

2009

Annual Report



Institute for Strategic Management:
Stakeholder View

welcome

About the Institute

Dear Reader

My research group and I look again back on a year full of interesting, inspiring and challenging activities related to our research and teaching in the area of stakeholder management. Some of the highlights of 2009 were the launch of a new CTI project entitled "The Evaluation and Effect Measurement of Stakeholder Engagement"; the publication of an international version of our book "Lizenz zum Managen" at Palgrave with the title "Sustainable Success with Stakeholders - The Untapped Potential"; a precontract with Cambridge University Press for our new book on stakeholder theory; the field trip to India to investigate practices of stakeholder management in the context of micro-finance; the launch of an MSc program with a strong focus on strategic stakeholder management; the nomination of "Promotorin für Vereinbarkeit von Beruf und Familie im Kanton Zürich"; and the establishment of the Center for Corporate Social Responsibility headed by Dr. Christoph Weber-Berg at HWZ. Furthermore, we are happy to announce that we were upgraded from a research center to a research *institute*. The report at hand provides you with further information on these and other activities.

As one of the oldest stakeholder research groups in Europe, we dedicate ourselves to questions such as: How and why do firms adopt a broad stakeholder orientation? How can firms identify strategically relevant stakeholders and systematically involve them into their activities? How can we evaluate processes of stakeholder engagement, and how can we assess the efficiency of those processes? We understand stakeholder management as an applied science and are aiming to contribute to the development of practical concepts and tools based on an advanced theoretical foundation and on sound empirical investigations. Altogether, our goal is to provide a solid framework for analyzing value creation with and for stakeholders, which we call "the Stakeholder View".

About the Institute

Allow me to inform you on some changes in our research team: Isabelle Kern received her doctorate and is now working as a senior research assistant; we congratulate. Our assistant Marc Moser completed his studies in economics and business administration at the University of Zurich with a thesis on "Die 'License to Compete' am Beispiel der ZKB: Nachhaltigkeits-Research als Differenzierungskriterium", we also congratulate. He will keep working for the research team and start his doctorate next year. Our assistant Andrea Gäumann completed her diploma thesis on social reputation and is now in the final spurt for her exams. Dominic Käslin, who left the team in May, and Irène Perrin are both about to finish their dissertations. Our assistant Claude Meier started his PhD project in July and obtained a grant by a foundation; another reason to congratulate.

We are pleased to submit to your kind attention the Annual Report 2009 of the Institute for Strategic Management: Stakeholder View at the University of Applied Sciences for Business Administration (HWZ), Zurich. We hope that you will find this booklet interesting. If you wish to find out more about us, please visit our homepage (<http://www.fh-hwz.ch/shv>). If you would like to receive additional information or find a question unanswered please do not hesitate to contact us.

Best wishes



Prof. Dr. Sybille Sachs

Head of the Institute for Strategic Management: Stakeholder View

Content

About the Institute

Center for Corporate Social Responsibility

Stakeholder View Research 2009

Research Projects

Conference Attendance

Publications

Expertise

Stakeholder View Education 2009

Teaching Activities

Dissertations

Stakeholder View Forum 2009

Forum Activities

Academic Commitment

content

Center for Corporate Social Responsibility

We welcome the...

Center for Corporate Social Responsibility

The Center for CSR was established in May 2009 to further the CSR profile of the HWZ and to support the Institute for Strategic Management: Stakeholder View in recognizing its responsibility to teach and research in that area.

The Center for CSR is headed by Dr. Christoph Weber-Berg. After his studies of theology at University of Zurich, he pursued the profession of a priest at the 'Reformierte Landeskirche' of the canton Zurich, for which he also established the 'Fachstelle für Wirtschaftsethik'. Besides his occupation he completed a dissertation in economic ethics and an MBA in Nonprofit Management. Before Christoph Weber-Berg became the Head of the Center of CSR at the HWZ, he managed the sustainability research of Forma Futura Invest AG in Zurich. Christoph Weber-Berg is supported by two CSR advisors, Sandra Huber-Ingold and Theresia Büsser Stalder; both started working at the Center in late fall 2009.

Research of the Center focuses on "The moral case for CSR": The role and function of ethical values with respect to rooted and lasting CSR management in corporations. Teaching includes introduction to Business Ethics and Corporate Social Responsibility throughout all Bachelor, MSc and many Executive Programs.

Only by including the interests of all parties linked to the firm mutual trust can be built which enables the firm's sustainable success.

re search

Research Projects 2009

CTI Project

“The Evaluation and Effect Measurement of Stakeholder Engagement”

As a consequence of last year's successfully completed project “ICT Supported Stakeholder Management as a Success Factor in Business”, the Institute for Strategic Management: Stakeholder View has launched another project in collaboration with the Commission for Technology and Innovation (CTI).

At present, many organizations conduct stakeholder dialogues on most diverse subjects. By doing so, a systematic evaluation of these engagements and an answer to the question which the benefits of these dialogues for the organization as well as the involved stakeholders are remains absent. This is exactly what the project, by Prof. Dr. Sybille Sachs (HWZ), Prof. Dr. Ruth Schmitt (FHNW) and their teams and in cooperation with Brugger und Partner AG, represented by Dr. Thomas Streiff, assesses.

By using the examples of three companies – the pharmaceuticals Pfizer Schweiz and MSD and a multinational from the nutrition industry – the research project analyses on the one hand, how stakeholder engagement processes can be evaluated systematically and on the other hand, how those processes can be tested for their efficiency. As a consequence, the primary goal is the development of an evaluation concept. This concept is intended to be capable of showing in a transparent and comprehensible way, how stakeholder engagement processes impact an organization's value creation and additionally, what the benefits of such an engagement not only for the organization itself, but also for the stakeholders involved may be.

Financed by the Commission of Technology and Innovation (CTI), the research project is realized in collaboration with the Institute for Management at the University of Applied Sciences Northwestern Switzerland (FHNW), Brugger & Partner AG (BHP), Pfizer Schweiz AG, MSD, and a multinational from the nutrition industry.

Research Projects 2009

India Project

“Enhancement of India’s Sustainable Economic and Social Development Pursuing a Stakeholder-Oriented Management Approach”

In order to test our Stakeholder View of Strategy (SHV), developed in the context of Western economies, in other cultural settings, we launched a project with Universities and firms in India early this year. Under the guidance of Prof. Sachs and Prof. Rühli from HWZ and Prof. Krishnan and Prof. Lakshman from Jain Group University in Bangalore, Karnataka, the project aims to pursue the appropriateness of a stakeholder-oriented management approach in an Indian context. In doing so, we expect to learn from approaches adopted in India and vice-versa. The India-project is co-financed by the Federal State Secretariat for Education and Research (SER) and the expected duration is from 2009 until 2011.

One preliminary workshop took place in spring 2009 in India. In March we visited several business schools in Bangalore in order to find an academic partner for the purpose of mutual cooperation. Among others, we met Prof. Krishnan and his colleagues from the Jain University Group. They already have experience with Microfinance Institutions, which act according to a comprehensive stakeholder orientation and which aim at contributing to the sustainable development of people living in poverty.

Microfinance institutions provide financial services to people living in poverty. The aim is to give the poor a “permanent access to an appropriate range of financial and other services that generate income in a sustainable way”.

On our trip for this feasibility study we also learnt some first lessons from microfinance institutions and NGOs. One case in point is that these organizations have an unusually broad access to their stakeholder network based on their vision. Their understanding of being “social enterprises” made this broad access possible. The social enterprise could be a new model for the current capitalism which is in deep crisis and nearly only considers shareholders.

Research Projects 2009

Bhutan-Project

Hotel Management Training Program

In 2008, the HWZ launched a Hotel Management Training Program in Bhutan in cooperation with the JACOBS Foundation in Zurich (JF). This program is co-financed by Elysium Foundation. In January 2009, Sybille Sachs and Edwin Rühli were invited to lecture the module strategic management in this program. In this course, the students were developing a strategy diary for their hotels based on the insights of the Stakeholder View.

Conference Attendance

Academy of Management (AoM)

Annual Meeting 2009, Chicago, Illinois

Sachs, S., Rühli, E., Meier, C. (2009), Value Creation through Stakeholder Governance. Paper accepted and presented at the Annual Meeting 2009 of the Academy of Management (AoM).

European Academy of Business in Society (EABIS)

Annual Meeting 2009, Barcelona, Spain

Millett, B., Sachs, S., Ulrich, G. (2009), Opinion Research as a Corporate Tool to Communicate with All Relevant Stakeholders - An Empirical Case Study within the Pharmaceutical Industry. Paper presented at the Annual Meeting 2009 of the European Academy of Business in Society, Barcelona, Spain.

PhD Conference 2009, Barcelona, Spain

Claude Meier and Irene Perrin attended the 7th Annual EABIS PhD Conference, hosted by ESADE Business School in Barcelona, Spain, on September, 23, 2009. The PhD conference provided insight into subjects such as publication strategies for scholarly articles, or academic careers in CR and Sustainability. In different parallel tracks, PhD students had the opportunity to present their ongoing work and getting feedback by faculty members from ESADE and EABIS institutions. In one of the tracks, Claude Meier presented a paper on his dissertation project:

Meier, C. (2009), The Functioning of Global Governance Systems in the Light of Swiss Corporations. Paper presented at the European Academy of Business in Society (EABIS) PhD Conference, Barcelona, Spain.

Publications

Sachs, S., Rühli, E. (2009), The Stakeholder View of Strategy (SHV) – A Comprehensive Approach to Harmonize Public and Entrepreneurial Interaction. In: Pechlaner, H., von Holzschuher, W., Bachinger, M. (Hg.), *Unternehmertum und Public Private Partnership. Wissenschaftliche Konzepte und praktische Erfahrungen*. Wiesbaden: Gabler, 3-26.

Sachs, S., Maurer, M. (2009), Toward Dynamic Corporate Stakeholder Responsibility. From Corporate Social Responsibility Toward a Comprehensive and Dynamic View of Corporate Stakeholder Responsibility. *Journal of Business Ethics*, Vol. 85 (3), p. 535 – 544; DOI 10.1007/s10551-009-0213-y.

Sachs, S., Rühli, E., Kern, I., The Globalization as Challenge for the Stakeholder Management. Paper submitted to the *Journal of Global Responsibility*.

Sachs, S., Groth, H., Schmitt, R., The “Stakeholder View” approach: An untapped opportunity to manage corporate performance and wealth. A wake up call for pharmaceutical corporations. Paper submitted to the *Journal of Strategic Change*.

Various Working Papers, short notices in newspapers and periodical publication of a column in the “*Neue Aargauer Zeitung*” by Prof. Dr. Sybille Sachs.

Books

Sustainable Success with Stakeholders - The Untapped Potential

by Sybille Sachs, Edwin Rühli, Isabelle Kern

In spring, the English version of the book "Lizenz zum Managen", written by Sybille Sachs, Edwin Rühli and Isabelle Kern, was published by Palgrave. The book shows managers in a very hands-on manner how they can identify their stakeholders and cooperate with them in a mutually successful and satisfying way. It includes numerous examples from case studies and from international firms, illustrating the stepping stones to a comprehensive stakeholder management. This makes it an indispensable companion for managers of small and large firms and for business students interested in seeing how the theoretical concepts of the Stakeholder View can be applied in practice.

Stakeholders Matter - A Stakeholder-Based Theory of Strategy

by Sybille Sachs, Edwin Rühli, Isabelle Kern (to be published in 2011)

During 2009, Sybille Sachs, Edwin Rühli, Isabelle Kern and their team have been working on a new theory book. The authors' aim is to create a state-of-the-art book on stakeholder-oriented strategic management that calls for a new understanding in strategic management to overcome the obvious shortage of existing business models that the current financial crisis has clearly revealed.

The shareholder value model has led to mismanagement, to managers taking excessive risks and a market failure which not only endangers the affected firms but whole industries and in the end the global economy.

The book will further advance the strategic approach "Stakeholder View of Strategy" (SHV) developed and published in the book "Redefining the Corporation" by Post, Preston & Sachs (2002) by understanding stakeholder relations as partnerships to draw on benefit potentials in an economic as well as societal sense. The upcoming paradigm regards a corporation and its stakeholders as partners which in a network can work together to exploit their common grounds to create new innovative solutions.

Expertise

Prof. Sachs nominated "Promotorin für Vereinbarkeit von Beruf und Familie im Kanton Zürich"

Sybille Sachs was nominated by the special department on equal opportunities for women and men (Fachstelle für Gleichstellung von Frau und Mann, Kanton Zürich) to act as a promoter for the compatibility of family and career and to sensitize for and inform on topics related to work-life-balance. Prof. Sachs was nominated due to her extensive network in both academia and practice and especially due to her many contacts to management trainees and future leaders as a result of her teaching activities at HWZ and University of Zurich.

For further information please visit www.gleichstellung.zh.ch

education

We want to provide insights to academics as well as management practitioners who wish to have a comprehensive view of strategic management.

Teaching Activities

Launch of the „Master of Science (MSc) in Business Administration“ with a Major in Strategic Management

In March 2009 the first class of students started their studies in the newly developed MSc program at HWZ. This program is the first of its kind in two ways: It is the first MSc offered by a private University of Applied Sciences in Switzerland, and it is the first one with a major in strategic management. Furthermore, it is designed as an extra-occupational course of study, allowing students to continue their work on a pensum from 50% to 80%.

A joint module in leadership with the Darden School of Business (University of Virginia, USA), scientific research projects on strategic management and many practical case studies on national and international companies are part of the curriculum, and some of the classes are taught in English.

The MSc program has a strong focus on stakeholder management, and it integrates the research results generated at the Institute for Strategic Management: Stakeholder View into classroom teaching, thereby guaranteeing a strong link between academic and practical knowledge.

We are happy that the first class started successfully, and that the students appreciate the integrative teaching concept developed. One method that proved to be very successful is the so called “strategy diary”, where the students transfer the theoretical concepts and frameworks learned into their daily work.

Teaching Activities

University of Applied Sciences (HWZ)

Master of Science in Business Administration
Qualitative Forschungsmethodik
Spring semester 09

Lecturer: I. Kern

Bachelor Business Administration
Strategic Management
Autumn semester 2009/2010

Lecturer: I. Kern

Bachelor Business Administration
Stakeholder Management
Autumn semester 2009/2010

Lecturer: I. Kern, C. Meier

Bachelor Business Administration
Corporate Governance
Autumn semester 2009/2010

Lecturer: I. Kern, C. Meier

Master of Science in Business Administration
Strategic Management
Autumn semester 09/10

Lecturer: E. Rühli, S. Sachs,
I. Kern

Master of Science in Business Administration
Wissenschaftliches Praxisprojekt
Autumn semester 09/10

Lecturer: S. Sachs
(together with R. Schmitt,
FHNW)

Executive MBA General Management
Introduction
Autumn semester 2009/2010

Lecturer: S. Sachs

Teaching Activities

University of Zurich (UZH)

Lecture on Business & Society
Autumn semester 2009/2010

Lecturer: S. Sachs
(together with Jean-Paul
Thommen, EBS)

With a record high of 226 students attending the lecture!

Teaching Activities

Mini Case Studies on Stakeholder Management

Based on our empirical investigations, several mini cases were developed and refined by the research team in order to serve as teaching material at HWZ and the University of Zurich.

- Case Study: Stakeholder Management at Pfizer (written by A. Gäumann)
- Case Study: Different Company Cultures at Swiss Re (written by A. Gäumann)
- Case Study Telecommunication: The Antennae Problem (written by I. Kern)
- Case Study: Internal Stakeholder-Management at Feller AG (written by I. Kern)
- Case Study: The Corporate Governance Structure at Suva (written by C. Meier)
- Case Study: New Case Management (NCM) at Suva (written by C. Meier)
- Case Study: Stakeholder Mapping with the example of Sunrise Communications AG (written by M. Moser)
- Case Study: ZKB and WWF, a Common Vision (written by M. Moser)
- Case Study: Hunziker Partner AG and the Challenge of an Industry with a Negative Image (written by I. Perrin)
- Case Study: Orange Communications SA and the Closing of the Call Center in Bussigny, VD (written by I. Perrin)

In Practice

Due to the publications on our research projects in the last year more and more firms, professional institutions and governmental agencies invited us to present our results at their conferences, workshops and management development courses.

Dissertations

Current Dissertations 2009

Dominic Käslin: "The Dynamics of Firm-Stakeholder Relations", European Business School.
Committee: Prof. Dr. Jean-Paul Thommen, Prof. Dr. Sybille Sachs

Relations between corporations and their stakeholders are in a constant state of flux, oftentimes influenced by acts and events exogenous to a particular firm-stakeholder relation. Facing such a dynamic environment where well established modes of interaction may suddenly produce unpredicted outcomes, representatives of corporations are left wondering how to adapt their behavior. This dissertation contributes to an improved understanding of the processes that shape corporate responses to a changing stakeholder environment. Employing a qualitative single case methodology, the interactions between the Swiss subsidiary of a leading pharmaceutical corporation and general practitioners in Switzerland are studied in light of the changing health care landscape in Switzerland.

Irène Perrin: "Corporate Legitimacy and the Role of the Mass Media as Stakeholders",
University of Zurich.

Committee: PD Dr. Werner A. Meier, Prof. Dr. Sybille Sachs

Irène Perrin started her doctorate in October 2006. In her interdisciplinary research project, Perrin takes a closer look at the mass media from a stakeholder perspective, and she integrates research from media and communication studies and stakeholder theory. She investigates how media can be characterized as stakeholders and develops a framework which provides insights into their benefit and risk potentials, thereby focusing on the organizational level of analysis. Whereas from a company's point of view, media are often perceived as an unpredictable, adversarial stakeholder that challenges the legitimacy of business, Perrin shows that the role of media in legitimation processes is far more complex. Using the example of Pfizer, one of the world's leading pharmaceutical companies, she illustrates different theoretical approaches regarding the media's role for corporate legitimacy. Perrin is enrolled at

Dissertations

the Institute of Mass Communication and Media Research at the University of Zurich; her thesis is almost completed and will be published in spring 2010.

Claude Meier: "The Mode of Operation of Global Governance-Systems in the Light of Swiss Companies", University of Zurich.

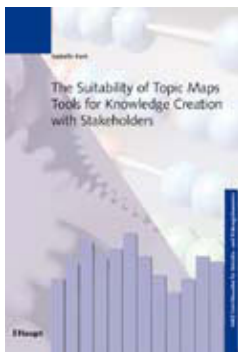
Committee: Prof. Dr. Dieter Ruloff, Prof. Dr. Sybille Sachs

Claude Meier started his doctorate in July 2009. In his investigation Meier compares the effectiveness of different kinds of global governance systems or transnational standards after their implementation in different Swiss companies. Global governance systems can be established by actors from just one sector (political, economic or societal sector) or by a multi-stakeholder approach through actors from different sectors. Their specifications also can be more or less detailed and their monitoring and sanctioning more or less coercive. The author hypothesize that these characteristics influence the effectiveness of a standard. Meier is enrolled at the Department for Political Science at the University of Zurich.

Dissertations

Published Dissertations 2009

The following two dissertations have been successfully completed last year and are published in this year's "HWZ Schriftenreihe".



Kern, I. (2009), *The Suitability of Topic Map Tools for Knowledge Creation with Stakeholders*, HWZ Schriftenreihe für Betriebs- und Bildungsökonomie 9.

Though an increasing number of companies implement knowledge management systems, those frameworks are often text-based and involve merely employees. Isabelle Kern raises the question of whether topic map tools are suitable to include internal and external stakeholders into the knowledge management system. Furthermore, she explains whether topic maps are capable of visualizing tacit knowledge and mental models of stakeholders.



Ulrich, G. (2009), *Repositioning of a Stakeholder Issue applied at Pfizer Switzerland*, HWZ Schriftenreihe für Betriebs- und Bildungsökonomie 8.

How do global corporations communicate with their stakeholders? George Ulrich illustrates how, by use of market and opinion research, a base for interaction can be formed in order to establish trust, by means of communicative reaction competence.

The Forum Stakeholder View opens a portal between theory and practice for a modern perspective of strategic management in order to enhance a firm's sustainable success thanks to a professional organization of the relationship with all relevant stakeholders.

forum

Forum Activities 2009

Forum Stakeholder View

During 2009 the Forum Stakeholder View supported the activities of the Institute for Strategic Management: Stakeholder View. For the purpose of its bridging function between theory and practice, the Forum Stakeholder View was also facilitating the ambitions of the Institute to gain more popularity and attention in public with its research findings.

The most notable change for the Forum this year was the redesign of its homepage: www.stakeholderview.ch (under construction). The revision is still running and expected to be completed by the end of January 2010.

The board members of the Forum Stakeholder View are: Prof. Dr. Edwin Rühli (president), Prof. Dr. Sybille Sachs, Dr. Ulrich Gut, Prof. Dr. Ruth Schmitt, Dr. Thomas Streiff, Dr. Mark Veser and Dr. Isabelle Kern.

Academic/Practical Commitment & Memberships

Academic Commitment of Prof. Dr. S. Sachs

Member of the Committee at large of the Social Issues in Management (SIM) Division of the Academy of Management (AoM)

Member of the Multi-Stakeholder Advisory Council of the European CSR Platform

Member of the Expert Advisory Committee of the MAS in Business Communications at the University of Applied Sciences (HWZ)

Elected to the Editorial Board of the Journal "Business and Society" in 2008

Member of the Editorial Board of the Journal "Corporate Citizenship"

Practical Commitment of Prof. Dr. S. Sachs

Member of the school board at the University of Applied Sciences for Business Administration (HWZ) since October 2008

Promoter for a better "Vereinbarkeit von Beruf und Familie" in organizations (Nomination by the „Regierungsrat des Kantons Zürich“)

Member of the board of the Forum Stakeholder View

Memberships

Academy of Management (AoM)

International Association for Business and Society (IABS)

Schweizerische Gesellschaft für Betriebswirtschaftslehre (SGB)

Verband der Hochschullehrer für Betriebswirtschaft

European Academy for Business in Society (EABIS)

Strategic Management Society (SMS)

Verein für Socialpolitik

Academic Network of the Global Compact

Schweizerische Gesellschaft für Kommunikations- und Medienwissenschaft (SGKM)

Creative Direction, Design and Editing by Marc Moser and Irène Perrin

Photo by Frank Blaser

Content by the Institute for Strategic Management: Stakeholder View:

Prof. Dr. S. Sachs

Prof. Dr. E. Rühli

Dr. Isabelle Kern

Irène Perrin

Dominic Käslin

Claude Meier

Andrea Gäumann

Marc Moser

© 2009 Institute for Strategic Management: Stakeholder View

All rights reserved.

im pressum

Institute for Strategic Management: Stakeholder View

HWZ Hochschule für Wirtschaft Zürich
Lagerstrasse 5
8021 Zürich

Tel. 043 322 26 45
Fax 043 322 26 01
www.fh-hwz.ch/shv

Map

