

2010

Annual Report

Institute for Strategic Management:
Stakeholder View

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About the Institute

Dear Reader

Welcome to the Institute for Strategic Management: Stakeholder View as one of the oldest research groups on stakeholder management in Europe. Our research competence has been developed over many years and derived in the main from former research projects, international professional contacts and continuous cooperation with practitioners and academics. We have always been committed to address the need for a comprehensive strategic management approach that considers mutual value creation with and for stakeholders as a source for improving the quality of life for human beings and sustainability for the natural world. Therefore, we constantly strive to advance our understanding of a comprehensive management approach, called the Stakeholder View. In doing so, we make an effort to apply our knowledge to the development of practical solutions to problems as they arise, as we understand stakeholder management as an applied science.

As before, my research group and I look back on an inspiring and challenging year with interesting insights gained from our research and a transfer of these insights to bachelor and master students.

Some of the highlights of 2010 were the theory book "Stakeholders Matter: A new Paradigm for Strategy in Society" which is almost finished and will be published by Cambridge University Press in September 2011; the first interviews for the CTI project "The Evaluation and Effect Measurement of Stakeholder Engagement"; the week at the Darden School of Business (Virginia) as part of the Master of Science in Business Administration course.

The report at hand provides you with further information on these and other activities.

About the Institute

Allow me to inform you on some changes in our research team: Irène Perrin received her doctorate; we congratulate. Our assistant Marc Moser started his DBA studies at the University of Southern Queensland, Australia which is a partner university of HWZ. In his first semester, he received the 'USQ Dean's Award for Outstanding Academic Achievements'. Our assistant Thomas Schneider started his dissertation entitled "The Impact of Stakeholder Identities on Corporate Value Creation: An§1 Experimental Approach". Our assistant Andrea Gäumann is currently at the United Nations in New York where she is doing an internship with the delegation of Liechtenstein.

We are pleased to submit to your kind attention the Annual Report 2010 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



Claude Meier



Sybille Sachs



Thomas Schneider



Edwin Rühli



Isabelle Kern



Manuel Dawson



Marc Moser



Andrea Gäumann

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For firms, stakeholders are indispensable contributors to mutual value creation who help to improve quality of life for human beings and sustainability for the natural world.

re search

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 regarding the benefits of these dialogues for the organization as well as the involved stakeholders remains absent. This is exactly what the project, by Prof. Dr. Sybille Sachs (HWZ), Prof. Dr. Ruth Schmitt (FHNW) and their teams, in cooperation with Brugger und Partner AG, represented by Dr. Thomas Streiff, assesses.

By using the examples of three companies – the pharmaceutical firms Pfizer Schweiz and MSD and a multinational firm 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 firm from the nutrition industry.

Research Projects 2010

GOLDEN Program

"Global Organization Learning and Development Network"

GOLDEN Program is a global research network in which different universities and business schools participate. The Boston College, INSEAD, Università Bocconi and the Institute for Strategic Management: Stakeholder View of HWZ are amongst its members. The program looks at how sustainability can be integrated into business. Its aims are twofold: First, the program intends to develop knowledge on the firms' path towards sustainability and second, it wants to support firms in becoming more sustainable.

The GOLDEN Selection Committee has indicated the case-study 'Pfizer Switzerland', submitted by Sybille Sachs, Ruth Schmitt, Michael Sitte and Thomas Schneider, as one of the most insightful that they have received, for its relevance in relation to the overall research question of the GOLDEN Program.

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. 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. First insights from the India Project also led to the dissertation of Marc Moser on stakeholders' perceptions of Swiss-based microfinance investment companies.

Conference Attendance

The Academy of Business in Society (EABIS)

Annual Colloquium 2010, St. Petersburg, Russia

Prof. Sachs and Prof. Rühli attended the 9th Annual EABIS Colloquium on September 20 and 21, 2010 in St. Petersburg and presented the following paper:

Sachs, S., Rühli, E., Moser, M., Krishnan, N., & Lakshman, G. (2010). Microfinance in India – The stakeholder networks as untapped potential. Paper presented at the 9th Annual EABIS Colloquium. St. Petersburg, Russia.

The Academy of Business in Society (EABIS)

PhD Conference 2010, St. Petersburg, Russia

Claude Meier and Marc Moser attended the 8th Annual EABIS PhD Conference, hosted by St. Petersburg State University Graduate School of Management, on September 22, 2010. The PhD conference offered an opportunity for young scholars to meet, exchange ideas and receive advice on publication strategies. In different parallel tracks, the PhD students presented their ongoing work and were given feedback by faculty members of renowned institutions.

Meier, C. (2010). The effectiveness of multi-stakeholder standards (MSS) in the light of Swiss corporations. Paper presented at the 8th Annual EABIS PhD Conference. St. Petersburg, Russia.

Moser, M. (2010). How organizational capabilities and learning processes drive an orientation towards stakeholders: A case study on Swiss-based microfinance investment companies. Paper presented at the 8th Annual EABIS PhD Conference. St. Petersburg, Russia.

Conference Attendance

European Commission Conference

Research – Socio-economic Sciences and Humanities (SSH), Brussels, Belgium

At the conference of the European Commission entitled 'Towards a greater understanding of the changing role of business in society' held on April 22, Sybille Sachs gave a speech on the topic 'The crisis of trust - implications for sustainable economic development and social and political stability'. The talk was afterwards taken as an input for a discussion on 'Changing Perceptions on the Social Contract of Business after the Financial Crisis'.

Sachs, S. (2010). The crisis of trust - implications for sustainable economic development and social and political stability. *Speech given at the European Commission Conference, Brussels, Belgium.*

The Academy of Business in Society (EABIS)

Thought Leadership Symposium, Stresa, Italy

Sachs, S., Rühli, E., & Kern, I. (2010). Strategic Management at Stake – Assumptions Matter. Paper presented at the *EABIS Thought Leadership Symposium: "The Future of Economics and Management in a Post-Crisis World"*, Stresa, Italy.

Conference Attendance

Politeia

6th Annual Forum, Milan, Italy

The Sixth Annual Forum on Business Ethics and Corporate Social Responsibility in a Global Economy, organized by the Research Centre Politeia was held on February 26. Sybille Sachs and Edwin Rühli both presented a paper. Sybille Sachs' presentation was subsequently published in the Italian economic press.

Sachs, S., Schmitt, R. & Perrin, I. (2010). Stakeholder Value Creation System, *Notizie di Politeia* XXVI(98): 31-49.

Rühli, E. (2010). Corporate Stakeholder Responsibility. *Paper presented at the 6th Annual Forum on Business Ethics and Corporate Social Responsibility in a Global Economy, Milan, Italy.*

Miscellaneous

Doctoral Colloquium in October at the HWZ, headed by Prof. S. Sachs, Dr. C. Weber and Prof. R. Schmitt (FHNW). The PhD students Claude Meier, Marc Moser, Thomas Schneider and Sabrina Stucki presented their current work and were given feedback on their research questions, strategies and methodologies.

Publications

Publications in 2010

Sachs, S., Groth, H. and Schmitt, R. (2010). The 'Stakeholder View' Approach: An Untapped Opportunity to Manage Corporate Performance and Wealth, *Strategic Change* 19(3-4): 147-162.

Perrin, I. (2010). *Medien als Chance und Risiko. Eine Untersuchung zum Verhältnis von Wirtschaftsunternehmen und Medienorganisationen*. Bern: Haupt.

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

Various working papers, short notices in newspapers and periodical publication of a column in the "Neue Aargauer Zeitung" by Prof. Dr. Sybille Sachs.

Forthcoming Publications

Sachs, S., Rühli, E. and Meier, C. (in press). Stakeholder Governance as a Response to Wicked Issues, *Journal of Business Ethics*.

Sachs, S., Rühli, E. and Kern, I. (forthcoming). Strategic Management at Stake - Assumptions Matter, *European Management Review*.

Stakeholders Matter – A new Paradigm for Strategy in Society

by Sybille Sachs and Edwin Rühli (to be published in 2011)

During 2010, Sybille Sachs, Edwin Rühli and their research 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) into a new stakeholder paradigm. This book proposes a paradigm shift from the invisible hand of the market to the visible hands of the firm and the stakeholders.

The book contains the following main contents:

Chapter 1: Challenges for a new paradigm in strategic management

Chapter 2: The economic paradigm and its basic assumptions

Chapter 3: Contribution of stakeholder theory to our understanding of a stakeholder paradigm

Chapter 4: The stakeholder paradigm

Chapter 5: Our understanding of the stakeholder paradigm operationalized in the three licenses

Chapter 6: License to operate

Chapter 7: License to innovate

Chapter 8: License to compete

Chapter 9: Challenges caused by a paradigm shift

Expertise

Prof. Sachs nominated “Representative at Large” of the Stakeholder Strategy Interest Group

Strategic Management Society (SMS): New interest group on stakeholder strategy

Sybille Sachs is one of the members of the Launch Committee and Representative at Large of the Stakeholder Strategy Interest Group. It is part of the Strategic Management Society and was founded in September in Rome (Italy). Its aim is to promote a multi-stakeholder perspective of firm strategy and to answer questions like: How do different firm strategies influence the firm’s stakeholder engagement? Or how do stakeholder engagement strategies influence the firm’s competitive strategies?

Further information can be found under the following link:

http://strategicmanagement.net/ig/stakeholder_strategy.php

Research

Dr. Christoph Weber-Berg attended and contributed to several conferences, for example the EABIS Conference in Stresa on "The Future of Economics and Management in a Post-Crisis World" and the 16th International Symposium on "Ethics, Business and Society" at IESE Business School in Barcelona. In September he presented his paper "Nachhaltigkeit am Finanzplatz Schweiz, Ethische Perspektiven auf die Zeit nach dem klassischen Bankgeheimnis" at the „Finethikon“ Conference on Finance and Ethics at Steinbeis University Berlin.

Five articles, written by Dr. Weber-Berg, were published in 2010:

- Weber-Berg, C. 2010. Wiedergewinnung von Vertrauen oder Rückkehr der Vertrauensillusion? Ein Plädoyer für gesundes Misstrauen gegenüber systematischen Tautologien. *ZfWU Zeitschrift für Wirtschafts- und Unternehmensethik*, 11(2): 126 - 138.
- Weber-Berg, C. 2010. Der Mensch ist ein Unterschiedswesen, Replik auf Dirk Baecker: „Gott rechnet anders“, in: Zentrum Religion Wirtschaft Politik (Hrsg.) Tagungsband zur Abschlusstagung der ersten Kollegperiode 2008-2009 (in Publikation).
- Weber-Berg, C. 2010. Weniger gebeutelt durch die Finanzkrise. *ZRWP, Bulletin des Zentrums für Religion, Wirtschaft und Politik*, 10(1): 3.
- Lichtsteiner, H. & Weber-Berg, C. 2010. Worte und Taten, Zur Pflege der Legitimität des Stiftungswesens. *Stiftung und Sponsoring*, 10(5): 34-35.
- Weber-Berg, C. 2010. Practical wisdom, an attempt for a Protestant re-formulation. *Journal of Management Development*, 29(7/8): 724 – 735.

Furthermore Dr. Weber-Berg conducted workshops with top management and board members of several Swiss Companies. He also gave speeches at conferences like the VfU / UNEP FI Conference in November at Wolfsberg Centre and the Oikos Conference at St. Gallen University. He held guest lectures in Switzerland and abroad, e.g. at the Catholic University of Eichstätt-Ingolstadt.

Center for Corporate Social Responsibility

In summer 2010, the center acquired a research project with the University of Applied Sciences of Northwestern Switzerland (FHNW) on the Campus Brugg/Windisch, that will last until spring 2011.

The number of employees at the Center for CSR grew to three (220 FTE) with the hiring of Sabrina Stucki as a research assistant in March 2010.

Teaching

In 2010, Dr. Weber-Berg taught CSR and Business ethics at several Universities of Applied Sciences, mainly at HWZ. Since autumn 2010 CSR and business ethics are integral parts throughout all bachelor courses at HWZ.

Services

The Center for Corporate Social Responsibility could successfully finalize its first project in collaboration with a Swiss bank in 2010.

By making the findings of our research projects available to a larger community of business practitioners, politicians and other stakeholders, we contribute to a positive development of society.

education

Teaching Activities

Final semester for the first class 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 quota of 50% to 80%.

This year, the students spent one week at the Darden School of Business (University of Virginia, USA) for a joint module in leadership. Under the guidance of Prof. Sybille Sachs and Prof. Ed Freeman, the students were given the opportunity to analyze current problems and issues that emerged in their firms based on a case study.

In autumn, the students of the first class started their final semester in which they have to write their master thesis.

Also in autumn, the second class started their MSc studies with introductory courses in strategic management and scientific work.

Teaching Activities

University of Applied Sciences (HWZ)

Master of Science in Business Administration Strategic Management II Spring semester 2010	Lecturer: S. Sachs, E. Rühli
Master of Science in Business Administration Wissenschaftliche Projektarbeit Spring semester 2010	Lecturer: S. Sachs
Master of Science in Business Administration Strategic Management III Autumn semester 2010/2011	Lecturer: S. Sachs
Master of Science in Business Administration Case Study: Deepwater Horizon: BP's Oil Disaster in the Gulf of Mexico Autumn semester 2010/2011	Written by T. Schneider
Master of Science in Business Administration Master Thesis Autumn semester 2010/2011	Lecturer: S. Sachs
Master of Science in Business Administration Strategic Management I Autumn semester 2010/2011	Lecturer: S. Sachs
Master of Science in Business Administration Wissenschaftliches Arbeiten Autumn semester 2010/2011	Lecturer: S. Sachs
Executive MBA General Management Introduction Autumn semester 2009/2010	Lecturer: S. Sachs

Teaching Activities

University of Zurich (UZH)

Seminar on Business & Society
"Qualifizierte Teilzeitarbeit für Männer"
Spring semester 2010

Lecturer: S. Sachs
(together with C. Meier, A.
Gäumann and I. Perrin)

Lecture on Business & Society
Autumn semester 2010/2011

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

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.

Current Dissertations 2010

Claude Meier: "The effectiveness of multi-stakeholder initiatives (MSI) in the light of Swiss corporations", University of Zurich.

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

Claude Meier started his doctorate in July 2009. In his investigation, he compares the effectiveness of different kinds of transnational multi-stakeholder initiatives (MSI) after their implementation in different Swiss companies. The author hypothesizes that the institutional designs of the initiatives, such as monitoring demands, specificity of rules, transparency to stakeholders, sanction mechanisms influence implementation and thus its effectiveness. It is planned to investigate the cases of AS8000, Business Social Compliance Initiative (BSCI) and Fair Wear Foundation (FWF). Claude Meier is enrolled at the Department for Political Science at the University of Zurich.

Marc Moser: "The Western Side of Microfinance: A Case Study on Stakeholders' Perceptions of Swiss-based Microfinance Investment Companies", University of Southern Queensland, Australia.

Committee: Dr. Bruce Millett, Prof. Dr. Sybille Sachs

Marc Moser started his doctorate in March 2010. Referring to the India Project of the Institute, his research project focuses on the western side of microfinance – the supply of socially responsible investments for refinancing microfinance institutions in developing and emerging countries. He applies the extremely timely 'mission drift' debate to the stakeholder network of Swiss-based microfinance investments companies in order to investigate the similarities and differences of stakeholders' perceptions. Marc Moser is enrolled at the Faculty of Business at the University of Southern Queensland (USQ), Australia. For his efforts in semester 1, 2010 he received the 'USQ Dean's Award for Outstanding Academic Achievements'.

Thomas Schneider: "The Impact of Stakeholder Identities on Corporate Value Creation: An Experimental Approach", University of Zurich.
Committee: n.n, Prof. Dr. Sybille Sachs

Thomas Schneider started his doctorate in January 2010. In his research, he explores the impact of multiple stakeholder identities on corporate value creation. This interdisciplinary focus integrates approaches in the field of social psychology and the instrumental stakeholder theory. Individuals can be part of different stakeholder groups (e.g. management and shareholders) and therefore hold different stakeholder identities. In a cooperative stakeholder interaction these multiple identities bear different benefit and risk potentials which form the basis for corporate value creation. To investigate his theoretical model of multiple stakeholder identities, Thomas Schneider uses an experimental research approach, which is common in social psychology but new in the field of stakeholder theory.

The following dissertation has been successfully completed in 2010 and has been published in the “HWZ Schriftenreihe”.



Perrin, I. (2010), Medien als Chance und Risiko. Eine Untersuchung zum Verhältnis von Wirtschaftsunternehmen und Medienorganisationen, HWZ Schriftenreihe für Betriebs- und Bildungsökonomie 10.

Companies often have an ambivalent relationship towards mass media. As long as the media publish favorable news, they are seen as a welcome contribution to wealth creation. As soon as they report critically on business activities, however, they take on the role as a risk provider and are assumed to threaten a company's license to operate. The dissertation investigates the role of media as stakeholders especially regarding corporate legitimacy and illustrates the theoretical discussion with a case study from the pharmaceutical industry.

The Forum Stakeholder View builds a bridge between theory and practice and fosters the exchange of knowledge to enhance a firm's sustainable success in cooperation with its stakeholders.

forum

Forum Activities 2010

Forum Stakeholder View

During 2010 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 was the redesign of its homepage: www.stakeholderview.ch. The revision was finished in early 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

Representative at Large for the launch of the Stakeholder Strategy Interest Group of the Strategic Management Society (SMS)

Member of the GOLDEN Programme (Global Organization Learning and Development Network)

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

Invited expert for the EU Framework Programme for Research (2011-2013)

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)

Member of the Editorial Board of the Journal "Business and Society"

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

Member of the Editorial Board of the Journal "Business and Professional Ethics"

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“, 2008-2011)

Member of the board of the Forum Stakeholder View

Academic/Practical Commitment & Memberships

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 Sozialpolitik

Academic Network of the Global Compact

Schweizerische Gesellschaft für Kommunikations- und Medienwissenschaft
(SGKM)

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Map

