9 Engaging in Progressive Entrepreneurship

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9.1 Existing Challenges and Deficiencies

Shareholder value maximization and competitiveness are at the core of today's business and economic policy. Companies seek to improve their productivity and try to gain competitive advantage. But these efforts often produce negative effects on various stakeholders at home and abroad. Competitiveness in most cases produces monetary results for the shareholders at the expense of other stakeholders.

Based on the arguments developed by the Lisbon Group, chaired by Riccardo Petrella, the late Sumantra Ghoshal of London Business School, and Canadian management guru Henry Mintzberg, we criticize the one-dimensional pursuit of profit and the competitiveness of contemporary business. We think that the exclusive focus on monetary results (especially short-term shareholder value) could produce negative results for nature, society and future generations, and finally be self-defeating for business itself.

We argue for a collaborative approach, which goes beyond the current constraints of the business-as-usual perspective and provides a more reliable framework for broad values-creation processes.

9.1.1 Sumantra Ghoshal's Approach

The late Sumantra Ghoshal, a world-renowned London Business School professor, heavily criticized the current management ideology, including competitive strategy as propagated by Michael Porter.

If companies exist only because of market imperfections, then it stands to reason that they would prosper by making markets as imperfect as possible. This is precisely the foundation of Porter's theory of strategy, which focuses on how companies can build market power by capitalizing on imperfections, developing power over their customers and suppliers, creating barriers to entry and substitution, and managing the interactions with their competitors. It is a market power that allows a company to appropriate value for itself and prevent others from doing so. The purpose of the strategy is to enhance this value-appropriating power of a company (Ghoshal 2005, p. 15).

Some diminishing components of social welfare are not just a coincidental byproduct of Porter-style competitive strategy, but they are the fundamental objective of profit-seeking firms and their managers. Within the current management framework there is no escape from the conflict between economic goals and their social and moral implications (Ghoshal 2005, p. 15).

Economic efficiency has become the greatest source of social legitimacy for business in today's world. The focus on efficiency allows economics to neatly sidestep the moral questions on what goals and whose interests any particular efficiency serves. Ghoshal refers to Nobel-laureate institutional economist Douglas North, who clearly demonstrated that in reality there is no absolute definition of efficiency.

What is efficient depends on the initial distribution of rights and obligations. If that distribution changes then a different efficient solution emerges. As long as the transaction costs are positive and large, there is no way to define an efficient solution with any real meaning. And North argues that the transaction costs are not only positive and large but growing in our economically advanced societies (Ghoshal 2005, p. 24).

In his latest works Porter tries to address the emerging issue of CSR (Porter & Kramer 2002, 2006), but Ghoshal's arguments are still well-grounded. In Porter and Kramer's contributions corporate social responsibility seems to be only an add-on element in the traditional framework. In fact, it is not related to a genuine moral commitment of the company or a deep change in the perspective of analysis or the rules of the game. CSR is only considered an additional instrument with which to achieve a better competitive performance: "Not every company can build its entire value proposition around social issues…, but adding a social dimension to the value proposition offers a new frontier in competitive positioning" (Porter & Kramer 2006, p. 91).

Competitiveness is a self-serving ideology employed by mainstream business to pursue its profit at the expense of nature, society and future generations. This ideology requires a fundamental correction to enable companies to develop sustainable and responsible ways of doing business.

9.1.2 The Group of Lisbon's Approach

This is exactly the point addressed by the Group of Lisbon, chaired by Riccardo Petrella. Established in December 1991, the Group started to work in 1992 and in 1994 issued its breakthrough report, *Limits to Competition*, supported by the Gulbenkian Foundation in Lisbon. The report was then published by MIT Press in October 1995. The Group was composed of nineteen distinguished persons from business, academies, governments/public institutions and NGOs in Europe, North America and Japan (The Group of Lisbon 1994).

The report develops a strong, well-documented and clear criticism of the competition ideology dominant in the post-Cold-War world. In the 1990s competition became the main goal not only of companies, but also of regions, nations, municipalities, public institutions and so on.

The word *compete* originally meant "to seek together" (from the Latin *cum petere*), but, as a cause/effect of the globalization processes, it has currently taken on controversial dimensions. Nevertheless, competition is a successful catchword whose implementation results in broadly negative impacts and a value for itself: its pursuit justifies every political choice, even if it implies stronger and stronger cuts in the employment rates, social welfare, and expenditures for the protection of the environment. This new credo undermines the bases of social cohesion in both the most developed and the developing countries.

Furthermore, competition cannot tackle the challenges generated by an unleashed globalization enabled by privatization, deregulation and liberalization (on these issues, see also Worldwatch Institute 2006):

- the growing poverty and socioeconomic inequalities within and between nations;
- the delinking process between the richest and the poorest people/countries;
- the rise of an international criminal economy;
- the declining role of the state as a founding political institution and the absence of a real and effective political democracy at the global level;
- the increasing pressure on and the misuse/overexploitation and pollution of global environmental commons such as water, air and land;
- the depletion of biodiversity and natural resources;
- the loss of human values, such as peace, justice, dignity, solidarity and respect, in our societies.

Competition could be a very useful tool if it supported and fostered broad and shared innovation and emulation processes. But when the only purpose of our socioeconomic systems is to engage in a Darwinian "struggle for life" on a global scale, it results in a disruptive and meaningless global war among companies, which also affects the overall well-being of regions, nations and cities.

Therefore, hegemony does not work and competition is not the answer to our needs for a sustainable pattern of development. Instead of a financial globalization carried on by firms and economic interests focused on short-term gains, a cooperative approach is requested to provide a new, effective and efficient way of global governance.

This new world order should be based on four social contracts, which are in the general interest of the largest number of people and nations, and especially of the poorest human beings. In more detail, these contracts for change promote a common effort aimed at fulfilling the basic needs and expectations of the eight billion people who will live on Earth by the year 2020. The objectives of these global social contracts are as follows:

i. Removing the inequalities by providing 2 billion people with water, 1.5 billion people with a home, and 4 billion people with efficient energy.

ii. Ensuring tolerance and dialogue among the different cultures.

iii. Starting a process towards a real world government by establishing a World Assembly of Citizens.

iv. Fostering and speeding up the implementation of Agenda 21, particularly by promoting private-public partnerships especially at the local level.

The main drivers of these global contracts should be the world civil society, encompassing NGOs, unions, associations and so on; the enlightened elites, encompassing leaders from business, academia, governments, politics, media and foundations; the local communities, which are more and more embedded in the global networks.

However, it is the first duty of the member countries of the Triad (Europe, North America and Japan) to redirect their scientific and technological knowledge and their efforts and use their financial resources to reconcile and integrate economic efficiency, social justice, environmental sustainability, cultural diversity and political democracy, instead of using them for their own interests and for their struggle for world supremacy.

Some initiatives, such as the Global Water Contract and the Water Manifesto signed in Lisbon in 1998 (Petrella & Lembo 2006) and the Millennium Development Goals adopted by the General Assembly of the United Nations in 2000 and renewed in 2005 (United Nations Department of Economic and Social Affairs 2006), made the great impact that the report *Limits to Competition* had on the international debate evident. In particular, the report had a strong influence on the UN system and also on the world civil society through the World and Local Social Forums.

9.1.3 Henry Mintzberg's Approach

In his insightful contribution on "How Productivity Killed American Enterprises" Henry Mintzberg (2007) strongly attacks the American mantra of productivity as a shortcut to increasing profits and maximizing shareholder value—while in the meantime destroying the enterprise.

According to the author, “many of these productivity gains were in fact productivity losses” (Mintzberg 2007, p. 2), and the related goals of productivity and shareholder value justify the following:

- centralized power around chief executives;
- short-term profits;
- cutting all kinds of costs except CEO bonuses and compensations;
- downsizing;
- mergers;
- cheating and “cooking the books”;
- gambling;
- trashing the brand;
- exploiting the customers;
- increasing social inequalities;
- increasing environmental impacts;
- disregarding human value(s) and the real enterprise value.

However, enterprises are not a collection of “disconnected,” profit-seeking, greedy, and opportunistic agents but a community of engaged members. Therefore, quality instead of quantity should be at the core of business management.

Thus, a collaborative approach, which goes beyond competition, is needed for a sustainable and humane development, in which the citizen is at the center of decision-making processes, even and especially within firms.

9.2 New Approaches and Good Practices

9.2.1 Initiatives to Promote Socially Responsible and Sustainability Oriented Practices

In a more cohesive, more inclusive, progressive view of business, increasing profits or maximizing the shareholder value are simplistic goals. Companies have to consider their roles in society and their interactions with the different stakeholder groups in a comprehensive way, and they must redefine their purposes and their management approaches according to a multiple bottom line perspective (for more on this topic, see Chapter 3). Also in this case, tools, initiatives and practices, which have been developed over the last decades, are available to support companies in their evolutionary path.

These solutions can be classified into two broad groups:

- *accounting and reporting/accountability tools*: methodologies and initiatives to measure, assess, control and report corporate performance in a more comprehensive way to better support corporate decision-making and meet stakeholder information needs (see Table 9.1);
- *certification schemes*: measures that foster proactive companies and support consumers and investors in making informed decisions (see Table 9.2).

Table 9.1. Some examples of accounting and reporting/accountability tools

Tools	Brief description	Website(s)
Corporate Social Report	This mainly voluntary tool measures the impact of the company and its activities on the different stakeholder groups. Therefore, it is a methodology capable of supporting the management decision-making process and the corporate communication/engagement policies. The first attempts in this field were carried out, between the late '60s and early '70s, in the United States and then in Europe. Different approaches to social and ethical accounting, auditing and reporting, and accountability	– http://www.corporateregister.com/accounts/register.cgi

	have been developed over time (Perrini et al. 2006).	
AccountAbility 1000 Series (AA1000S)	In order to define a common set of principles to ensure the quality of the social and ethical accounting, auditing and reporting process, in 1999 AccountAbility issued the AccountAbility 1000 (AA1000) Framework. In 2002 AccountAbility launched the new AA1000 Series, consisting of the AA1000 Framework and a set of specialized modules. On October 24, 2008, the AA1000 AccountAbility Principles Standard 2008 (AA1000APS 2008) and the AA1000 Assurance Standard 2008 (AA1000AS 2008) were issued.	– http://www.accountability21.net/
United Nations Global Compact	The Global Compact is a voluntary initiative, open to the participation of companies and to the involvement of labor, human rights, environmental, development and academic organizations. It encompasses ten principles in the areas of human rights, labor, environment and anti-corruption, drawn from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and	– http://www.unglobalcompact.org/AboutTheGC/index.html

	Rights at Work, the Rio Declaration on Environment and Development, and The United Nations Convention against Corruption. The UN Global Compact has two objectives: – mainstreaming the ten principles in business activities around the world; – fostering actions in support of broader UN goals, including the Millennium Development Goals.	
Earth Charter	The Earth Charter is a world-recognized statement on ethics, values, and principles for a sustainable way of life. Developed over a period of ten years, also thanks to the input of more than 5,000 people, the Earth Charter was formally launched in 2000. This global civil society effort has been formally endorsed by over 4,200 organizations, including enterprises and global institutions such as UNESCO and the World Conservation Union (IUCN).	– http://www.earthcharter.org/ – http://www.earthcharterinaction.org/
Equator Principles	A banking industry framework for addressing environmental and social risks in project financing.	– http://www.equator-principles.com/documents/Equator_Principles.pdf
Principles for Responsible Investment (PRI)	UN-coordinated framework to help mainstream investors integrate environmental, social, and governance (ESG) issues in investment decisions.	– http://www.unpri.org/about/

ISO 26000	The ISO 26000 process, started in March 2005 at the first World Meeting in Salvador, should be completed by 2010. The international standard that will be issued will provide Guidance on Social Responsibility to support not only companies but all organizations (including public authorities and NGOs) to address and manage social issues. ISO 26000 is not a management system standard and is not intended for third-party certification. Accountability, transparency and stakeholder engagement are among the cross-cutting and characterizing principles of the document.	− http://www.iso.org/sr

Table 9.2. Some examples of certification schemes

Tools	Brief description	Website(s)
Social Accountability 8000 (SA8000)	SA8000 is a comprehensive system for managing ethical workplace conditions along global supply chains. It protects workers' rights by defining a set of auditable elements for third-party verification. This international standard for ethical sourcing was issued in 1997, revised in 2001 and in 2008. SA8000 is Based on the International Labour Organization Conventions and other documents such as the Universal Declaration of Human	− http://www.sa-intl.org/

	Rights and the UN Convention on the Rights of the Child.	
OHSAS 18001	The Occupational Health and Safety Assessment Series (OHSAS) specification, OHSAS 18001 was published in April 1999. This standard, which defines the requirements for the certification of the Occupational Health and Safety Management Systems, was developed by the British Standards Institution (BSI), in association with other national standards bodies, certification bodies and international experts. In 2007 it was replaced by BS OHSAS 18001:2007, Occupational Health and Safety Management Systems Requirements.	– http://www.bsi-global.com/en/
BS 8900	This standard provides guidance for managing sustainable development and was issued by BSI on May 31, 2006. It was based on the SIGMA Project.	– http://www.bsi-global.com/en/ – http://www.projectsigma.co.uk/

9.2.2 The Collaborative Strategy

The strength and sustainability of companies come from their ability to fit in the environmental, social and cultural context in which they function. By creating values for all stakeholders, companies can involve them and get deep support based on their commitment. This may lead to superior performance from a multiple bottom line perspective. We are arguing for a more *collaborative strategy* where companies balance environmental, social and monetary values against one another and make positive contributions to all stakeholders (Tencati & Zsolnai 2008).

Collaborative companies value and develop relationships with their stakeholders and try to generate long-lasting "win-win" solutions. In this perspective, the entire set of stakeholder relationships becomes strategic: the collaborative company can develop over time because of its capability of building and maintaining sustainable and durable relationships with the members of its stakeholder network. Thus, the sustainability of the company depends on the sustainability of its stakeholder relationships (Tencati & Perrini 2006).

The *ethics* of *relationality* provides the underlying background for the collaborative strategy. Yale University ethicist *Richard Niebuhr* developed a theory of relational ethics as an alternative to goal-oriented (teleological) and law-oriented (deontological) ethical theories. Niebuhr rejects the Cartesian beginning with an isolated self and starts with the statement that the self is relational, exists in triadic relation to itself, society, and nature (Keiser 1996, pp. 68-69). For Niebuhr the central question of ethics is not "What is my goal, ideal, or thelos?" or "What is the law and what is the first law of my life?" but "What is fitting?"

The ethics of relationality implies the *fitting act*, the "one that fits into a total interaction as response and as anticipation of further response, is alone conducive to the good and alone is right." The fitting is "the suitable, the correspondent, the consentaneous, the congruous, the meet." It suggests, therefore, a sensitivity and responsiveness. It is a relational term that functions in the midst of complex interaction, an ethos that expresses an adequacy of relating. The fitting is a sensitive relating to a whole within which we are participating and to which we are creatively contributing (Keiser 1996, pp. 82-83).

This *extended relational view of the firm* goes beyond the traditional approach that involves value-chain partners and, on specific tasks, competitors (Dyer & Singh 1998; Post et al. 2002). It encompasses not only relationships with firms, but also with other stakeholder groups (e.g., governments and civil society).

For example, social capital is the basis of the long-term success of many Italian districts (Lipparini 2002): positive financial and competitive performance derives from giving strong attention to social relationships and effective environmental management. More specifically, the ceramic-tile district of Modena/Reggio Emilia in Northern Italy is a leader in the global market and a pioneer in the sustainability oriented policies: Innovative relationships among local players (enterprises, municipalities, regional government, local agencies and civil society) have been developed during the last decades in order to reduce the overall impact on the environment and make business operations more sustainable through material and energy recovery interventions and shared managerial improvements according to an industrial ecology perspective. These collaborative efforts are at the core of the value proposition delivered on the market by the entire industry (Tencati 2006).

We must recognize that the quality of stakeholder relationships is crucial for the long-term development of a firm. The capacity of an enterprise to generate and distribute sustainable values over time is linked to strong and synergetic relationships with its stakeholders: a collaborative and sustainability oriented enterprise looks beyond mere financial performance and develops a multiple-bottom-line approach by addressing the linkages with its different constituencies.

In order to face the *challenge of global and local sustainability* the competitiveness/competition notion and the related concept of shareholder value are insufficient and self-defeating paradigms. A more comprehensive and fitting view of the firm and its role in society is needed.

Coop Italia (see Box 9.1) and the values-driven companies participating in the Social Venture Network (see Box 9.2) share more democratic ownership structures, more balanced and broader governance systems, a more comprehensive view of organizational goals and performance that goes beyond the narrow concept of financial bottom line, and a stronger and systematic care of the needs and requirements of the different stakeholder groups. In other words, these cases strongly show that an open and collaborative attitude in business is possible beyond the traditional paradigm of competition.

Box 9.1 Coop in Italy: A leading example of sustainability oriented and collaborative policies

Coop is the largest Italian retail chain, with a 17 percent market share in the grocery market in 2007. It is owned by more than 6,600,000 members, grouped in 128 territorial consumers' cooperative societies. The retail network consists of 1,394 points of sale, occupies around 1,620,000 square meters, and employs 55,450 people. The 2007 turnover was around 12,167 million Euros. This dominance on the market is supported and strengthened by Coop's efforts toward sustainability along its entire stakeholder network.

In particular, Coop has built and maintains a distinctive positioning in the market thanks to its true and genuine commitment to sustainability. The principles underlying this commitment are as follows:

i. The Cooperative is an open society.

ii. The Cooperative is inhabited by free and equal people who participate in the democratic life

iii. The Cooperative is a joint and social enterprise without purposes of private speculation.

iv. The Cooperative is autonomous and independent.

v. The Cooperative teaches.

vi. The Cooperative works with the cooperative movement all over the world.

vii. The Cooperative works to the advantage of consumers and community.

In order to pursue sustainability, the cooperative organization has developed a broad set of initiatives:

- since 1991, adoption of new performance management and reporting tools such as the social balance/report;
- since 1998, introduction of SA8000 to guarantee the ethical sourcing of Coop-labelled products (This approach is going to be extended to all suppliers, including those that do not provide private-label products.);
- strategic investments in the private-label products, which foster the cooperative values (In fact, they must be good, of top quality, safe, convenient, environment-friendly, and ethical. Between 2002 and 2007 the private-label products have increased their share of the Coop total turnover

from 15.6 to 19.6 • percent. In 2007 the turnover reached by Coop products was around 2,300 million Euros.);

- a strong and continual contribution to the development of the local communities through the actions carried out by the territorial cooperatives.

Finally, Coop is also committed to reducing its direct and indirect carbon emissions. In 2006 the organization started a new initiative, called ‘‘Coop for Kyoto,’’ with suppliers of private-label products in order to promote a voluntary program of reduction in emissions of greenhouse gases in line with Kyoto targets. Some important business partners joined this project. Moreover, Coop has promoted initiatives to improve the performance of the points of sale and to inform consumers of energy-saving and renewable-energy opportunities.

Source: Tencati & Zsolnai 2008; ANCC-COOP 2008

Box 9.2 The Social Venture Network: Some examples of progressive companies in the USA

Values-driven companies participating in the Social Venture Network in the USA are fascinating examples of collaborative ways of doing business. They include ShoreBank, the USA’s first and leading community development and environmental bank; Wild Planet Toys, which makes innovative toys involving children in the product development processes; Give Something Back Business Products, which donates its profit to community organizations selected by the company’s customers and employees; Avalon Natural Products, the leading brand of natural and organic body and skin care products, with its ‘‘consciousness in cosmetics’’ philosophy; Pura Vida Coffee, the premier sustainable beverage company; Seventh Generation, the leading brand of nontoxic and environmentally safe household and personal care products actively pursuing dialogue with people.

Source: Cohen & Warwick 2006

A new wave of entrepreneurial ferment, marked by an integration of prominent social intentions and objectives with innovative and rigorous venture-development practices, is taking hold around the globe. *Social entrepreneurship* (SE) is riding the crest, supported by the long debate on the roles and responsibilities of business in society that has been taking place for at least fifty years. The scale and scope of concrete experiences in the field of “innovation in service of social change” make this moment in time rich in learning, searching for a meaningful upward trend in the way the main characters are set up, classified and investigated. It is at the forefront of innovation and creativity within the social sector, breaking up previous perspectives on social sectors and encompassing both profit strength and nonprofit culture, with a strong orientation towards cooperation, participation and social cohesion. SE sparks entrepreneurial activity on a different scale, based on a sensitive and innovative social attitude, guided by a proactive concept of social change. SE is certainly not a zero-sum game but rather a win-win exchange process with the environment and its constituencies, a constant precarious equilibrium between economic sustainability and the ability to pursue a social vision superordinate to the creation of economic value and sustained by it.

Social entrepreneurship integrates the entrepreneurial mindset with innovation, thereby framing cause-driven organizations as a vector of social change in a process of reciprocal interaction among the initiators of the process – the new social entrepreneur with his/her traits and motivations, the environment in which the SE organizations develop. The effectiveness of an opportunity, in terms of its potential to change society, is strictly linked to an appropriate business model within an appropriate organizational frame. Synergies, transferable skills, a learning and participatory organizational structure, all characterized by a strong networking aptitude, represent the proxies of the process’s success in effecting social change. Social change is what remains at the end of the process, fostered by the speed of the dissemination and replication of innovation.

Practical decision-support tools are needed so that social criteria can become as important as economic criteria. But also, new decision-support tools are needed to help different organizations discern among possible social outcomes and different aspects of their chosen cause. However, there are even more basic questions: from the ability of organizations to make comparative assessments among cause-based projects to the way they demonstrate financial health. More specifically, there is a need for a more systematic way to analyze and communicate their outcomes to different interest groups (Perrini & Vurro 2008).

9.3 The Required Roles and Duties of Managers

The collaborative ways of doing business require companies that seek to build long-term, mutually beneficial relationships with all stakeholders and want to produce sustainable values for their whole business ecosystem. For this, engaged managers who consider business as a way to serve others rather than a means to "enrich themselves" are needed. We need future international managers with a social purpose and passion.

An important challenge for future international managers is to become entrepreneurial (Hofstra 2000-2009). There are many myths about the differences between managers and entrepreneurs: Managers should initialize changes only by improving and adapting existing procedures and processes, whereas entrepreneurs create innovations. This assumes that entrepreneurs have competences to think outside of the box and managers make use of preexisting knowledge. Implicitly this would mean that managers travel along prescribed lines and entrepreneurs take the lead. Entrepreneurs do have an outward orientation, whereas managers have an inward one (navel-gazers). Sustainability requires outside-of-the-box thinkers and an outward focus.

Other cited differences are that entrepreneurs are goal oriented and managers, means oriented. Managers are problem solvers; entrepreneurs change problems into opportunities. Managers seek certainty and measurability; entrepreneurs deal with uncertainty. Managers should be "today oriented" and entrepreneurs, future oriented. Managers use the rational/analytical part of their brains, whereas entrepreneurs are creative and initiatory.

The supposed differences between managers and entrepreneurs have considerable implications for the role and functioning of the future international managers. Saly (2001) indicated the following individual characteristics for entrepreneurs:

Need for achievement:

Entrepreneurs are people with a strong desire to achieve objectives they have set themselves. They want to prove to themselves and others and are ambitious. The new international manager should be conscious of different goals and objectives in a sustainable world and realize that sustainable production and consumption needs a holistic perspective to understand the connection between producers of goods and services, consumers and governments.

Opportunity-seeking:

Creativity combined with self-confidence ensures that they pursue many opportunities. The embracement of ecological responsibility turns the threat of environmental devastations into opportunities that will enrich the environment.

Vision-driven:

Entrepreneurs are people with a highly developed vision who can steer their actions with consistency. They have dreams to come true. The striving for a better world will create engaged practitioners who seek to enrich the environment. The challenge to create tomorrow's companies needs strategies that transform the bad experiences of the past into worthwhile prospects for the future.

Key skills of future managers should be to have the capacity to change, to have an open mindset, to be able to learn from others and to have an entrepreneurial spirit. Best practice in European organizations will revolve around six characteristics (European Round Table/Group ESC Lyon: Eyre & Smallman 1998): Managing international identity, leading as well as managing, fulfilling a broader social role, thinking long term, recognizing and using the benefits of Europeans' inherent individuality and combining a world outlook with global strategies.

The future international manager must have the capacity to absorb the heterogeneous knowledge (knowledge from different sources) connected with new experiences. These outcomes sometimes seem paradoxical and contradictory. This process of knowledge gathering will lead managers into territory with clashing dilemmas, but it will also lead to unique solutions. Recognizing the associations between different sources of knowledge is a prerequisite to handling the growing knowledge and unanswered questions in the awaiting ecological, social and economic challenges.

Today business has huge impacts on nature and society. Business considerably affects the fate and survival of natural ecosystems as well as the life conditions of present and future generations. Applying the imperative of moral responsibility developed by *Hans Jonas*, we can say that business and its managers have a one way, nonreciprocal duty to care for the beings under the impacts of their functioning (Jonas 1984; Zsolnai 2003).

To manage business in today's complex environment requires *responsible managers*. The responsible manager can be characterized as having an ability to take multiple perspectives and make optimal balances across diverse value dimensions. The responsible manager enters into genuine dialogue with diverse stakeholders and communicates the company's policies and practices honestly and effectively. He or she aims to exercise *trusteeship*, trying to increase the total values assets of the organization, instead of only maximizing the financial return on investments.

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