E.J. (2013), pp. 19f.
[69] Schaltegger, S./Müller, M. (2008), pp. 24f.
[70] Steimle, U. (2008), p. 102.

objectives, or system audits, which ensure that the management system works within its functions. Here, the abidance to guidelines and higher-ranking frameworks is in the focus. A common form of audits are environmental or social audits. These are typically systematic audits on a regular basis which are documented each time. They serve to overcome asymmetric information between the stakeholders of a company. They inform externals about business performance and qualifications and also inform the internal management about the knowledge of employees and internal management performance. Self-control is the key concept in an audit, as the company needs to make sure that the system is functioning at all times.[71]

The International Chamber of Commerce (ICC) described a sustainability audit as a management tool which verifies systematically, periodically and objectively the effectivity of sustainable management. Further, structures, guidelines and processes are analyzed and documented. A typical characteristic of sustainability audits (also called compliance audits) is the systematic verification of the abidance to sustainable laws, such as employment protection, co-determination guidelines and environmental laws. Furthermore, the verification of the effectivity of sustainability management systems is common for sustainability audits. Here, frameworks for the responsibilities, hierarchies and information policies of a company are observed. Another characteristic of a sustainability audit is the continuous improvement of all corporate actions towards sustainable development. This process is called a system audit. As of today, three audit concepts have been developed, which comply with the sustainability audit concept of the ICC: The 'British Standard BS 7750' of 1992, which is the 'specification for environmental management systems' in Great Britain and the 'Environmental Management and Audit Scheme' (EMAS), which is the international abbreviation for the European guideline (EWG) No. 1836/93 from 1993. Here one differentiates between the voluntary implementation for corporate enterprises (EMAS I) and organizations (EMAS II). Furthermore, the 'ISO 14001' norm from 1996 is the international norm for environmental management. It describes different norms for various aspects in environmental management.[72]

Applicable to the social dimension of sustainability, the 'Social Accountability (SA) 8000' certification provides a statement about the social standards upheld within a company. The 'International Standard Organisation' (ISO) published the 'ISO 26000' in the year 2008 as a societal certification, which evaluates the ethical and social aspects of a company.[73]

Welzel describes the development in the introduction of certifications as shown in the following figure:

[71] Schaltegger, S. (2002), p. 25.
[72] Dyckhoff H./Souren, R. (2008), pp. 196f.
[73] Welzel, E. (2008), pp. 55f.

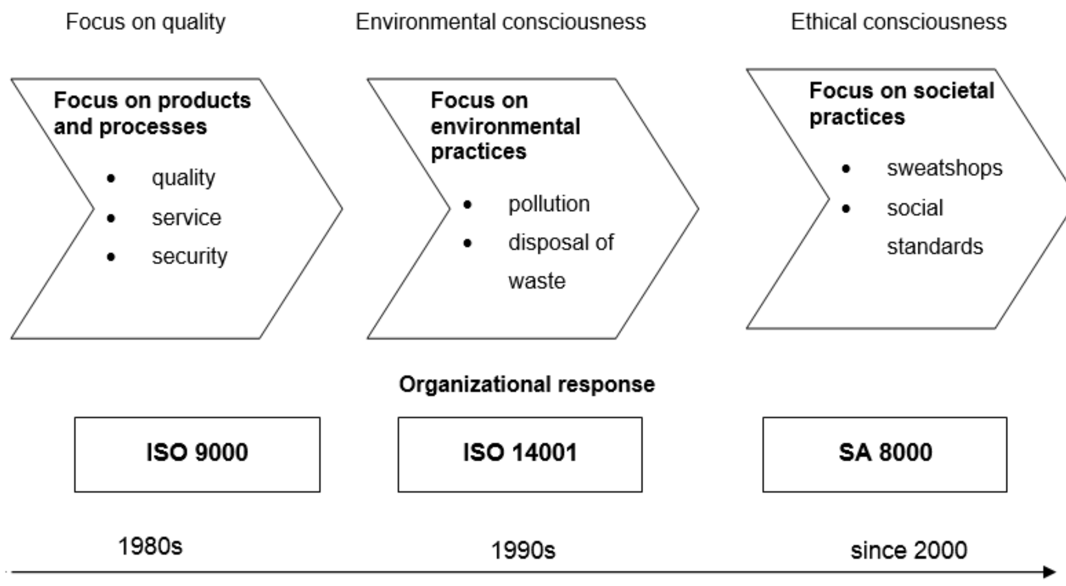

Figure 3: Development of Certification Initiatives. [74]

More transparency has been demanded from companies in the last decades.[75] This meant for companies a higher expenditure to keep up with the demands of transparency. Due to this, some companies may have feared a decrease in competitiveness, as they had to pay more for the implementation of standards. But on the other side, by implementing environmental standards a reduction in resources could be achieved, which saved money as well.[76]
The following table shows examples of standards of CSR issues covering various fields in business.

Table 2: Examples of Corporate Responsibility Standards. [77]

Issue covered	**Examples of standards**
Environmental	CERES Principles ISO 14000 environmental management series Kyoto Protocol
Labor	Fair Labour Association workplace code of conduct ETI base conduct International Federal Confederation of Free Trade Unions basic code of labor conduct
Corporate governance	OECD principles of corporate governance Principles of corporate governance in the Commonwealth Toronto Stock Exchange guidelines for improved corporate governance
Money laundering	Wolfsberg anti-money laundering principles Basel Committee on banking supervision

[74] Figure adapted from Welzel, E. (2008), pp. 55, referring to Kreikebaum H./Behman, M./Gilbert, D. U. Management ethischer Konflikte in international tätigen Unternehmen. Wiesbaden: Gabler, 2001, p. 170.
[75] Welzel, E. (2008), p. 55, referring to Hansen, U. "Gesellschaftliche Verantwortung der Unternehmen", in: Schneider, U./Steiner, P. (Eds.) Betriebswirtschaftslehre und gesellschaftliche Verantwortung - mit Corporate Social Responsibility zu mehr Engagement. Wiesbaden: Gabler, 2004, p. 59-83, p. 72.
[76] Welzel, E. (2008), pp. 55f.
[77] Table acc. to Blowfield, M./Murray, A. (2008), p. 169.

Bribery and corruption	OECD convention combating bribery of foreign public officials in international business transactions International Chamber of Commerce rules of conduct to combat extortion and bribery Extractive Industry Transparency Institute
Human rights	Amnesty International human rights principles for companies UN draft norms on the responsibilities of transnational corporations and other business enterprises with regard to human rights Voluntary principles on security and human rights
Corporate reporting	AA1000 series Global Reporting Initiative guidelines on social, economic and environmental reporting
Comprehensive	UN Global Combat principles OECD guidelines for multinational enterprises ISO 26000 corporate responsibility standard

Besides the option for companies to implement audits and certifications, it has become common for businesses to publish environmental or sustainability reports. The majority of DAX30-companies and about half of all big companies worldwide engage in reporting. This is the response to the demanding society, media and press, which became more and more interested in the governance style of companies and their social, economic and ecological effects on their environment. Especially financial analysts, creditors and investors are interested in measurable financial numbers, which give an overview of the indicators concerning the sustainable management of companies. Environmental reporting has become more integrated and standardized over the last years. Over time, a focus on quality and social aspects was integrated in environmental reports.[78] The following figure envisions the development towards sustainability reporting today:

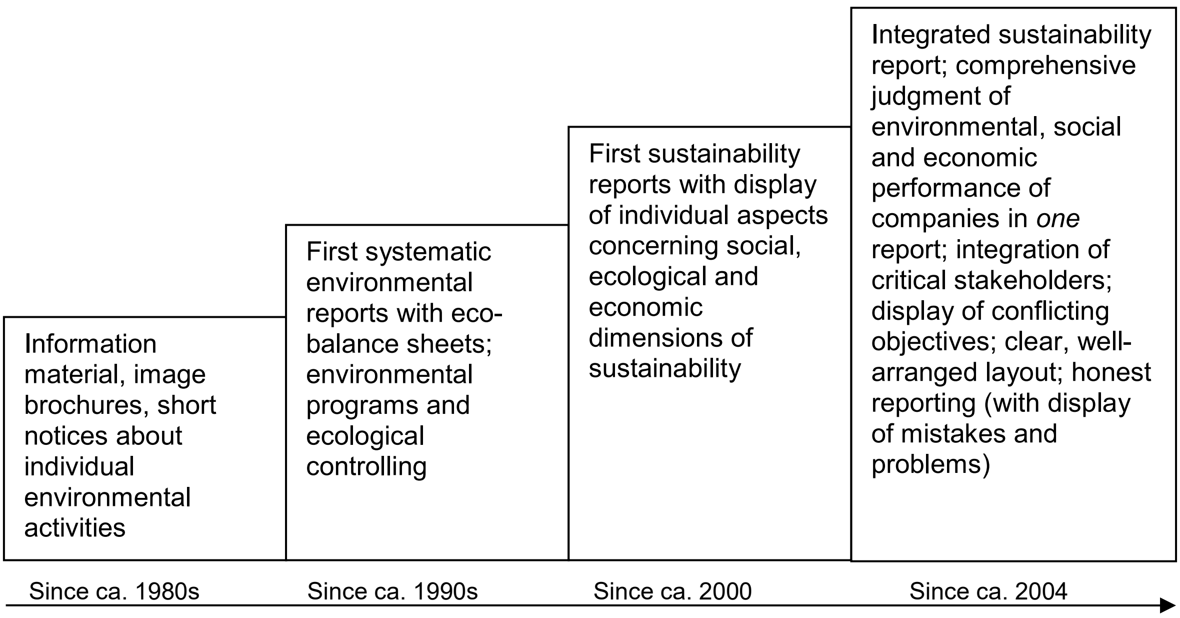

Figure 4: Development towards Sustainability Reporting. [79]

---

[78] Stahlmann, V. (2008), pp. 253f.
[79] Figure adapted from Stahlmann, V. (2008), p. 254.

The integration of sustainability into business has gained more importance over time. The question behind the corporate behavior towards sustainable development is 'What triggers companies to behave accordingly?' Therefore, ethical responsibility shall be examined as a driver towards corporate sustainability in the following.

3. Ethical Responsibility as a Driver towards Sustainability

An offensive sustainability management must balance conflicts of goals and consider different stakeholder groups. The macro-economic, political, technical environment as well as the activities of the competitors become important. Therefore, 'sustainable excellence' has become more than just a follow-up to a trend. Companies need to question themselves about what they want or need to produce, to permanently contribute with benefits to society and to combine this with their economic and social goals.[80]
In the following, further insight into ethical responsibility shall be provided.

3.1. Ethical Responsibility

An ethical theory can be described as "a relatively sophisticated, well thought through and, at least to some extent, cogent and self-consistent theoretical background answer to the question 'what ought I do, morally speaking', applicable to all or a broad range of issues"[81] At this point it is important to define what morality is. The terms ethics and morality are often mistaken for one another or used as synonyms. This is due to their origins in Greek language. Both the word 'ethos' and 'mos' (plural: 'mores') can be translated with 'habit', 'custom' and 'character'.[82] Morality is the stock of all factually existing values and norms of a group or society. Therefore, it consists of values and norms.[83] Norms are guidelines for human behavior or act as conditions for behavior with a mandatory character. They expect you to behave according to a certain way, in certain situations.[84] Morality describes the, usually implicit, set of social rules that are inherent in humans. It serves as a guideline when making decisions and to determine whether actions are socially accepted or not. Here, the values of the society one belongs to is the base of social rules. These values have developed over time and are passed on from generation to generation, while being adapted to the changes due to the natural environment and the changing challenges that the society faces.[85] Certain basic values are rooted in all kinds of societies. They have the characteristic of 'final objectives', which are needed to peacefully live

80 Stahlmann, V. (2008), pp. 159f.
81 Frederiksen C.S./Nielsen, M.E.J. (2013), p. 21.
82 Noll, B. (2002), p. 11, referring to Pieper, A. Einführung in die Ethik, 4th Edition, Tübingen und Basel, 2000, p. 24ff and Ulrich, P. Integrative Wirtschaftsethik. Grundlagen einer lebensdienlichen Ökonomie, Bern et al., 1997, p. 30ff.
83 Noll, B. (2002), p. 11.
84 Noll, B. (2002), p. 9, referring to Steinmann, H./Löhr, A. Unternehmensethik - eine "realistische Idee", in Seifert, E./Pfriem, H. (Eds), Wirtschaftsethik und ökologische Wirtschaftsordnung, Bern and Stuttgart, 1989, p. 269-279.
85 Scherer A./Picot A. (2008), p. 4.

together. Basic values of a society are freedom, equality, justice and security. Furthermore, the basic values for each individual are health, human dignity and prosperity.[86]

Ethics, on the contrary, is the theory of morality. Ethics may be described as a part of philosophy. It is a scientific discipline which consists of methodical thinking about values and norms. It is the task of ethics to formulate such norms and rules, to search for norms and rules which are commonly applicable and to distinguish them from non-applicable ones. Furthermore, ethics tries to justify these norms and rules and solve conflicting norms.[87] There are two different ethical approaches[88]: the teleological and the deontological approach. Deontological ethics focuses on the obligation of actions and the laws according to which humans behave, whereas teleological ethics focuses on the purpose of actions and on the purpose which one takes into consideration with an action.[89]

Ethics is, in this respect, the science of verifying and judging norms, values and behavior, which is based on those. Therefore, one can say that “ethics is a critical reflection of morality”.[90]

In order to focus on ethics in business, terms and definitions of ethical responsibility in business will be discussed in the following.

3.2. Terms and Definitions of Ethical Responsibility in Business

Ethical responsibility can be implemented by a company through ethics in business. Business ethics analyze ethical responsibility in the business case. This is one of the applied forms of ethics, as opposed to theoretical ethics. The goal of business ethics is to solve practical problems instead of basing theory on universal approaches.[91]

It can be defined as an “ethical system applied in the context of profit-oriented organizations“[92]. Business ethics is based on a set of accepted moral values. Therefore, it can be understood as a mixture of philosophy and applied sciences.[93] It originated in economics and ethics. As economics analyzes the behavioral patterns of egoistic behavior in humans, ethics detects which human actions are ‘good’, ‘bad’, ‘legitimate’ or ‘fair’. Hence, business ethics is concerned with the moral ratification of behavior in business.[94] Business ethics can be divided into three levels, which are shown in the following figure:

[86] Noll, B. (2002), p. 9, referring to Morel, J. Werte als sozio-kulturelle Produkte, in: Funkkolleg Soziale Wandel, 5. Studienbegleitheft, Weinheim und Basel, 1974.
[87] Noll, B. (2002), p. 13, referring to Stähli, F. Ingenieurethik an Fachhochschulen, Wien et al., 1998, p. 11.
[88] For further information, please see further reading: Frankena (1994), p. 32 and Hubig (1993), p. 119.
[89] Noll, B. (2002), pp. 15f.
[90] Scherer A./Picot A. (2008), pp. 4f.
[91] Scherer A./Picot, A. (2008), p. 9, referring to Albach, H. Zurück zum ehrbaren Kaufmann. Zur Ökonomie der Habgier, in: WZB-Mitteilungen, 2003, Heft 100, p. 37, referring to Wieland, J. Organisatorische Formen der Institutionalisierung von Moral in der Unternehmung, in: H.G. Nutzinger (Eds), Wirtschaftsethische Perspektiven II. Schriften des Vereins Socialpolitik, Band 228/II, Berlin, 1994, p. 11-35 and Wieland, J. Moralische Kommunikation und Unternehmensführung. Warum Unternehmensethik? Vortrag vor dem 1. Ethikforum Euregio Bodensee, vervielfältigtes Manuskript, Konstanz, 1996 and Wieland, J. Die Ethik der Governance, Marburg, 1999.
[92] Blowfield M./Murray, A. (2008), p. 18.
[93] Noll, B. (2002), p. 4.
[94] Noll, B. (2002), p. 34.

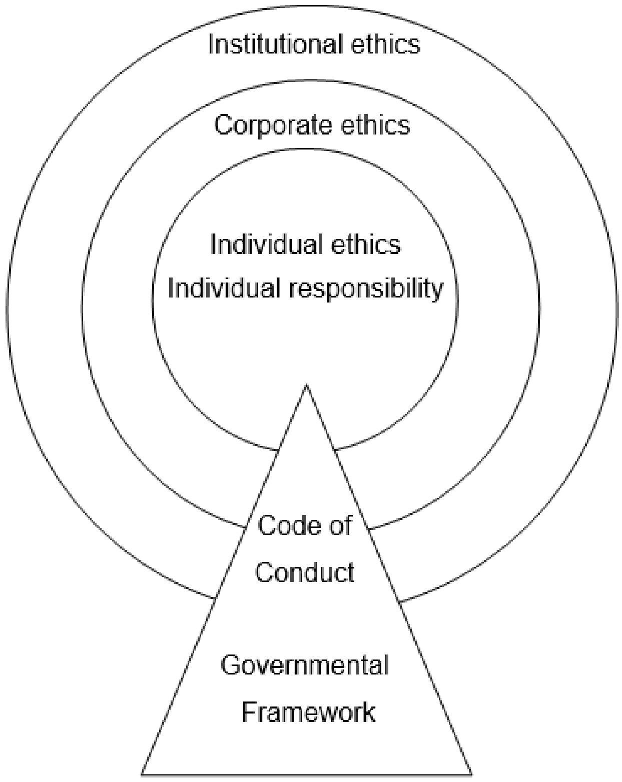

Figure 5: Three Levels of Business Ethics. [95]

The three levels of business ethics are related to the macro, meso and micro-levels of ethics in general.[96] Institutional ethics, as the macro level of ethics, is concerned with the 'right' or 'fair' economic order. It determines whether a market-economical order may be set up according to ethics. The moral content of a market economy, as well as the fair and efficient framework of politics, is questioned. On the meso-level is corporate ethics. Here, a company, as an institution, is in the focus of ethics. Hence a moral status is applied to a company, as they are an individual moral actor in the economy[97]. Therefore, a company has the moral responsibility as an organization itself. Corporate ethics searches for an answer to the question of which conditions must be met by a company in order to implicate ethically correct behavior, in terms of cultural as well as corporate structures. Corporate governance is often in the focus of this search. The micro-level, individual ethics, formulates the obligations for the individuals themselves and in their behavior towards others and the natural environment. These aspects are important when it comes to leadership principles and styles in a company, but they reach further than that. The behavior of an individual as a buyer, seller or capital-provider is analyzed and questioned.[98]

Summarizing the functions of business and corporate ethics, "[t]here are valid reasons for arguing that business ethics provides the overarching framework within which corporate

[95] Figure adapted from Noll, B. (2002), p. 35.
[96] Noll, B. (2002), p. 36, referring to Dietzfelbinger, D. Aller Anfang ist leicht. Einführung in die Grundfragen der Unternehmens- und Wirtschaftsethik, München, 1999 and Enderle, G. Unternehmen, in: ders. u.a. (Eds), Lexikon der Wirtschaftsethik, Freiburg, Basel und Wien, 1993, p. 1093-1099.
[97] For more information on the moral status of companies as actors in an economy, please see further reading: Enderle (1993), p. 1098f.
[98] Noll, B. (2002), p. 36.

responsibility is situated and hence should not be presented as an aspect of corporate responsibility."[99]

Therefore, in the following, the ethical responsibility of companies will be explained in the context of sustainability.

3.3. Ethical Responsibility in the Context of Sustainability

One branch of ethics is typically connected to sustainable business practices is environmental ethics. This branch "criticizes the pursuit of individual, material prosperity."[100] It reaches further in the questioning of what would be worth to question morally, other than humans. Different schools of ethics[101] influence this branch, such as eco-feminism, sentientism or bioregionalism. Environmental ethics sees sustainability as an issue of ethics. This would mean for companies, that their sustainable behavior depends upon moral acceptance.[102]

There are many ways of how a company can commit to the concept of sustainable development. Soppe compared a traditional and a sustainable company, referring to six different areas.[103] These are depicted in the following figure:

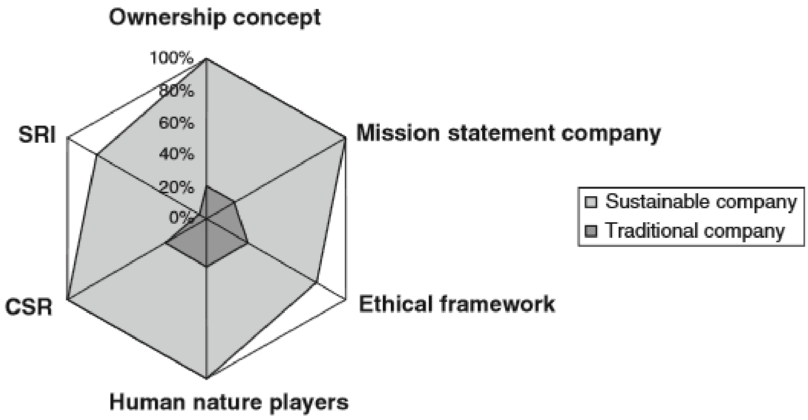

Figure 6: Theoretical Elements of the Sustainable Company. [104]

The ownership concept is concerned with the shareholder and stakeholder paradigm of a company.[105] The shareholder paradigm refers to the "corporate direct investment decisions [which] are separated from the individual stockholders' preferences for consumption, allowing a separation of ownership and management."[106] The effect is that shareholders are the owners of such a corporation and have expectations of wealth maximization towards the company's management. Managers have the incentive to act according to the shareholders' interest, as they have the ability to monitor the company's activities. The ethical perspective of managers

[99] Blowfield, M./Murray, A. (2008), p. 18.
[100] Costanza, R. et al. (2001), p. 24.
[101] For further information on these schools of ethics, please refer to further reading: Wijnbeerg (2000); Attfield (1999) and Weltford (1995).
[102] Blowfield, M./Murray, A. (2008), p. 64.
[103] Soppe, A. (2011), p. 254.
[104] Figure acc. to Soppe, A. (2011), p. 254.
[105] Soppe, A. (2011), p. 248, referring to Elkington, J. Cannibals with forks: The triple bottom line of 21st century business. Oxford: Capstone, 1997.
[106] Soppe, A. (2011), p. 248.

is very important at this point. The agency theory serves as an explanation of this dilemma. It "assumes that a manager will only act according to his own interests; therefore monitoring and bonding costs are effectuated in markets to discipline the manager."[107] The outcome of this so-called "shareholder wealth paradigm" is that the shareholders are ideal to control management and with that for maximizing the financial property of society.[108]

In contrast to this, the stakeholder paradigm assumes that managers are human beings incapable of purely rational behavior. Therefore, they act according to self-interest, company's interests and other influences of interests. As they are bound in a rational way to their company, they can act in a way that the results are most beneficial for their stockholders.[109]

Elkington writes: "In this perception, sustainable economic growth is only possible if at least the interests of the primary stakeholders, such as employees and the environment, are taken into account in the policy of the company."[110]

The intensity of the mission statement depends on the goal-setting of the company and how the goals are specified on the topic of sustainability.[111]

The human nature of players is the assumed picture of an economic person ranging from a very selfish person to an optimal stewardship. Furthermore, a company can also define itself as a sustainable company, through promoting Corporate Social Responsibility and socially responsible investments (SRIs).[112]

A "traditional company", as Soppe calls it, "evolves via the more individual responsibility of the virtue-ethical approach to a [as opposed] communitarian approach of the CSR company"[113].

The aspect of CSR is also strongly connected to the ethical framework of a company, therefore a deeper look shall be taken at this aspect.

The "ultimate sustainable company" is based on the approach of corporate integrity, therefore an "autonomous moral entity".[114]

Discourse ethics differentiates between three groups of ethical behavior of companies: Unethical companies, legalistic companies and ethical companies. Unethical companies act according to egoistic behavior patterns. Their behavior is unethical on purpose. Laws and guidelines are violated. Typical examples of such unethical behavior are falsification of the balance sheet, as the US-American energy enterprise Enron did.[115]

Legalistic companies do not engage in ethical behavior but obey laws and guidelines. They do everything as demanded by law, but do not exceed these regulations.[116]

---

[107] Soppe, A. (2011), p. 248.
[108] Soppe, A. (2011), p. 248.
[109] Soppe, A. (2011), p. 251.
[110] Soppe, A. (2011), p. 251, citing Elkington, J. Cannibals with forks: The triple bottom line of 21st century business. Oxford: Capstone, 1997.
[111] Soppe, A. (2011), p. 251.
[112] Soppe, A. (2011), p. 255.
[113] Soppe, A. (2011), p. 255.
[114] Soppe, A. (2011), p. 255, referring to Kaptein, M. and Wempe, J. The balanced company: A theory of corporate integrity. Oxford et al.: Oxford University Press, 2002.
[115] Noll, B. (2002), p. 3, referring to Müller-Stewens, G. and Lechner, C. Strategisches Management: Wie strategische Initiativen zum Wandel führen, 3rd Edition, Stuttgart, 2005.
[116] Dillerup R./Stoi, R. (2011), pp. 59f.

Ethically committed companies behave in such a way that their behavior reaches further than the standards given by law. The base of their behavior is the understanding that ethical behavior serves their own interests. The value system and corporate culture of such companies is oriented towards ethical standards and norms.[117]

According to the diversification of ethical behaviors of companies in discourse ethics, ethical companies are a group of companies which behave in the sense of the sustainable development agenda. Soppe diversifies between three models of firms according to which companies' ethical behavior could be distinguished from one another: the property rights model, the social institution theory and the contractual theory. The property rights model states that stockholders are the owners of a company and business is done in a corporate form.[118]

The social institution theory assumes that "the right to incorporate is a privilege granted by the state and therefore the "right to incorporate" inherently has a public aspect"[119]. The contractual theory is concerned with sanctions by the state on corporations in order to serve the society's welfare.[120] In any type of ethical behavior a company engages in, it must invest in moral competences. Today it does not suffice anymore to merely obey the law. Instead, moral legitimacy becomes more important. The society, media and Non-Governmental Organizations (NGOs) assumed the role of a 'moral actor', which judges the companies' behavior. Economic consequences of moral behavior can only be beneficial in the long-term, if they have been implemented and introduced due to true will.[121]

A systematic framework in order to implement the ethical perspective of sustainability in business is necessary, as Soppe states: "There is a need for a system that converts good intentions into good results. However, no one has yet given managers a systematic framework to help them collaborate with stakeholders towards achieving shared sustainable development goals. Sustainable development may offer a solution to the traditional tension between short-term (financial) consequential ethics and a more virtue ethical approach of leadership. In a post materialistic world, where governments are losing their control over the social process, we are seeing the ascent of the global civil sector."[122]

As ethical responsibility in terms of sustainability has become an important aspect of sustainable corporate management, the ways of how companies can show and measure their ethical commitment are analyzed in the following.

3.4. Measurements of Ethical Behavior in Business

There are different ways of how a company can commit to ethical responsibility in business. Felo suggests that a company should implement an ethics program. This program must obey

[117] Dillerup R./Stoi, R. (2011), pp. 59f.
[118] Soppe, A. (2011), p. 248.
[119] Soppe, A. (2011), p. 248.
[120] Soppe, A. (2011), p. 248.
[121] Noll, B. (2002), p. 3.
[122] Soppe, A. (2011), p. 246.

to the company's code of ethics. Instruments for overseeing an ethics program are ethic reports, where improvements and the current status of such a program can be determined. A company could install an 'ethics hotline', where external stakeholders could turn to if ethical problems concerning the company's business arise.[123] Especially for the board members of listed companies, transparency becomes the main topic of ethical responsibility. Felo states, "there are ethical issues related to the transparency of how executive compensation is determined and the potential for conflicts of interest between the firm and its shareholders."[124] As an example for this serve practices, such as 'say on pay', where shareholders are given the chance to vote on topics, such as the compensation of executives. This pay-performance link is strengthened that way for shareholders. Typically, consults are taken into consideration when compensation packages for executives are set up. Here, further disclosures are needed so that consultants will not behave in a way that would hurt the shareholders of a company.[125] One method to organize sustainability reporting is according to the Global Reporting Initiative (GRI). The GRI is a non-profit organization which "promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development."[126] It was founded in 1997 to establish an internationally accepted guideline to sustainability reporting.[127] This Sustainability Reporting Framework contains reporting guidelines, sector guidelines and further sources for companies to organize transparency and accountability.[128]

The engagement in ethical responsibility may be one of the drivers for companies to act according to the sustainable development agenda.

3.5. Arguments for a Sustainable Orientation in Business

Noll stated in 2000, that a model of 'cooperation' is used to explain business behavior in general. According to this model, the disciplines ethics and business are to be viewed as interdisciplinary related to each other. The autonomy of economy cannot be neglected, also not in business ethics. Modern business ethics and corporate ethics are therefore not about a moral dictation of what is right or wrong. The approach today is about finding solutions to specific problems, such as the question of how to behave correctly. This concept has a very economic approach, but this should not mean that ethical aspects are reduced to economic aspects only. In this 'cooperation' approach, from the perspective of the social dimension of sustainability, the economic point of view is added. In reality, companies are facing challenges which are not purely economic processes but touch different areas of life. In Corporate Social

[123] Felo, A.J. (2011), p. 283.
[124] Felo, A.J. (2011), p. 289.
[125] Felo, A.J. (2011), p. 289.
[126] Global Reporting Initiative (no year), accessed November 2019.
[127] Balderjahn, I. (2004), p. 86, referring to Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit (BMU). Wirtschaftliche Globalisierung und Umwelt, Berlin, 2002.
[128] Global Reporting Initiative (no year), accessed November 2019.

Responsibility, the implementation of sustainable strategies in business is focused on the consideration of different aspects and fields and is based on relations. The way of how companies solve the challenges and problems facing them gives answer to the question of which strategies they should implement. [129]
The compatibility of social-economic and ecological-economic aspects can be differentiated on three levels, which are explained in the following figure.

First Level	basic commitment to the fact that CSR is influenced by social and economic approaches ➔ Which guideline/framework gives room to solve economic and social problems?
Second Level	Questioning the relation between CSR behavior and needed financial capital ➔ How are the effects of two orientations used and synchronized?
Third Level	Company's decision making on an individual level ➔ How do decision-makers see the relation between and importance of social and economic behavior?

Figure 7: Compatibility of Economic and Social Aspects in Business. [130]

This rather internal approach of accepting and implementing CSR can also be called a 'pull factor' for a company, which 'pulls' the company internally towards (external) sustainable behavior. Such pull factors for companies function as incentives, such as building a good reputation. Profit maximization can only occur with economic legitimacy, when acting according to sustainable guidelines.[131]
Other forms of incentives are rankings and awards which companies can receive for sustainable practices. One example is the recent 'Good Company Ranking', a study of the Kirchhoff Consult AG in collaboration with Deloitte and Manager Magazine in 2018. It analyzed the CSR approach of big European companies. In contrast to other rankings, the basis for this analysis were company performance, communication and transparency. For each criterion, experts were nominated to form a jury.[132] In 2018, the analysis areas of the Good Company Ranking were 'society', 'employees', 'environment' and 'performance'. Each category was given a maximum number of points. The category 'performance' was weighted the highest with 40 points, the other categories each had a 20 points maximum.

[129] Noll, B. (2002), p. 4, referring to Adam, K. Die Dienstleistungsgesellschaft, in: Frankfurter Allgemeine Zeitung, Bilder und Zeiten, vom 1.4. 2000, p. 1.
[130] Own figure acc. to Stoll, B. (2009), pp. 48f.
[131] Pufé, I. (2012), pp. 22f.
[132] Kirchhoff, K.R. (2006), pp. 31ff.

The Top Ten ranked Companies of the Good Company Ranking 2018 were 1) Deutsche Telekom AG, 2) ADIDAS AG, 3) SAP SE, 4) Merck KGaA, 5) Henkel AG & Co KGaA, 6) E.ON SE, 7) Deutsche Post AG, 8) BAYER AG, 9) Infineon Technologies AG and 10) Fresenius SE & Co KGaA.[133]

As companies can use the results of beneficial rankings for their marketing activities, winning prizes and awards is another way to benefit from external judgments. Especially concerning the topic of resource efficiency, there have been some awards introduced in Germany. Since 2004, the award 'Deutscher Materialeffizienzpreis' is given out annually in Germany. In 2006 a program was introduced in Germany to give advice to small and medium-sized companies, which is the 'Verbesserung der Materialeffizienz' (VerMat). Since 2011, the project 'go-Inno' supports companies financially for investments in resource efficiency increases. And in February 2012, the national 'Resourceneffizienzprogramm (ProgRess) of the German '*Bundesregierung*' was introduced.[134]

Other awards for environmental reporting have been introduced, such as the German 'Deutscher Umweltreporting Award' (DURA) and, on a European level, the 'European Environmental Reporting Awards' (EERA).[135]

There are various awards for sustainability on a national level, such as the German 'Deutscher Nachhaltigkeitspreis'. Established in 2008, the award's objective is to support ecological and social responsibility of companies. It is supposed to support the societal change towards a sustainable economy and life. It is authorized by the German Federal Government and NGOs, such as UNICEF and UNESCO, as well as local and business associations.[136]

Besides the advantages in the real business world to win awards and premiums and to show them, classic business economics also sees advantages of sustainable behavior of firms, such as the reduction in costs in the areas of energy, water and resource use.[137] The influence on normative objectives in business can be proven by classical rational thinking in business, that environmental protection can lead to a reduction in production costs and therefore influence profit positively.[138]

On the other side, there are push factors which force companies to act more sustainably. These are, especially in ecological terms, international and national environmental laws, measures of environmental politics and the pressure put onto companies by NGOs. Examples of such NGOs are 'Greenpeace', 'Attac', 'Robin Wood', 'Greencross', 'BUND', 'Friends of the Earth' or 'Deutscher Naturschutzring'.[139]

The happening change of values in society and the rising ecological awareness of people demands sustainable behavior from companies. Media and its criticism play an important role

[133] Kirchhoff Consult AG (2018): Studie Good Company Ranking 2018, accessed November 2019, p. 37.
[134] Bardt, H. (2011), pp. 28f.
[135] Stahlmann, V. (2008), p. 253.
[136] Deutscher Nachhaltigkeitspreis, accessed November 2019.
[137] Stahlmann, V. (2008), p. 167.
[138] Müller-Christ, G. (2010), p. 64, referring to Dykhoff, H. Umweltmanagement. Zehn Lektionen in umweltorientierter Unternehmensführung, Berlin et al., 2000, p.28.
[139] Barbian, D. (2001), p. 155.

at this point, as they discover and publish negative and positive headlines concerning the behavior of companies. Typical economic formal objectives in business, such as profitability, liquidity and profit, are therefore socially influenced. This is transported to the objectives on the strategic and operative level of companies. Therefore, business strategies must adapt to this development, either forcibly or voluntarily.[140]

The reason for the pressure from stakeholders and other influence groups is the company's direct influence on its environment through its behavior. If a company does not act according to sustainable practices then the image of a company will suffer. Such practices are, for example, permitting child labor among its suppliers or creating scandals, such as nutritional or environmental pollution. Especially in the consumer goods industry, a high amount of expenditures goes into the development of a brand's image and reputation, as they are especially dependent on their image. A brand must be connected with positive aspects in a consumers' mind so that the customers are able to identify themselves with the brand and buy its products and services.[141] Furthermore, a downward cycle can commence as customers distance themselves from products and companies with bad reputation. Further, stakeholders can be affected by this negative development, e.g. employees. Their motivation would be reduced and private or public investors might refuse further financial investments in a company with a negative image.[142]

Positive aspects of sustainable behavior of companies can therefore boost a company's reputation positively. Especially in branches of industry with homogeneous goods, sustainable practices can mean a differentiator among competitors.[143] These possibilities to differentiate oneself from competitors only works out if consumers see the differentiator as a positive aspect of the product or service or if it means added value to the good. A company can differentiate its products according to certain characteristics of the product or service. Examples for such characteristics[144] are rent or leasing models instead of owning models or a longer life cycle of the product. Also, during the production process, companies can give added value to the goods, such as renewable energy used during production or meat from organic and species-appropriate keeping. Further advantages for the consumer can be added as differentiators, such as fuel-saving cars or the recyclability of the product.[145] According to legitimacy theory, the term 'license to operate' describes this point of view as well. It "posits that an organization can only continue to exist if its core values are aligned with the core values of the society in which it operates."[146]

[140] Barbian, D. (2001), p. 155.
[141] Steimle, U. (2008), pp. 122f, referring to Leitschuh-Fecht, H. and Steger, U. Wie wird Nachhaltigkeit für Unternehmen attraktiv? Business Case für nachhaltige Entwicklung. In: Linne, G. and Schwarz, M. (Eds.): Handbuch Nachhaltige Entwicklung. Wie ist nachhaltiges Wirtschaften machbar? Opladen: Leske und Budrich, 2003, 257-266.
[142] Steimle, U. (2008), p. 122, referring to Gudet, Ch. and Scheiwiller, T. Risiko- und Reputationsmanagement als neue Aufgabe einer nachhaltigen Unternehmensstrategie. In: Umweltwirtschaftsforum, Vol. 10, 2002, No. 1, 30-33.
[143] Steimle, U. (2008), p. 122, referring to Majer, H. Über den Nettonutzen nachhaltiger Unternehmensführung. In: Umweltwirtschaftsforum, Vol. 11, 2003, No. 4, 32-36.
[144] For further information on examples of differentiators, please see further reading Dyllik (2003), p. 270 and Burschel et al. (2004), p. 33.
[145] Steimle, U. (2008), p. 126.
[146] Blowfield, M.; Murray, A. (2008), p. 60.

As returns are influenced by scandals, negative headlines can be avoided by sustainably correct behavior. Certain 'boomerang effects' can occur due to the use of scarce resources or the neglectance of social standards. If the production is focusing on the use of renewable resources and social standards are accepted and implemented in the supply chain, these boomerang effects diminish. If environmental-friendly media criticism becomes overwhelming, this could be a trigger for the development of new environmental laws. By protecting the environment and not giving the media reasons to publish negative headlines, this effect can be reduced as well. By answering to demands concerning environmentally friendly products or services, the position to be the 'first' in the market can be achieved, niche positioning can be used and such learning curve effects can result in pioneer revenues. Typical examples of this achievement have been observed in the photovoltaic industry, wind energy or organic nutrition industry. Furthermore, qualified and motivated employees are the biggest asset for companies, as they live and practice a sustainable corporate culture to the outside world, which includes the stakeholders, customers and suppliers.[147]

A quick adaption to a sustainable framework for companies is desirable, as our natural environment has only limited resources. The three dimensions of sustainability must be implemented in the business case and interlinked with each other. Politics and the economic system overall shall mirror this development.[148]

There are many aspects steering a management towards sustainable development, but there are also critics who do not speak out for a sustainable orientation in business.

3.6. Arguments against a Sustainable Orientation in Business

According to the American national economist and Nobel laureate Milton Friedman (1984), there is only one claim to market economy and that is profit maximization. Companies are indeed forced to produce efficiently due to high pressure from the competition. Therefore, the task of companies is to reach efficiency and effectiveness, but, according to Friedman, not morality. Behavior according to moral standards and norms would only weaken the competitive system and influence price mechanisms. Therefore, Friedman states, corporate ethics is redundant.[149]

Further criticism can be laid on the Corporate Social Responsibility model of Caroll, which is divided into four levels. In practice, the fourth level, the 'philanthropic responsibility', is understood as a special characteristic of a company which sets them apart from the competition. This level has also often been understood as Corporate Citizenship (CC),

[147] Stahlmann, V. (2008), p. 167.
[148] Dyckhoff H.; Souren, R., (2008), p. 45.
[149] Noll, B. (2002), p. 88, referring to Friedman, M. Kapitalismus und Freiheit, Frankfurt et al., 1984 (English original version: 1962).

because companies use the philanthropic approach in times of crisis. From the CC-perspective, a company's charitableness therefore serves its self-interest.[150]

The mistrust in a company's motivation for implementing sustainability is sometimes visible in the understanding of morality. Oftentimes the connection between the market and morality cannot be made, it is rather seen as a theory of two worlds. As in economy, a rational strategy of advantage and profit and utility maximization seems to rule the behavior. This is often understood as pure egoism. Morality, though, is often understood as a private matter.[151]

The terms social and economic behavior of companies are treated alike the understanding of morality and economy. Social and economic behavior are frequently seen as poles, being used contradictory to each other. Therefore, economic behavior in daily language is also synonymous for egoistic, profit-oriented, strategic and company-centered behavior. Whereas social behavior is seen as altruistic behavior which considers others as well.[152]

Besides the criticism of sustainable business orientation due to misunderstanding and misinterpretation of terms, there are also risks of an orientation towards sustainable development in business. As entire business processes may have to be changed, this is always connected with high expenditures. Especially the search for new technologies and investments in Research & Development reach high numbers. These costs are also called 'pioneer costs', as they have to be paid in order to keep or gain a pioneer position by using a new sustainable technology. If the company's research department does not have enough experience in the field of sustainable technologies or technologies invented have not proven to be efficient, then quality problems are often the result of these miss-investments. Such developments may lead to information deficits or irrational aversions towards customers. Often market entries are related with high expenditures as well. Further bureaucratic risks may hinder market entries, as would administrative approval procedures by the state. If a company experiences said risks it may lose the trust of customers. Also, one must consider whether or not to implement a system-wide orientation towards sustainable management. If this is not the case, contradictory product portfolios may lead to the mistrust of the company's stakeholders. Examples for such product portfolios would be to offer an organic food line next to conventional goods or to offer luxury limousines besides 3-litre-cars.[153]

Even if a company has reached higher social or eco-efficiency, there are negative effects that come along with increased efficiency. An increase in costs due to high expenditures for sustainability can also result in wage cuts for suppliers or employees. This happens as the company makes less profit. Further, resources are taken from suppliers and employees which they need for survival. If a company shifts profits internationally in order to reduce tax

---

[150] Welzel, E. (2008), p. 56, referring to Matten, D.; Crane, A. and Chapple, W. "Behind the Mask - Revealing the True Face if Corporate Citizenship", Journal of Business Ethics, 2003, 45, 109-120.

[151] Noll, B. (2002), p. 39, referring to Ulrich, Peter Integrative Wirtschaftsethik. Grundlagen einer lebensdienlichen Ökonomie, Bern et al., 1997 and Osterloh, M. Unternehmenskultur, in: Enderle, G. et al. (Eds), Lexikon der Wirtschaftsethik, Freiburg, Basel and Wien 1993, p. 1186-1192.

[152] Stoll, B. (2009), p. 47.

[153] Stahlmann, V. (2008), p. 167.

payments, the state will also be forced into a spiral of efficiency, as it is forced to fulfill its tasks with less income.[154]

In the following, studies and examples of business today shall depict the current status of sustainability implementation in business and what drives the business actors to do so.

4. Sustainability in Business Today

Companies will need to enhance environmental, social and governance (ESG) factors, as Corporate Social Responsibility will continue to be an important trend in the future and acting social will become the new norm. Not only the generation of millennials, but also the generation Z (born after 1995) will expect to work for socially responsible companies in the future: “As CSR continues to mature and become a part of business strategy, the demands created by customers, investors and competitors will echo through the boardrooms in 2019. The bottom line: Sustainable and inclusive growth is good business and the companies that have aligned their business growth strategies to their ethics will be a step ahead in future-proofing their business.”, as Daniella Foster, Senior Director of Corporate Responsibility at Hilton stated.[155]
A survey of the German “Institut der deutschen Wirtschaft Köln” back in 2012, found the following results about the implementation of sustainability in companies:

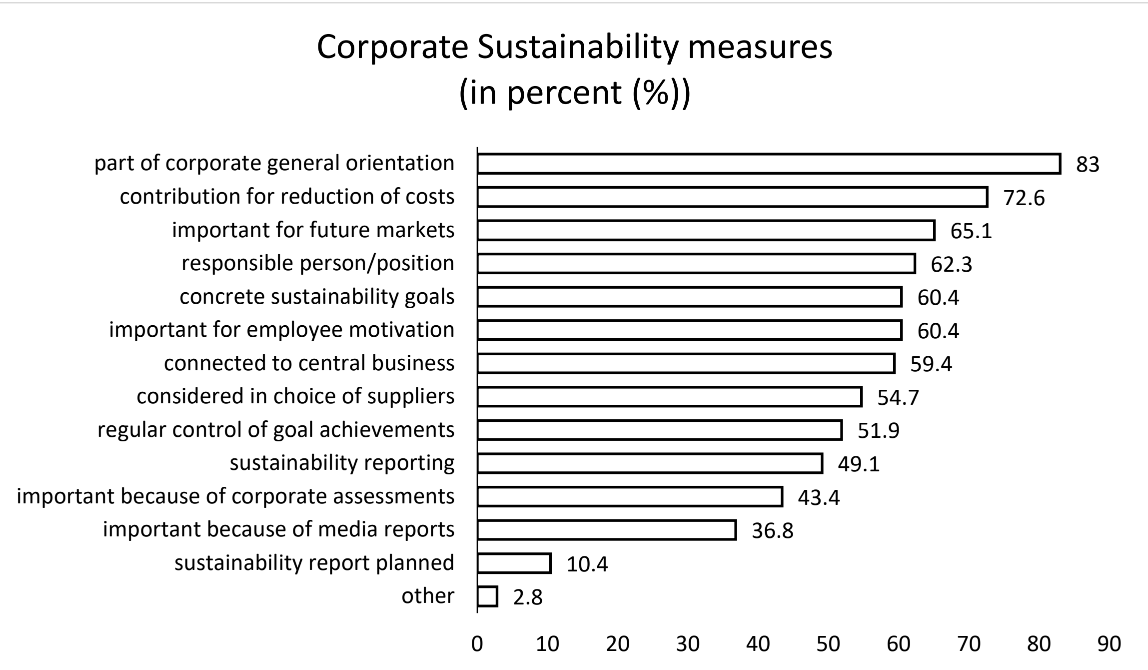

Figure 8: Corporate Sustainability measures. [156]

[154] Müller-Christ, G. (2010), p. 79.
[155] McPherson, S. (2019), accessed November 2019.
[156] Figure adapted from Institut der deutschen Wirtschaft Köln (2012), accessed July 2014; Survey of 157 environmental experts in business in March/April 2012; Responses by 106 environmental experts from companies.

As one can see, the topic of sustainability has become part of companies' general orientation and, at least the participants of that survey, benefit from the cost reduction and competitive advantages in future markets through implementing a sustainable management.[157]
In another survey by the Institute TNS emnid, 250 managers were interviewed regarding their commitment to sustainability. About 90 percent of the interviewed responded that sustainable companies will be, in the long-term, economically more successful than profit orientated firms. Sustainability should be integrated especially in six areas of business: environment and climate protection; corporate culture; corporate ethics; quality management; human resources; management and corporate citizenship.[158]
Economic success of companies leads to financial success. This was subject of the study by Ameer and Othman in 2008 which examined whether "companies which attend to this set of responsibilities under the term superior sustainable practices, have higher financial performance compared to those that do not engage in such practices."[159] They questioned the top 100 sustainable global companies. These had been selected from a poll of 3,000 companies from developing and emerging markets. Comparing the sample companies to control companies in a period of 2006 to 2010, significant differences were found in their return of assets, mean sales growth, cash flows and profit before taxation. Better financial performance could be detected in 'sustainable' companies, which had increased and sustained over the examined sample time.[160]
Not only economic aspects speak for an orientation of companies towards sustainable management. The ecological dimension, e.g. environmental protection by companies, has become more important, as a study of Raffee, Görster and Fritz in 1992 found. The conclusion of this study showed that environmental protection is, from a company's perspective, a complementary goal to any other corporate goals. Environmental protection therefore supports profit maximization, turnover, market share and competitiveness, as well as image, the preservation, employee motivation and an increase of productivity. Another empirical study of Fritz in 1995 showed that there is a positive connection between environmental protection goals and other long and short-term goals of companies. In practice, from a company's perspective one can see environmental protection as an objective that is easily connected to economic reality. Either costs are reduced by environmental protection or revenue is increased.[161]
As already discussed, ethical responsibility, as a part of corporate social responsibility, is a relevant driver for sustainability in business.
There are different ways on how a company can deliver their ethical framework to its customers, stakeholders, shareholders and employees. The probably most common form is the company's code of ethics. This document "will help a firm develop a more forthcoming and

[157] Institut der deutschen Wirtschaft Köln (2012), accessed November 2019.
[158] Pufé, I. (2012), pp. 22f.
[159] Ameer, R./Othman, R. (2012), p. 61.
[160] Ameer, R./Othman, R. (2012), p. 61.
[161] Müller-Christ, G. (2010), p. 61.

transparent attitude concerning its disclosures", according to the National Commission on Fraudulent Financial Reporting.[162] The Sarbanes-Oaxley-Act defines the code of ethics as "the ethical handling of actual or apparent conflicts of interest between personal and professional relationships [(Section 406, Subsection C, point 1) …and] full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the issuer [(Section 406, Subsection C, point 2)]"[163]. Furthermore, the 'New York Stock Exchange' (NYSE) and 'National Association of Securities Dealers Automated Quotations' (NASDAQ) have set up rules that require listed firms to adhere to a code of ethics which is applicable to all directors, executives and employees.[164] Companies, especially board members, can exemplify their commitment to their code of ethics by controlling their programs. This form of control could be done through status reports, the introduction of an 'ethics hotline', 'ethics audits' and, if needed, the adaption of the company's code of ethics.[165]

In today's business case, companies show their commitment to ethical responsibility through their code of ethics. The company Johnson & Johnson is one example of a company which practices this. A standing ethics committee was put in place to oversee the ethical program of the company, to another committee, such as the audit committee.[166]

As one can see, ethical responsibility has become a part of business today.

5. Conclusion

The objective of this article was to analyze the influence of the driver 'ethical responsibility' on corporate sustainability practices. During the course of this work corporate sustainability has been investigated and the challenges and problems, which companies are facing today, have been highlighted.

The arising challenges for companies, such as to serve an intergenerational justice between economies in emerging and developed countries, as well as social challenges, motivated by a multi-cultural and aging environment, have been described. Problems that occur when implementing a sustainability strategy are externalities, which must be weighed up by companies. The focus should be set on a long-term perspective, as this is the dominating approach in sustainable business practice.

The main challenge for companies is to integrate the challenges of conventional management into the new challenges of sustainability management into daily business. One must be aware of the multi-disciplinarity of this topic and how it affects all areas of business.[167]

The motivation behind sustainable behavior of companies can be detected in 'ethical responsibility' and exercised through an implementation of business ethics, which serve as a

[162] Felo, A.J. (2011), pp. 282f, referring to National commission on fraudulent financial reporting. Report of the national commission on fraudulent financial reporting, New York, NY (National Commission on Fraudulent Financial Reporting), 1987, pp. 35f.
[163] Felo, A.J. (2011), p. 282.
[164] Felo, A.J. (2011), p. 282.
[165] Felo, A.J. (2011), p. 283.
[166] Felo, A.J. (2011), p. 283.
[167] Schaltegger, S. (2002), p. 14.

framework for Corporate Social Responsibility. Ethical corporate behavior demands an engagement which reaches further than laws and guidelines demand of companies today. Moral legitimacy must be displayed to the stakeholders of a company in order to ensure their trust and support for further investments.

There are intrinsic pull factors towards external sustainable practices. Incentives, such as awards and ratings, correlate with an improved corporate performance. Further, individual decisions based on ethical considerations are taken when implementing Corporate Social Responsibility. These pull factors go hand in hand with extrinsic push factors, such as environmental and social laws and pressures by stakeholders, NGOs and media. The pressure of these groups forces companies to implement sustainable practices and by doing so not only affect a company's reputation and image positively, but also help to secure a competitive advantage in the market through a reduction in costs. This cost reduction has also been ranked as one of the most important motivators to implement sustainability in business, as a study of the German "Institut der deutschen Wirtschaft Köln" in 2012 has shown.[168]

Conclusively, one can say that the driver ethical responsibility affects sustainable business practices in many ways and serves as a motivation for corporate sustainability.

[168] Institut der deutschen Wirtschaft Köln (2012), accessed November 2019.

Bibliography

Ameer, Rashid and Othman, Radiah. Sustainability Practices and Corporate Financial Performance: A Study Based on the Top Global Corporations. Journal of Business Ethics 108, no. 1 (2012): 61–79.

Balderjahn, Ingo. Nachhaltiges Marketing-Management: Möglichkeiten einer umwelt- und sozialverträglichen Unternehmenspolitik. Stuttgart: Lucius & Lucius, 2004.

Barbian, Dina. Ökonomie und Sustainable Development: Entwicklung eines Ansatzes zur Umsetzung von Nachhaltigkeit. Aachen: Shaker, 2001.

Bardt, Hubertus. Indikatoren ökonomischer Nachhaltigkeit. Köln: Inst. der Dt. Wirtschaft, Medien-GmbH, 2011.

Blowfield, Mick and Murray, Alan. Corporate responsibility: A critical introduction. Oxford, New York: Oxford University Press, 2008.

Brink, Alexander. Corporate governance and business ethics. Dordrecht, New York: Springer, 2011.

Costanza, Robert/Cumberland, John/Daly, Herman/Goodland, Robert/Norgaard, Richard. Einführung in die ökologische Ökonomik. Stuttgart: Lucius und Lucius, 2001.

Dillerup, Ralf and Stoi, Roman. Unternehmensführung. 3rd Ed. München: Vahlen, 2011.

Dyckhoff, Harald and Souren, Rainer. Nachhaltige Unternehmensführung: Grundzüge industriellen Umweltmanagements: mit 13 Tabellen. Berlin et al.: Springer, 2008.

Felo, Andrew J. “Corporate Governance and Business Ethics.” In Corporate governance and business ethics, edited by Alexander Brink. Dordrecht, New York: Springer, 2011.

Frederiksen, Claus S. and Nielsen, Morten Ebbe Juul. “The Ethical Foundations for CSR.” In Corporate social responsibility: Challenges, opportunities and strategies for 21st century leaders, edited by Okpara, J.O. and Idowu, S.O. Berlin: Springer, 2013.

Grober, Ulrich. Die Entdeckung der Nachhaltigkeit: Kulturgeschichte eines Begriffs. München: Kunstmann, 2010.

v. Hauff, Michael and Jörg, Andrea. Nachhaltiges Wachstum. München: Oldenbourg, 2013.

Kirchhoff, Klaus R. “CSR als strategische Herausforderung.” In Erfolgsfaktor Verantwortung: Corporate Social Responsibility professionell managen. 1st Ed., edited by Kaevan Gazdar. Berlin: Springer, 2006.

Meadows, Dennis L. Die Grenzen des Wachstums: Bericht des Club of Rome zur Lage der Menschheit. Stuttgart: Dt. Verl.-Anst., 1972.

Müller-Christ, Georg. Nachhaltiges Management: Einführung in Ressourcenorientierung und widersprüchliche Managementrationalitäten. 1st Ed. Baden-Baden: Nomos, 2010.

Noll, Bernd. Wirtschafts- und Unternehmensethik in der Marktwirtschaft. Stuttgart, Berlin, Köln: Kohlhammer, 2002.

Pufé, Iris. Nachhaltigkeit. Konstanz: UVK Lucius, 2012.

Schaltegger, Stefan and Müller, Martin. “CSR zwischen unternehmerischer Vergangenheitsbewältigung und Zukunftsgestaltung.” In Corporate Social Responsibility: Trend oder Modeerscheinung? ein Sammelband mit ausgewählten Beiträgen von Mitgliedern des Doktorandennetzwerkes Nachhaltiges Wirtschaften (DNW), edited by Martin Müller and Stefan Schaltegger. München: Oekom-Verl., 2008.

Schaltegger, Stefan. Nachhaltigkeitsmanagement in Unternehmen: Konzepte und Instrumente zur nachhaltigen Unternehmensentwicklung. 1st Ed. Bonn: Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit [u.a.], 2002.

Scherer, Andreas G. and Picot, Arnold. “Unternehmensethik und Corporate Social Responsibility: Herausforderungen an die Betriebswirtschaftslehre.” In Unternehmensethik und Corporate Social Responsibility, Herausforderungen an die Betriebswirtschaftslehre, edited by Andreas Georg Scherer and Arnold Picot. Düsseldorf: Verlagsgruppe Handelsblatt, 2008.

Soppe, Aloy. “Corporate Governance, Ethics and Sustainable Development.” In Corporate governance and business ethics, edited by Alexander Brink. Dordrecht, New York: Springer, 2011.

Stahlmann, Volker. Lernziel: Ökonomie der Nachhaltigkeit: Eine anwendungsorientierte Übersicht. München: Oekom-Verl., 2008.

Steimle, Ulrich. Ressourcenabhängigkeit und Nachhaltigkeitsorientierung von Unternehmen. Marburg: Metropolis-Verl., 2008.

Stoll, Bettina. Sozial und ökonomisch handeln: Corporate Social Responsibility kleiner und mittlerer Unternehmen. Frankfurt am Main et al.: Campus-Verl, 2009.

Weber, Manuela. “Corporate Social Responsibility: Konzeptionelle Gemeinsamkeiten und Unterschiede zur Nachhaltigkeits- und Corporate-Citizenship-Diskussion.” In Corporate Social Responsibility: Trend oder Modeerscheinung? ein Sammelband mit ausgewählten Beiträgen von Mitgliedern des Doktorandennetzwerkes Nachhaltiges Wirtschaften (DNW), edited by Martin Müller and Stefan Schaltegger. München: Oekom-Verl., 2008.

Welzel, Evelize. “Corporate Social Responsibility oder Corporate Citizenship? Interdisziplinäre theoretische Konzepte als Grundlage der Begriffsabgrenzung der CSR.” In Corporate Social Responsibility: Trend oder Modeerscheinung? ein Sammelband mit ausgewählten Beiträgen von Mitgliedern des Doktorandennetzwerkes Nachhaltiges Wirtschaften (DNW), edited by Martin Müller and Stefan Schaltegger. München: Oekom-Verl., 2008.

Windauer, Elke. “Eine "Nachhaltige Hochschule": Entwicklung von Indikatoren zur Messung von Nachhaltigkeit an Hochschulen - am Beispiel der Hochschule Regensburg.” Bachelorarbeit, Regensburg, 2013.

World Commission on Environment and Development. Our common future. Oxford, New York: Oxford University Press, 1987.

Internet Sources:

Business Dictionary. “What is environmental management? definition and meaning.” http://www.businessdictionary.com/definition/environmental-management.html, accessed November 2019.

Business Dictionary. “What is risk management? definition and meaning.” http://www.businessdictionary.com/definition/risk-management.html, accessed November 2019.

Deutscher Nachhaltigkeitspreis. http://www.nachhaltigkeitspreis.de/, accessed November 2019.

European Commission. “Communication from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Regions: A renewed EU strategy 2011-14 for Corporate Social Responsibility.” (2011) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011DC0681, accessed November 2019.

Global Reporting Initiative “OECD Guidelines for MNE’s and the GRI Sustainability Reporting Guidelines: A Guide to Help Organisations Communicate Their Use of the OECD MNE Guidelines for Multinational Enterprises (MNEs).” (2004) http://www.oecd.org/investment/mne/35150230.pdf, accessed November 2019.

Global Reporting Initiative. https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx, no year, accessed November 2019.

Institut der deutschen Wirtschaft Köln. “Nachhaltigkeit: Verankert in Leitbild und Zielsystem von Unternehmen.” *Umwelt-Service, no.* 2 (2012), https://www.iwkoeln.de/studien/iw-kurzberichte/beitrag/nachhaltigkeit-verankert-in-leitbild-und-zielsystem-der-unternehmen-86030.html, accessed November 2019.

Kirchhoff Consult AG. “Studie_Good_Company_Ranking_2018.”, https://www.mazars.de/mazarspage/download/940104/48930273/file/Studie+Good+Company+Ranking+2018.pdf, accessed November 2019.

McPherson, Susan “Corporate Responsibility: What To Expect In 2019”, in Forbes Magazine, 2019. https://www.forbes.com/sites/susanmcpherson/2019/01/14/corporate-responsibility-what-to-expect-in-2019/#3862eae8690f, accessed November 2019.

Pearce, David and Atkinson Giles. “The concept of sustainable development: An evaluation of its usefulness ten years after Brundtland.” Centre for Social and Economic Research on the Global Environment, University College London and University of East Anglia, no year. http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.934.2007&rep=rep1&type=pdf, accessed November 2019.

Further Reading

Attfield, R. The Ethics of the Global Environment, West Lafayette, In Purdue University Press, 1999.

Bowen, H.R. Social Responsibilities of the Businessman. New York: Harper & Row, 1953.

Burschel, C./Losen, D./Wiendl, A. Betriebswirtschaftslehre der Nachhaltigen Unternehmung. München, Wien: Oldenburg, 2004.

Carroll, A.B. „Corporate Social Responsibility: A historical perspective", In Epstein, M. J. & Hanson, K.O. (Eds): The accountable corporation (Volume 3): Corporate social responsibility. Westport, Conn/London: Praeger Perspectives, 3-30, 2006.

Davis, K. "Can business afford to ignore social responsibilities?", California Management Review, 2 (3), 70-76, 1960.

Dyllik, T. Ökologisch bewusste Unternehmensführung. In Die Unternehmung, 46. Jg., Heft 6, 391-413, 1992.

Dyllik, T. Nachhaltigkeitsorientierte Wettbewerbsstrategien. In Linne, G./Schwarz, M. (Eds.): Handbuch Nachhaltige Entwicklung. Wie ist nachhaltiges Wirtschaften machbar? Opladen: Leske und Budrich, 267-271, 2003.

Enderle, G. Unternehmen. In: ders. u.a. (Eds), Lexikon der Wirtschaftsethik. Freiburg, Basel und Wien, p. 1093-1099, 1993.

Frankena, William K. Analytische Ethik. Eine Einführung. 5th Edition. München, 1994.

Friedman, M. Kapitalismus und Freiheit. München, Piper. (Original title: Friedman, M. (1962): Capitalism and Freedom.) Chicago, 2004.

Global Reporting Initiative, no year, https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx, accessed August 2014.

Hubig, Christoph. Technik- und Wissenschaftsethik. Ein Leitfaden. Berlin et al., 1993.

Weltford, R. Environmental Strategy and Sustainable Development: The Corporate Challenge for the 21st century. London: Routledge, 1999.

Wijnbeerg, N. 'Normative stakeholder theory and Aristotle: the link between ethics and politics', Journal of Business Ethics, 25 (4), pp. 329-42, 2000.

Regensburg Papers in Management and Economics

Die Regensburg Papers in Management and Economics dokumentieren in unregelmäßigen Abständen Erkenntnisse aus der betriebs- und volkswirtschaftlichen Forschung und Praxis der Fakultät Betriebswirtschaft der OTH Regensburg. Sie sollen Forschungsergebnisse und Erkenntnisse aus der Zusammenarbeit mit Unternehmen der Öffentlichkeit zugänglich machen und den Austausch zwischen Wissenschaft und Praxis anregen.

ISBN: 978-3-96256-002-7

PRINTAUSGABEN

können kostenlos über die Fakultät Betriebswirtschaft bestellt werden.

Die Diskussionsbeiträge stehen auch online zur Verfügung:

www.oth-regensburg.de/fakultaeten/betriebswirtschaft/projekte-publikationen.html

Impressum

Ostbayerische Technische Hochschule Regensburg

Fakultät Betriebswirtschaft

Seybothstraße 2 · 93049 Regensburg

OTH BW

OSTBAYERISCHE TECHNISCHE HOCHSCHULE REGENSBURG

BETRIEBSWIRTSCHAFT