

Guest Editorial

Responsibility for Social and Environmental Issues

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Whether and to what extent business organisations should assume responsibility for social and environmental issues has been a vexed issue for most of the 20th Century. Debate ensues along ideological, ethical, strategic and cultural lines.

Some maintain that business organisations *should* adopt broad responsibilities – business organisations are an integral part of society and should play a role, beyond just economic outcomes, in shaping social and environmental well-being. Others are more restrictive – seeing business as primarily an economic entity, with a comparative advantage in wealth and job creation, and should minimise their negative impacts, and contribute to broader social/environmental matters where it can have strategic business benefit.

Debate also rages about the extent and nature of change assumed by corporate responsibility. Some suggest a fundamental transformation in the prevailing norms and ideas of business system require change; others suggest the institutional structure is basically sound – but business could be more responsive.

In this issues, the authors traverse many of these issues. In the first article, Professor Wayne Visser, Founder and Director of CSR International and Senior Associate of the University of Cambridge Program for Sustainability Leadership charts the contours of the emerging *Age of Responsibility*. He suggests that most of what has passes for corporate responsibility has failed to address many of the pressing issues and challenges of contemporary society. Rather than CSR being an ad-hoc after thought, CSR needs to be thought of as encompassing four bases: value creation, good governance, societal contribution and environmental integrity. To ensure an effective contribution to social and environmental well-being, CSR needs to become more holistic and more systemic.

Colin Higgins, Lecturer in the School of Management at Victoria University, argues that the assumptions about change that underpin most CSR theorising are limited. He illustrates that most scholars assume that if managers can be convinced that acting in a socially responsible way is the ‘right thing to do’ or is ‘good business’, they will voluntarily change their behaviour, and direct their organisations towards more socially just and sustainable outcomes. Both of these strategies fail to stimulate management action. He suggests, instead, that broader processes of social change need to be considered if the goal is to change business operations.

Michelle Fong’s paper provides a closer insight into one of Dr Higgins’ arguments – she examines the relationship between the CSR orientation of Chinese small and medium sized enterprises and their financial performance. She found that despite involvement in a range of issues, it was only quality assurance within these firms that had any positive impact on their financial performance. Dr Fong’s paper provides valuable insights into the veracity of the CSR-Financial Performance relationship, and also how CSR is unfolding in China, and amongst SMEs – two under-researched aspects of CSR.

Our last paper, by Richard Kasperczyk, shifts the analysis frame to the organisational level and addresses the specific issue of occupational stress prevention – an emerging, and increasingly significant, governance and social responsible issue. Dr Kasperczyk outlines the significance of the occupational stress issues, like Professor Visser, suggests these issues are systemic organisational issues and go to the heart of fundamental business behaviour. Importantly, Dr Kasperczyk makes an

important contribution to ongoing CSR debates – CSR is not just about philanthropy, social marketing, corporate volunteering – it is about the fundamental well being of people at work.

I hope that you find the papers in this issue stimulating – they’ve been selected to provide a wide cross section into contemporary debates and issues about corporate responsibility. As you’ll see – issues of corporate responsibility traverse a number of issues, at a number of levels, and across cultures.