Preface

Business ethics and corporate social responsibility (CSR) are by far the most important courses to be taught to future managers. They may not be crucial for students when trying to make a career and succeed in their first job. However, they might be important for survival in their first job, and they help to understand that a decision that leads to a better team evaluation or higher bonus payments, may still be the wrong decision. There are a couple of questions that are not dealt with in any other courses but that may pop up in a job:

- What do I do if I observe that my superior is bullying a colleague?
- What can I do if I observe that a colleague is misusing their high power position in order to take advantage of, for example, female junior personnel?
- What do I do if a client offers personal advantages in exchange for a discount?
- What do I do if I see that our bookkeepers overestimate the value of the company and even the accountants and auditors did not notice?
- What do I do if I see that my company takes a lot of initiatives that appear very responsible but at the same time neglects important investments in the safety of the production facilities?

Business ethics and corporate social responsibility may not be important for companies whose primary concern is good return on investment. Even though this book shows that, in general, responsible companies outperform their irresponsible peers, we cannot neglect that businesses can realize huge profits by neglecting responsibilities. However, business ethics and corporate social responsibility may be crucial for companies that try to out-perform other companies with regard to pride, motivation and commitment of employees. So far, evidence suggests that responsibility may be an important aspect for attracting the best employees possible, and for becoming an admired company, admired not for the...
profit that the company is generating, but for the quality of products, production, service and public involvement.

This line of reasoning and the questions above of course only stand for a part of the importance of business ethics. Doing business is related with external effects, most often negative externalities. These may be detrimental for communities, societies or the environment. It is important for future managers to understand these possible negative effects in order to see that decisions about products, services, marketing and sales in, for example, Europe can have a great impact on people in Asia or Africa that produce the products or provide the raw materials for production. Of course, child labour is first of all a problem that occurs in countries outside Europe. This means, that child labour happens, for example, in Asian or African countries and organizations. However, such organizations may be part of the supply chain or chain of custody of a Western company. In that sense, Western managers who obtain their material from organizations with child labour involved bear a responsibility for child labour, and they base their profits on child labour. Some Western organizations, in the meantime, have understood this responsibility and have taken initiatives to deal with this problem, by, for example, collaborating with local business organizations, communities or NGOs in order to develop appropriate approaches for dealing with the problem of child labour.

This book contributes to an understanding of business ethics and corporate social responsibility. It focuses on the possible gains for organizations of being responsible. However, it rejects the bold and blunt assumption that ‘good ethics is good business’ or, even worse, ‘good business is good ethics’. It refutes the idea the business and society should strive for a ‘win–win situation’, because, apart from the fact that the term as such is awful and misleading, the interaction between business and societies is not a game where one party could win or the other could lose. And it certainly turns down any expectations towards corporate social responsibility to be anything like a quick fix for reputation and financial problems at the same time. Responsible organizations perform better – in general. That is the result of much research that has been conducted around this issue. However, this research says that it is the case in general, not in every society, not in every sector, not for every type and size of company and probably not for the company that asks a CSR expert to help to realize CSR within the focal company.