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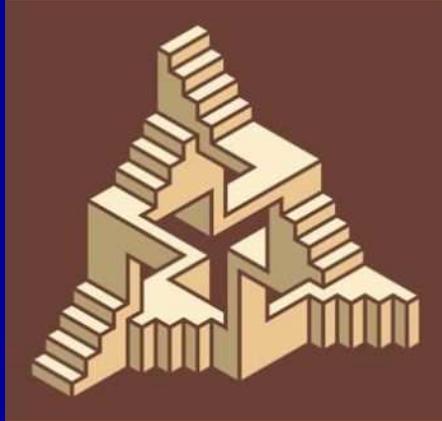
From CSR to Collaborative Enterprise

CSR Seminar
Université libre de Bruxelles
February 18, 2014

Problems

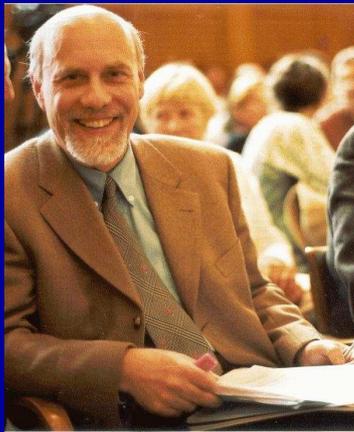
- (1) Why is the opportunistic use of ethics counter-productive for business?**
- (2) How can collaboration bring benefits for business and the environment?**

Means or End?



Ethics is often seen as an **instrument** for **improving** the **functioning** of a company.

The Ethics Management Paradox



Luk Bouckaert
Catholic University of
Leuven

Opportunistic ethics often proves to be counter-productive

It is perceived as cheating by the stakeholders who will react accordingly.

Only genuine ethics works.

There is a chance to improve the ethical quality of business activities if the motivation of the agents is genuinely ethical, that is, if they want to realize ethical conduct for its own sake.

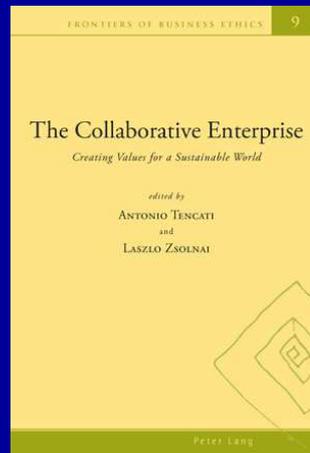
The Paradox of Business Ethics

Ethics brings material benefits for individuals and companies if and only if it is not used to produce material gains.

Mainstream Business

is based on and propagates a negativistic view of human nature. In this view economic agents are always self-interested and want to maximize their own profit or utility. Their interactions are based on competition only and their criterion of success is growth measured in money terms. Mainstream business functioning generates vicious circles in which market players expect the worst from others and act accordingly.

Collaborative Business



Economic agents **care** about **others** and **themselves** and aim to create **values** for **all** the **participants** in their business ecosystems. Their criteria of success is **mutually satisfying relationships** with the stakeholders.

Homo Reciprocans

Samuel Bowles and Herbert Gintis (Santa Fee Institute): agents comes to new social situations with a **propensity** to **cooperate** and **share**, and responds selfish, free-riding behavior by **retaliating** against the **offenders**, even at a cost to himself/herself.

The quality of stakeholder relationships is crucial for the development of a firm



A collaborative enterprise develops a **multiple-bottom-line** approach by addressing the **linkages** with its **different constituencies**.

Agents who are intrinsically motivated to adhere to ethical norms often prosper in competitive environments.



Robert Frank
(Cornell University)

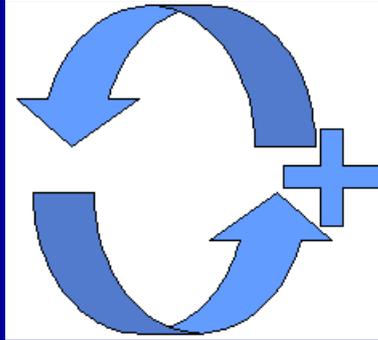
Firms are compensated for the higher costs of their responsible behavior by their ability



to form commitments between owners, managers and employees and to establish trust relationships with customers and sub-contractors.

The strength and sustainability of enterprises come from their ability to fit within the environmental, social and cultural context in which they function. By developing mutually beneficial relationships with the stakeholders, enterprises can get deep support from the stakeholders based on their commitment. This may lead to superior performance from a holistic perspective.

Virtuous Circles



If we want to get closer to a **sustainable world** we need to generate **virtuous circles** where **good dispositions, good behaviour and good expectations** reinforce one another.

Thank you!

