

CHAPTER 7

CRITICAL PERSPECTIVES ON A CHANGING BUSINESS WORLD

7.1 INTRODUCTION

In Chapters 2 and 3 reference was made to the changing social landscape as well as the changing business landscape. Chapters 4 and 5 reported on the social responsibility of organisations and specifically the interdependence between the business sector and its stakeholders. Stakeholder engagement is globally regarded as the key driving force behind corporate social performance but also as a critical challenge that is already changing the face of business. Finally, Chapter 6 offered an overview on an organisation's accountability towards society and all its stakeholders, as well as the environment. Accounting standards and reporting guidelines are key variables influencing business practice and adding to the levels of complexity unknown to most organisations. There is a certain degree of uncertainty about the practice of social accounting and reporting for which no clear answers currently exist. Organisations therefore find themselves in a very steep learning curve that places strong emphasis on leadership, pro-active solutions and robust management systems and procedures that will enable an organisation to deal with this new and unusual business landscape. The Enron and Worldcom scandals undoubtedly fuelled the rapid transformation of business and more specifically governance issues.

In the light of the above issues along with the Western world's grappling with the events of 11 September and its aftermath, crucial questions have come to the fore (Isles 2002).

- Is the current global economic orthodoxy working?
- Can business deliver both economic and social benefit?
- Can we distribute wealth and opportunity more fairly and more widely?
- Can we carry on as we are?

Bringing together the thoughts, ideas and insights of top level European thinkers, business leaders, analysts and activists, Enterprising Europe was published in 2002. In this book a number of these thinkers and business leaders' opinions were obtained, in which key issues and dilemmas as well as possible responses were considered. The first part of Chapter 7 will therefore focus on a few of these contributors' opinions on the changing business world. The second part of Chapter 7 will offer some personal views of the researcher on the changing business world. These viewpoints in no way represent scientific confirmation, but rather possible scenarios on some issues that might characterise future business.

7.2 APPLYING THEORY TO PRACTICE: A SYNOPSIS

The relevance of Chapter 7 as part of this study demands a synopsis of the literature review in Chapters 2 tot 6 (see Figure 6.4). An overview will therefore be presented on the key elements of corporate social performance from a theoretical perspective according to an interpretation by the author. This section will not only introduce the phenomenon of a changing business world, but will also start explaining the constructs of corporate citizenship more explicitly.

The social construction of business (as described in Chapter 2) specifically in SA, with the advent of regulatory practices such as the King 2 Report on Corporate Governance and Black Economic Empowerment confirms a strong tendency towards the role of the business sector in social transformation. Although still viewed as voluntary practices, some evidence, for example the SA Mining Charter, already suggests more direct control over social transformation by the SA Government. During the WSSD (Johannesburg 2001), social activists took a strong stand on the role of the business sector in social transformation. Social values are being enshrined in the DNA of business practice through initiatives such as The Global Compact and the Global Reporting Initiative. Elements such as human rights no longer remain the token of activists, but also business people. **In developing economies such as SA, the need for embedding social values in business strategy becomes an imperative and a key element of good corporate citizenship.** The GRI could certainly be regarded as a key driver and supporter of CSR in developing economies hence CSR being debated as part of the national growth and development agenda of SA.

With the advent of the revolution of technologies, markets, demographics and values (as described in Chapter 3) the theory clearly suggests a need for large-scale change in the way business is conducted on a local and global front. The term revolution clearly suggests a timeframe probably unknown to most businesses. Businesses will not only have to react more quickly to a complex landscape, but also be proactive in predicting the impact of social challenges on bottom line. **An organisation's ability to deal with a complex business environment can therefore be regarded as a key element of good corporate citizenship.** Integrating these complexities in the true value proposition of an organisation will remain a serious challenge. This will demand leadership beyond tradition whereby the sphere of influence of business leaders are extended across sectors. Furthermore leadership will take on a new meaning in an era of stakeholder activism. Community leaders, faith-based leaders and ordinary consumer leaders to name but a few, will have a direct impact on the way business is conducted. Recognising the value of these leaders and the willingness of business leaders to learn from these "non-formal" leaders will certainly enhance the social performance of corporations. The above arguments clearly suggest a new way of mapping and managing organisational risk. The

International Finance Corporation and the World Bank in 2002 clearly stated the business case for sustainable development hence corporate social performance. Managing risks therefore stretches further than conventional risk assessment but rather includes elements of social value, trust, reputation, integrity and organisational culture. **Corporate citizenship therefore is about proactive leadership, capitalising on the depth of all stakeholders' expertise and partnering with them in executing business practice. Corporate citizenship is also about acknowledging risk areas, traditionally foreign to most business leaders. The theory clearly suggests transparency, a culture of accountability and integrity.**

The literature review in Chapter 4 suggests a new definition of CSR. It was clear that the transition of corporate social performance starting at a very basic understanding of CSR (in the late seventies) to what became CSI (in the mid-eighties) and what is widely supported more recently as corporate citizenship suggest a definite integration of CSR in business practice. **For the business sector to merely "outsource their conscience" is becoming the epitome of unaccepted corporate behaviour.** The active role that stakeholders are playing, as referred to by Zadek (2001) as civil regulation, suggests a more "business like" definition of CSR. The value that stakeholders place on organisations furthermore explicitly demands a more justifiable definition of CSR. **The theory suggests a model of corporate citizenship that clearly relates to integrity, morality, responsibility, social justice and community participation and finally partnership. Companies that succeed in living these values, measuring them and reporting on them will achieve high levels of corporate social performance.**

The role of stakeholder engagement and partnerships was clearly stated as key elements of good corporate citizenship in Chapters 2 to 4. The mere fact that an organisation does not operate in isolation confirms the importance of stakeholder interdependency. The ability of organisations to engage with all stakeholders let alone form meaningful partnerships, remain two of the most critical challenges of modern organisations. The diverse nature of stakeholders in SA along with social and political heritage makes this one of the most difficult and often neglected practices by SA businesses. The SA business sector is constantly busy dealing with historic legacies and has only recently realised the true benefit of stakeholder engagement and partnerships.

The Mining Charter (2002) and the overwhelming impact of HIV/AIDS on the SA business sector are forcing companies to redefine their stakeholder landscape. The true benefits of cross-sector partnerships have given new meaning to the role SA businesses are playing in social transformation. Measuring successful partnerships in SA however, suggests a different approach. **It is therefore suggested that successful partnership in SA is defined not by the actual partnership but rather by the process, systems and procedures being introduced to**

foster and encourage stakeholder engagement and partnerships. The extent of social and economic disparities and divisions in SA first need to be acknowledged and reconciled hereafter a constructive path of collaboration can be formed. Corporate citizenship is about creating tools and methodologies in achieving this which suggests a different approach if compared with the practice of stakeholder engagement and partnerships in First-World countries. What seems to be lacking in most European models of partnership is the emotional imperative that is evident in the SA scenario. It is therefore suggested that the actual interface relating to a specific issue (e.g. HIV/AIDS) between all stakeholders in SA is identified. Only then can the practice of partnerships in its full consequences be operationalised, measured and reported. This will also allow for acknowledgement of emotional imperatives related to the issue that might exist between stakeholders.

Chapter 6 presented an overview of social performance criteria. These criteria are generally European in origin which, bearing in mind comments in previous paragraphs concerning partnerships, almost demand contextualisation in SA. What is evident throughout Chapter 6 however is the principle associated with “triple bottom-line” reporting. The GRI guidelines, AccountAbility 1000 and SA 8000, clearly indicate the importance of social environmental and economic indicators in corporate social performance. When considering the SA business landscape, it is clear that its uniqueness demands additional indicators - hence the main objective of this study to develop such indicators. Elements such as HIV/AIDS, Black Economic Empowerment and a surge of Business Charters (e.g. Mining Charter) are continually shaping the corporate citizenship agenda. **Although the international criteria and indicators will remain the backbone of social performance indexes, SA businesses have realised that in order to be good corporate citizens, a comprehensive understanding of the socio-political and economic agenda and its impact on the business sector is needed.** It will be these companies that will succeed in sustaining themselves beyond the new democratic SA. The changing nature of the socio-political landscape however complicates social measuring. **SA companies therefore not only have to be pro-active in identifying new areas of social performance but also have to react in a decisive manner in order to address these demands.** This requires close alignment with the national agenda and confirms the need for cross-sector engagement and partnerships.

Good corporate citizenship and therefore social performance need to be defined on a regular basis. The dynamic SA business landscape demands continuous refinement of what successful social performance means. Social transformation in SA is leading to a strong social character of business. The moral paradigm in which all companies operate demands inclusive, transparent and collaborative values. The SA scenario demands a definite translation of corporate citizenship theory into practice. Although the literature suggests integration of social and

business imperatives, it could be argued that the practical realities in SA present a greenfield opportunity. The literature suggests cross-sector partnerships where in SA, it becomes a non-negotiable business imperative for survival. The literature suggests that non-financial risk factors need to be integrated with enterprise wide risk strategies. In SA again it is imperative to measure and manage social risk since for example HIV/AIDS is threatening the existence of most businesses in SA.

Finally it was evident in the literature that in measuring social performance, an outcome-based approach is suggested. Outcomes such as sustainable capitalism, sharing responsibility without losing profitability and demonstrating a sustainable supply chain seem to be not so appropriate in the SA context. What becomes clear in SA is the ability of organisations not only to report on outcomes, but also on management systems and procedures being institutionalised throughout the organisation, in the striving towards citizenship. The current socio-political and socio-economic landscape in SA almost make it impossible to report on outcomes. The outcomes become almost obsolete when placed in the larger framework of social transformation.

Lastly it becomes imperative to reconsider the origin of successful social performance and its definition. The author is of the opinion that good or bad performance should be judged by society which constitutes the ultimate beneficiary of corporate social performance. The challenge therefore remains the extent to which ordinary citizens are given the opportunity to judge good corporate citizenship. In a country such as SA this is imperative. If not, corporate citizenship can be viewed as just another intelligent move from the corporate sector in manipulating the open market for own benefit and single gain. The driving theme that therefore has emerged is mutual gain whereby equal importance is given to the value to society and the corporate sector.

7.3 EUROPEAN PERSPECTIVES ON GLOBAL BUSINESS

According to Prodi (2002) enterprise is a fundamental part of the fabric of societies and he believes it is important to recognise that governments are no longer the sole actors. Since the mid-1990s, global institutions have agreed to rule-based approaches to moderating global trade flows and managing economic needs. These changes and developments have created a dominant model of "how to do business". A European model for enterprise has therefore been developed. This model offers a new agenda and culture of enterprise, which encourages its creativity, innovative, ethical, socially engaged, environmentally and culturally enriching dimensions. Through this new model, accepted by the European Union, an attempt will be made to create a market approach that is geared to sustainability. Prodi (2002) defines this approach as ensuring a better quality of life that combines ecological, social and economic concerns and offers business opportunities to companies that can improve the lives of the world's people.

The following perspectives as reported in European perspectives on global business represent a few practical strategies and responses by a few leading experts to make this new approach to business a reality for all (Prodi 2002).

7.3.1 Is there a new power-sharing in international affairs?

Maria Cattai Livanos

Maria Cattai Livanos has been Secretary General of the International Chamber of Commerce since 1996. As Chief Executive of the World Business Organization she is responsible for overseeing global policy formulation and representing the interests of world business to governments and international organisations. She was previously Managing Director of the World Economic Forum (WEF).

Livanos's viewpoints:

- Globalisation encourages cross-border co-operation among governments - particularly through multinational institutions and agreements.
- Real power in the political, judicial, fiscal and military sense remains firmly in the hands of the state.
- Power can only be shared where it is legitimately given within a set of agreed rules.
- There is a need for sets of good practices and agreed principles for those who would like to influence public opinion and governance structures.
- Changing or making rules is based on consensus and comes from within societies. Ultimately it relies on leadership and political willingness to be innovative, to inform and to mobilise opinion.

7.3.2 Change, society and enterprise

Tom Bentley

Tom Bentley is Director of Demos, Britain's leading independent think-tank. A Demos researcher since 1995, in 1998 and 1999 he worked as a special adviser to David Blunkett, M.P, British Secretary of State for Education and Employment. He returned to Demos to take up the Director's post in 1999. He has been described as one of Britain's leading policy entrepreneurs by the Australian Financial Review, and as one of four men who think for Britain by means of the Financial Times. His work has been published in 14 countries.

Bentley's viewpoints:

Bentley (2002) argues that successful business may not lie in looking for the ideal balance between market and state, regulation and commercial freedom, but by seeking to understand the characteristics of complex systems that can adopt purposefully over time to drastic changes in

their operating environment, and then building governance structures that reflect these principles. Institutional change leads to institutional failures and disruption. This requires the active consent of citizens at work or at large in their communities. The struggle therefore to synthesise entrepreneurship into a systematic process of institutional change is also part of the effort to re-invent democracy itself. The process however depends on knowledge sharing networks whereby good practice, i.e. social performance cross-sector partnerships etc. will be disseminated and shared with stakeholders and competitors. This in itself redefines elements of competitive advantage in favour of knowledge sharing and learning.

7.3.3 Transmodern dialogues of society

Marc Luyckx

From 1990 until 1999 he worked directly for Presidents of the European Commission, Jacques Delors and Jacques Santer, as a member of the Forward Studies Unit in the European Commission. He has been one of the organisers of the EU programme called "The Soul of Europe" and organized many meetings between President Delors and religious leaders, philosophers, etc. He is now active in futurology research and is Director of Vision 2020, a think-tank on the New Paradigm in Brussels.

Luyckx's viewpoints:

The transmodern business paradigm for dialogue is characterised by:

- Democracy – equal footing.
- Post-patriarchal – discrimination does not exist any more.
- Tolerance – all cultures and citizens in the world are included.
- Transformation - the aim is to better personal and collective life for humanity and for the environment.
- High level of ethical behaviour.
- A knowledge society that demands transformation and change in business practices.

7.3.4 Evolution management

Marc van der Erve

Marc is a consultant, independent futurologist and author specialising in organisational development, leadership profiles and behavioural traits of interconnected environments. He is also the founder of Evolution Management, a consulting firm with international executive search and transitional leadership services founded on stages of corporate adaptation and development. He holds degrees from INSEAD, Tilburg University and RIT in the Netherlands.

Van de Erve's viewpoints:

Van der Erve (2002) is renowned for his theory on evolution management. In this theory he referred to a so-called "third dimension", a dimension representing the tension field between the need for autonomy and the need for interdependency. This need is quite relevant in the stakeholder theory whereby an organisation needs to balance its autonomy as a profitable institution while also realizing its interdependence with stakeholders. Van der Erve (2002) reported on the first two dimensions. Time as the "force of history, being the first dimension, and the tension between individual, organisational and societal needs, the so-called I and we dimension." His complexity theory confirms that the future business landscape will be complex in a sense of balancing autonomy with interdependency.

Van der Erve (2002) therefore focuses strongly on what he calls a "networked society" which demonstrates interdependency, thus shaping a new business order. The following 10 fundamental laws determine the behavioural forces in a "networked society" (Van der Erve 2002):

- Variety, not victory is the true source of competition.
- Recombinations are the platform of progress.
- Transparency is at the heart of wealth distribution.
- Resonance is the ultimate signal of opportunity.
- Wave economics are at the core of commitment and reward.
- Evolution is the path to supreme functionality.
- Discovery is the origin of learning.
- Multiple, albeit virtual, roles are the gateway to freedom.
- Deepgreen (taking distance) yields cultural and social fertility.
- Choice is at the centre of stability and togetherness.

To sum up, according to Van der Erve : "The future world of business will be paradoxical on the one hand, our awareness of our options will be increasing dramatically while, on the other hand, we will find ourselves and our companies being part of a natural non-linear drift which is more difficult to control."

7.3.5 Humanism and enterprise

Bo Ekman

Bo Ekman is Chairman of Nextwork and adviser to global corporations, international organizations and non-governmental organization (NGOs). Nextwork is a Stockholm-based consultancy on business environment strategy and the design of change processes.

Ekman's viewpoints:

The International Humanistic and Ethical Union offered the following definition of humanism (1996):

Humanism is a democratic and ethical life stand, which affirms that human beings have the right and responsibility to give meaning and shape to their own lives. It stands for the building of a more humane society through ethics based on human and other natural values in a spirit of reason and free inquiry through human capabilities.

Ekman poses a strong argument in favour of future business practice towards a more humane approach. He also points out that leadership is the key driver towards a more humanistic culture. Leadership in general encourages results rather than purpose, power rather than principles, style rather than context, growth rather than development and indeed management rather than leadership. Future business needs to reflect humanistic leadership values which are based on an understanding of the governing principles of the interacting systems of production, nature, society, ecology and the market.

Another issue that has come under serious attack in recent years is globalisation. Ekman argues that in the wake of the growing problems of the environment, of the poor, of inequalities and health, literally hundreds of thousands of NGOs have started to formulate new political platforms. Therefore, according to Ekman, the world is moving into a “post-new economy” where business and governments are being forced to reconcile the pursuit of business results with strong principles. Globalisation is in its “screaming puberty” stage where protesters and demonstrators are entering the business landscape, and changing the fundamental business principles. These groups are simply asking business to become more democratic to be more true to their principles (humanistic) and deepening human rights and democracy as core values in their business philosophy.

7.3.6 The new economy – opportunity or threat?

Diane Coyle

Diane Coyle runs the independent consultancy Enlightenment Economics, and is a reporting panel member of the Competition Commission. She is the author of several critically acclaimed books on the “new economy”, the latest of which is Paradoxes of Prosperity which was published in 2001. She was the Economics Editor of The Independent (UK) from 1996 until 2001 when she left to establish her own consultancy and to devote more time to her writing. She holds degrees from Oxford and Harvard.

Coyle's viewpoints:

According to Coyle (2002), the most significant new economy trends that will influence future business are:

- The shift from manufacturing to services, meaning value added is based on interactions between people, not between man, material and machine.
- Changes in working patterns that vary according to country, depending on institutional arrangements and cultural preferences, but include part-time working, short-term contracts, early retirement, etc.
- Shorter median company lives, and a shift in typical company size towards the very small to the very large.
- Large-scale corporate restructuring since the early 1990s, including a huge merger wave, delayering of corporate hierarchies and massive cross-border investments.

The above trends clearly reflect the plummeting cost of processing and transferring of skills that complement the processing of information rather than of physical materials. Coyle sees this as an opportunity for future businesses. The need however is for governments and business to develop progressive policies that embrace fundamental economic change shaping a better future society. Developing these new opportunities should also include the continuing change of the international structure of production, the crumbling of hierarchical methods of organisation, the development of network organisation and increased social and economic mobility.

A final positive impact of the new economy is empowering individuals to take control of their own lives. Individuals will need to be equipped and empowered with education that will give them access to all kinds of opportunities. It will also equip them to cope with dramatic economic change and better education. The future business landscape therefore will be characterised by organisations that will value and embrace the creation of a knowledge society. Equipping not only staff, but also stakeholders with knowledge and skills will become a driving principle in future corporate strategy.

7.3.7 Building a knowledge society

Peter Johnston

Peter Johnston is a senior official in the Information Society Directorate General of the European Commission. He is responsible, together with others, for developing Europe's networking and information infrastructure to enable the EU to become the world's leading developer of the potential of the "new" economy.

Johnston's viewpoints:

Johnston (2002) strongly argues that a networking society is at the heart of an integrated policy for growth, employment, social cohesion and sustainable development. The business of the future will have to tap into this by creating a "networked knowledge economy" whereby resources are used in a more sustainable manner. By resources it refers to knowledge, skills, infrastructure and capital. Although governments in general can set the general objectives and framework for moving into a knowledge society, the burden of realising change must rest on businesses and individuals.

The European Commission (EC) for example has launched a wide consultation on Corporate Social Responsibility (CSR) and supports efforts by the world-leading IT and telecommunications companies to define practical "triple bottom line" reporting guidelines for the knowledge economy. Their specific recommendations regarding the development of a sustainable knowledge society have recently been tabled by the EC:

- Re-emphasising and sustaining the rapid deployment of high-speed network access in every community in Europe.
- Systematically seeking higher added value and greater efficiency in all resources used, by business and governments.
- To sustain investments in human capital through lifelong learning for all, in social capital through peer-to-peer network developments, and in our cultural capital through promotion of diversity and creativity.

The impact of the above three recommendations on future business is fundamental. It again confirms the responsibility of business beyond its own employees to include also its stakeholders and society in general.

7.3.8 Activating shareholders

Robert A S Monks

Robert Monks is the founder of Institutional Shareholder Services, the world's leading corporate governance consultancy, and the world's leading shareholder activist. In 1992 he founded the investment fund LENS which has developed the institutional activist method of investment. In 1998 he founded a similar organization, Hermes LENS Asset Management Company in the UK. He is a graduate of Harvard, Cambridge and Harvard Law School.

Monks's viewpoints

Institutional money management (e.g. pension funds) is one of the biggest industries in the world. The amount of money is simply staggering in terms of its impact on whole communities. In this

case, Monks (2002) argues that the pensioner is the appropriate beneficiary and shareholder in the long term. The fund managers run these funds for people who are not inanimate objects, but instead human beings, who want to retire into a civil society. They want companies to follow policies that will make it a clean world and civil society. Monks (2002) therefore makes it very clear about who the shareholder of a corporation is. There already is strong evidence of perseverance by ordinary pensioners to articulate a detailed ownership agenda. This is leading to strong shareholder activism around investment options.

The following principles in terms of investment options are relevant:

- Disclose publicly how their functioning impacts on society.
- Obey the law.
- Exercise restraint in influencing and financing government.

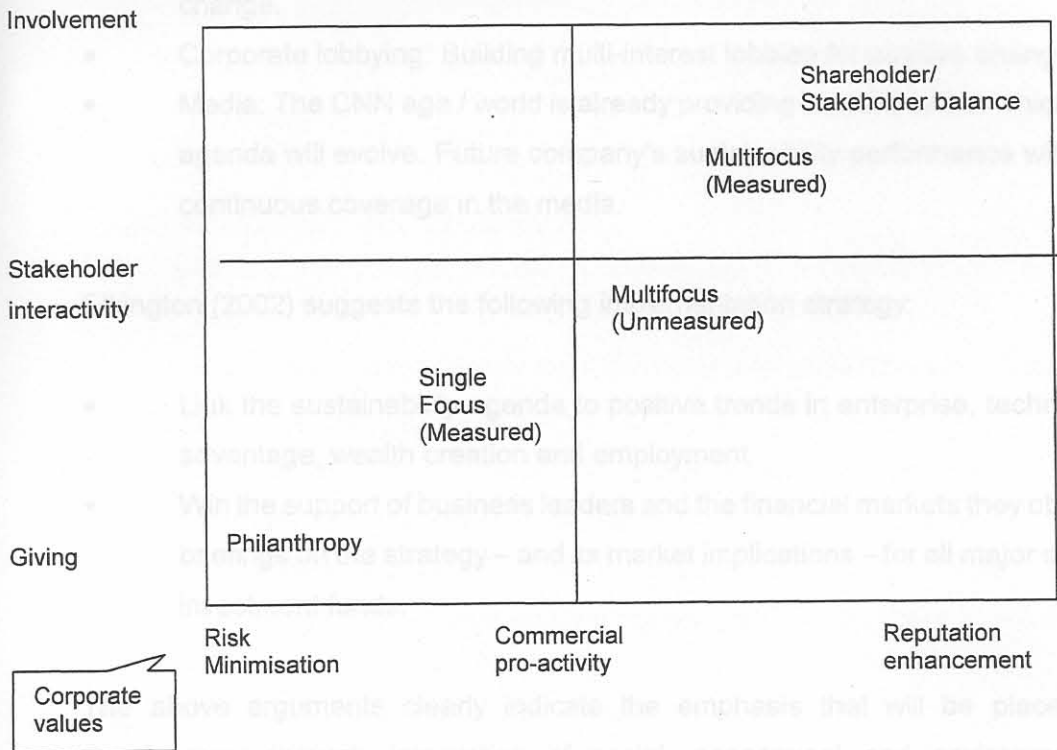
If these policies are faithfully observed, the public can have confidence that it lives in a country with laws that legitimately express the will of the people, and it can be content simply to require corporations to behave lawfully. It could therefore be accepted that shareholder activism ranges from the ordinary citizen (pensioner) to institutional investors. Dealing with the expectations and perceptions of this diverse group certainly complicates the business landscape. Furthermore, the speed with which information on an organisation, either good or bad news, is disseminated and distributed ("CNN age") confirms the changing nature of business. Ultimately, perceptions of an organisation are key determinants of trust and loyalty towards it. Reputation is built on trust, loyalty and integrity and is becoming a global risk factor which will require active management in future.

Figure 7.1 offers a framework on the process of building an enhancing reputation (Hoskins 2002).

Elkington (2002) argues that sustainable development is on the business and political agendas but remains diffuse to many people. Many companies still operate their economic, social and environmental activities in departmental silos. Integration is needed to ensure sustainable development and will be a key differentiator between successful and unsuccessful companies in the future. Elkington (2002) suggests the following plan of action to integrate these three areas, also known as the triple bottom line:

- Developing a business case for sustainable development.
- Market and corporate transformation is needed.
- Emerging markets: With the bulk of global population growth likely to occur in the developing world, business in future will have to view these markets through a different set of lenses.

Figure 7.1. The “Moving Escalator” (Source: Hoskins 2002)



7.3.9 The sustainability agenda

John Elkington

Sustainability (founded in 1987) sees itself as a hybrid – part management consultancy, part think-tank and part lobbying organization. John Elkington launched the idea of “triple bottom line” accounting in 1995. Its success is based on knowing how businesses think and act. So thinking as well as doing is influenced. The organisation is determined to stay small and employs 20 people of 10 nationalities.

Elkington’s viewpoints:

Elkington (2002) argues that sustainable development is on the business and political agenda but remains diffuse to many people. Many companies still operate their economic, social and environmental activities in departmental silos. Integration is needed to ensure sustainable development and will be a key differentiator between successful and unsuccessful companies in the future. Elkington (2002) suggests the following plan of action to integrate these three areas, also known as the triple bottom line:

- Developing a business case for sustainable development.
- Market and corporate transformation is needed.
- Emergin markets: With the bulk of global population growth likely to occur in the developing world, business in future will have to view these markets through a different set of lenses.

- Engaging stakeholders: Transparency, reporting and benchmarking are key drivers of change.
- Corporate lobbying: Building multi-interest lobbies for positive change.
- Media: The CNN age / world is already providing a matrix within which the sustainability agenda will evolve. Future company's sustainability performance will therefore receive continuous coverage in the media.

Elkington (2002) suggests the following implementation strategy:

- Link the sustainability agenda to positive trends in enterprise, technology, competitive advantage, wealth creation and employment.
- Win the support of business leaders and the financial markets they obey. One possibility: briefings on the strategy – and its market implications – for all major socially responsible investment funds.

The above arguments clearly indicate the emphasis that will be placed on sustainable development through integration of social, economical and environmental imperatives. Sustainable development will undoubtedly be on the agenda far more explicitly in board meetings than ever before.

7.3.10 The European Enterprise Summit

The Progressio Foundation, The Industrial Society and the State of the World Forum held the European Summit on 4 – 5 November 2002 in London. Over 80 leading thinkers, activists, business leaders and policy advisers discussed, debated and developed an agenda for developing a future enterprise strategy for Europe. The consensus of the summit was that although a major challenge, Europe did indeed have much to offer the world in terms of lessons in institutional building and developing a progressive form/s of market capitalism. It also recognised the ongoing quest to reform capitalism in order to ensure that it is truly innovative, accountable and embedded in notions of excellence, social justice and inclusiveness.

The following main conclusions and action points of the final session of the summit were tabled. These points have a definite impact on the future business world not only in Europe, but also globally.

“What are the major constraints for change?”

- The fact that breakthrough tends to require a context of crisis.
- Western self-interest and complacency about wealth / resource disparity.
- Lack of unanimity and focused countervailing opinions among NGOs.

- Overconcentration on old paradigms and failure to focus on critical new systems and levers of change.
- Failure to listen to and include the disadvantaged in international dialogue and micro-initiatives.

What is the action plan for business?

- Needs to be partly a process of political and business leaders engaged in political debate in Europe.
- The need for engagement with the reality of organisational life – incentives to change is, at best, mixed.
- New models need to be created in practice as well as in theory – creating networks of innovators across businesses, not just at the top of businesses.
- Measuring progress differently is fundamental and has to be developed further.
- Creativity in society rests on a broader definition and value of entrepreneurship.

What is the action plan for civil society?

- Purist definition: voluntary, citizen-based, not-for-profit organisations working for the common good.
- The current system of values and organisations leads to an unsustainable future.
- Whenever we trust the new values inside ourselves we re-enchanted ourselves.
- This is the energy of the future civil society, e.g. the Global Public Access Television Network: Jubilee 2000.
- Action plan: to make the media socially responsible by, for example, introducing a tax on advertising which is used to promote consumer literacy. The media needs to be opened up to new values and new actors in order to shift from the unsustainable paradigm.
- Mainstreaming serendipity and grass-roots creativity, building a high impact civil society.

What is the action plan for government?

- Take steps to harmonize and share CSR practices across Europe, taking account of regional and cultural diversity. Government has a role in facilitating productive debate within the business community on the principles of CSR.
- Recognize that government affects business at different levels, by different means, e.g. from legislation to exhorting good CSR practices, Government should look at new ways to incentivise CSR, e.g. via procurement, recognition programmes, supporting research to justify the business case for CSR – to convert the unconverted.
- Ensure clear ministerial responsibility for CSR; raise the profile of the minister.
- Responsibilities to include legislation relating to CSR, and perhaps even a budget for internal CSR practices and to ensure that internal CSR practices are of an acceptable

standard. Government to act as “role models” to other countries and multinational organizations.

- To create the environment in which companies are able to be transparent and communicate widely with government, NGOs and others, for example improving the information available to the public by reports, better labelling etc. Ensure that companies and public sector bodies are “allowed to fail” as part of the learning process.
- Improve understanding of CSR, ethical consumption etc. via education programmes for individuals of all ages.
- Government has a role in creating an environment of social cohesion / inclusion that can be understood and actioned in partnership with business.

Integrated action plan – business, civil society and government?

- Focus on a few key factors that emerged from this summit and bench-mark and target work, e.g. business schools.
- To get socially responsible entrepreneurship on the education agenda both at secondary school and business school level.
- Create multiple platforms for dialogue across groups that are not normally in contact. Be able to think the unthinkable and the unfashionable.
- Encourage more platforms to create understanding, e.g. internet, face to face, tri-sectoral. Think about the power in creating practical ways forward.
- Fulfil own responsibilities.
- Harness the institutional investment communities, e.g. target pension fund trustees.

What are possible new organizational forms?

- Encourage new organizational forms through the promotion of ethical reporting / management systems
- Examine and reform the institutional framework for social entrepreneurs
- Appraise and reform the structure of trusts, charities and foundations to empower them under different national systems to invest and support socially responsible enterprises.
- Pension fund trustees to declare ethical and social objectives, as suggested in CSR Green Paper.
- The European Commission to encourage information dissemination / best practice amongst social entrepreneurs across member states via national action plans and an “ideas bank”.
- Promote partnerships between sectors – establishing innovative bidding mechanisms to encourage better partnerships between public, private and voluntary sectors.

What are the successful processes that have been used to achieve change?

- Involved but intelligent government intervention making full use of stakeholder's abilities in order to create a consensus environment, e.g. the Dutch and Scandinavian cultures.
- Create transparency both internally and externally with all stakeholders. Create rules for transparency and for audit, specifying criteria, measuring in time, e.g. La Farge involving the WWF, and the World Bank; also the Shell sustainability report.
- Body Shop example for communicating concepts and not just products, creating trust in them. Max Havelaar identified key consumers prepared to pay more for socially responsible business, which has led to business innovation.
- Involve the arts and innovation in marketing, making use of their inherent creativity to express feelings and create change.
- Promote role models / best practice / innovation / heroes / visions of the future, using the press. Acknowledge progress, creativity and innovation through awards. Put on record what the best practices are.
- All stakeholders in society, including businesses, should have a permanent open dialogue between consciousness and human development and the use of capital and traditional business practices.

What are the best practices / best European models?

- More democratic global institutions are needed to create incentives for companies to change.
- More accessible information and greater transparency are needed so that consumers can monitor corporate behaviour.
- There are many examples of best practice – not just one European model to be copied elsewhere – these need to be underpinned by values such as transparency, compliance, positive screening.
- Challenges to find ways to build relationships between the different sectors and find better ways for stakeholder dialogues.
- We must communicate the agenda better and translate the jargon.

Initial future actions:

There were several levels of activity identified at the summit. Initial follow-up ideas were as follows:

- Arrange bilateral meetings with the European Commission and the International Labour Organisation.

- Develop the agenda discussed at the summit through separate smaller meetings and working groups in different European centres. These meetings could also act as a means of enlarging the network prior to the next major summit in 2003.
- Develop the ideas around a research agenda whose common theme is defining and better measurement of the European enterprise model.
- Plan for a larger Davos-style summit in 2003 that will require major financial and logistical support from members of the network and others.

In summary, the above top level European thinkers, business leaders, analysts and activists agree on the following agenda points for a progressive future business environment (Isles 2002):

- The future of globalisation should be dependent on it being bounded by law and justice and offering opportunities that will benefit the many and not just the few.
- Core business values should reflect ethical behaviour, environmental and human standards, ethical investment, sustainable public procurement programmes, a transparent transaction regime, new forms of public interest companies, etc.
- Building blocks for common European enterprise strategy include education, building new cultures and ensuring common values.
- Adopting “hard” CSR measures and ensuring that shareholders can no longer be preferred over other stakeholders.
- Building organisational capacity from new sources of knowledge for example through stakeholder engagement.
- Corporate restructuring should follow clear principles that seek to minimise disruption, harm to local communities, damage to future employment prospects, etc.
- Commitment to diversity, trust relationships, creating a balance between stakeholder interests and high levels of information exchange.
- Recognising the “new fundamentals” of business as to the need to move beyond the concept of sustainability towards forms of global environmental legislation and bio-economics, which redefines the concept of profit and recognises the role of “human obligations” alongside the well established idea of human rights.
- Integrative approach that encourages innovations and strategies at European, national, regional, community and individual levels.
- Reform of current financial systems, e.g. taxation on consumption and environmental use, are critical elements in building a more inclusive form of market capitalism.

- Finally, European enterprise believes in a strong public infrastructure. Public services exist to serve the public good. The public sector needs to be allowed the discretion to be more creative and entrepreneurial in order to achieve improved social outcomes, without losing accountability or transparency.

The next section of Chapter 7 will offer some viewpoints according to the researcher on the changing business world. Although these viewpoints are merely personal opinions, they will be critically reviewed by a leading expert and author in the field of Corporate Citizenship in South Africa, Sean de Cleene: Director of the African Institute of Corporate Citizenship as well as two European authors and experts, Dr Simon Zadek, CEO of Accountability and Mr David Grayson, Director of Business in the Community (UK). The three leading experts' viewpoints are integrated into the following twenty-two trends as suggested by the researcher.

7.4 FUTURE TRENDS IN BUSINESS

In Chapters 2 to 6 some arguments and viewpoints on the changing nature of business were presented. It could therefore be argued that it is no longer "business as usual" but rather "business as unusual" that will be the driving principle of the future business landscape. The following viewpoints, according to the researcher, will offer some characteristics of the future business landscape, as seen from a South African perspective as well as some general perspectives. These trends might map the route that SA businesses and international businesses will probably follow in the future. A constant factor however is change. The pace at which future businesses will have to change or adapt to a changing environment will increase.

Before presenting the list of trends it is important to contextualise change. According to Bartunek, (1984, 1987), and Moch (1987) change is fundamentally precipitated by certain orders of change. Most change is first order, and works within one system (political, social or economic) or the set rules of the game that define the system's boundaries. First order change is a simple incremental and linear adjustment that occurs when, for example, a business replaces one supplier with another. However, redefining the rules of the game is something called second order change that involves change between two systems. This describes change in the basic positions of the parties, where the range of possible outcomes changes. For example, rather than simply evaluating a supplier according to traditional factors such as price, quality and delivery time as key decision factors, environmental and social impact factors may also become part of an evaluation process. The FTSE 4 GOOD and JSE / SRI Indexes are good examples of criteria for evaluating businesses' compliance with this changing environment. A relatively rare form of change involves an even more profound shift that may be associated with paradigm shifts (Kuhn,

1962). This means changing the way we even think about our systems and involves not just change between systems, but change in system definitions, called third order change.

the results of the SA social development landscape.

It is therefore argued that this third order change describes the future business landscape. Wadell (2002) argues that the traditional dominant economic perspectives on business and society collaboration are being successfully challenged by new business and society frameworks that come from a third order change paradigm and systems perspective. The following SA trends as well as some general trends will characterise the future business landscape.

consequences. The same argument therefore becomes appropriate for SA businesses to

SOUTH AFRICAN TRENDS: the CSR realities of the countries it will be conducting business in

7.4.1 Corporate governance SA businesses to acknowledge their influence on the economy

With the advent of the King 2 report on corporate governance and global awareness on governance issues, it is safe to argue that this will change the face of business in future. There are already strong indications of the Companies Act in SA that will be under review in 2004 whereby elements of the King2 Report on Corporate Governance might be incorporated. Elements of "triple bottom line" reporting and what seems to be referred to as sustainability reporting, will emphasise the responsibility put on SA businesses to govern their actions beyond the realm of financial sustainability. South Africa is according to international acclaim already taking the lead from a governance point of view, which confirms the impact on SA businesses having to comply with what is seen as leading steps towards creating legitimate business practice.

the African Institute of Corporate Governance as well as the indicators proposed by

7.4.2 South Africa as an emerging economy/market the JSEIR (JSE 26) Index. From a reporting point of view, SA organisations therefore will have to

South Africa is regarded as a developing economy. What makes the country different from any other developing country however are its capital base, strong business voice and economic presence on the African continent. It is in this regard that reference is increasingly made to SA as a so-called emerging market rather than a developing economy. The rate at which the SA market is growing from an international investment perspective as well as local economic growth and development, leads to a situation whereby a possible new definition of corporate social responsibility is required. The role of Multi National Enterprises (MNE's) operating in SA suddenly changes the way business is conducted in SA from a CSR perspective. The responsibility of MNE's to be aware of, and to contribute towards shaping CSR practices in SA may have positive and negative results. The financial power of MNE's can influence the local CSR landscape without due understanding of the social imperatives of SA. This may lead to a situation whereby locally based enterprises are faced with unbearable social challenges as a result of MNE's involvement in mainstream CSR practices, most of which are with good intent but with limited

understanding. This will lead to a changing face of business in SA whereby local and international organisations will have to collaborate beyond competitive lines in order to address the realities of the SA social development landscape.

7.4.3 Business beyond SA borders

With the advent of dual listings of SA businesses for example, Investec, Old Mutual and SASOL as well as market expansions into Africa for example, KUMBA Resources, ESKOM, MTN, and VODACOM, the sphere of influence specifically from a CSR perspective has far-reaching consequences. The same argument therefore becomes appropriate for SA businesses to acknowledge and understand the CSR realities of the countries it will be conducting business in. It will specifically be important for SA businesses to acknowledge their influence on the existing disparities between developing local capital markets, versus economic development imperatives in the rest of the African continent.

7.4.4 Black Economic Empowerment

The Black Economic Empowerment (BEE) report that was launched in 2002 could be regarded as a critical milestone that will change the face of business in SA. Furthermore, this is perpetuated with the advent of the Mining Charter (2002) as well as strong indications that the banking sector will follow the same path with the launch of a Banking/Finance Charter, in which clear BEE objectives are listed. BEE is already an integral part of the indicators as suggested by for example, the African Institute of Corporate Citizenship as well as the indicators proposed by the JSE/FTSE SRI Index. From a reporting point of view, SA organisations therefore will have to indicate their BEE performance according to these indicators. There will also be increasing international pressure on SA companies to comply with BEE guidelines from an investment and shareholding perspective. Investment opportunities will be driven by BEE compliance, cutting into the core of corporate citizenship and building a business case for mainstreaming CSR into business practice hence changing the face of SA business.

7.4.5 HIV/AIDS

The impact of HIV/AIDS on the SA business sector is generally regarded as a major risk and a serious threat to sustainable businesses not only in SA but also on the African continent. There are also already strong signals from an international investment perspective that potential disinvestment in SA will mainly be driven by a risk averseness against the impact of HIV/AIDS. Furthermore, the business sector is not perceived to be acting collectively in addressing HIV/AIDS. Organised business for example, Nedlag, reacted against the February 2003 "State of the Nation" speech of President Thabo Mbeki by reiterating that unless the Government does

not deliver a clear strategy on the fight against HIV/AIDS, the business sector will refrain from taking the lead. This has damaging consequences for the SA business landscape which could nullify attempts by individual organisations to address the impact of HIV/AIDS. The HIV/AIDS pandemic will enter the boardroom and in future demand that businesses integrate it into business strategy and practice.

7.4.6 Aligning business strategies

Business strategies will be closely aligned with the national (specifically governmental) and international developmental agenda. It was noted during the Johannesburg Summit (2002), that the business sector is emerging as a key partner in sustainable development. Business objectives will clearly reflect the sustainable development agenda and alignment of infrastructure to support these objectives that can be attained. Integrated management principles, supporting collaboration between government and civil society will enhance the alignment philosophy, strengthen the “license to operate” and will give new meaning to systems theory. Business alignment, therefore no longer only refers to internal process and functional alignment but specifically to broader alignment with external stakeholders. Alignment will be measured through a scorecard that incorporates sustainability parameters.

GENERAL TRENDS:

7.4.7 Reputation

Managing reputation will be a key imperative for future businesses. Corporations are the target of social and environmental activists as well as ordinary citizens who will judge the performance and behaviour of businesses in real time. The so-called “CNN age” also widens the audience and opens up new frontiers of global criticism at a speed no one really anticipated. Reputation therefore will become a “tangible” imperative and a variable recognised and valued by not only the consumer and shareholder, but also by financial analysts and stock brokers. Reputation will be viewed amongst the top three key performance areas of the executive team of an organisation. Reputation risk will also be placed alongside financial risk factors and will be internationally regarded as a key risk area in Enterprise Wide Risk (EWR) Management.

7.4.8 Marketing and branding

Brand value will directly be determined by Corporate Social performance. Social marketing will be a key marketing imperative, utilising marketing expertise and infrastructure to empower communities and give stakeholders a “voice” through marketing and communication channels. There will be a definite split in marketing spending towards traditional and non-traditional marketing initiatives, the latter referring to social and development marketing. Cause-related

marketing (CRM) will create support on the one side, but strong resistance on the other side. CRM will have to be seen as authentic and not exploiting society to the benefit of the business. Marketing will in general become less “glossy” and “truer”, reflecting business values rather than “good deeds”. A new marketing specialist will emerge combining philanthropic, social and business science qualities.

7.4.9 Business as the change agent

The business sector will be the drivers and change agents behind global social transformation. The business sector will set the pace and to a large extent influence the future of the social landscape. This change will be a “third order” change, referring to systems change and paradigm shifts. Change management, due to the speed of change and drivers of change, will take on a new meaning and irrespective of the size and nature of businesses, will demand adapting strategies in order to survive as a business. The true fabric of business will reflect a new order, unknown and foreign to the unconverted and extremely opportune to the converted. There will be a race between a few leading businesses that will define business practice in revolutionary terms, increasing the speed of change and possibly widening the gap between the converted and the unconverted.

7.4.10 Business schools

The new business landscape will be reflected in business schools curricula. Business schools will also drive social transformation through their formal and non-formal training and education solutions. Such schools will also support the integrative approach through cross-sector partnerships, the latter contributing towards curriculum development and also offering opportunities for practical internships and community practice. These internships will become a mandatory requirement for all courses offered by business schools.

7.4.11 Socially responsible investment (SRI) funds

A new “breed” of fund manager and investment analyst will enter the marketplace. SRI funds will become the funds of choice and will outperform all other funds on global securities exchanges.

7.4.12 Financial analysts

Financial analysts and stock brokers will judge an organisation's performance against financial as well as social (and environmental) indicators specifically in developing economics. Social transformation in the form of new legislation and regulation will be viewed as strengthening the pillars of a healthy economy instead of leading to market speculation and forcing share prices down. Again, this will lead to a new “breed” of financial analyst and stock broker. The gap

between the social and economic scientist will decrease notwithstanding the critical importance of financial and economic sustainability of an organisation.

7.4.13 Accounting practice

Generally accepted accounting practice will take on a new meaning. Social accounting and reporting will be fully integrated into “gaap” with GRI becoming the global reporting guidelines and AA 1000 and AA 1000 S the global accounting standards. The auditing of “intangibles”, i.e. reputation, social impact, etc. will be viewed as “tangibles” and as important for sound business practice and stability as the financial auditing of an organisation. Social practice in general therefore will be viewed by analysts as key indicators in determining the overall value of an organisation during a due diligence exercise.

The cost of either good or bad social practice will be allocated to the bottom line of an organisation and will represent an asset or liability to an organisation.

7.4.14 Management science

Social scientists will have legitimate roles in the executive management teams of organisations. Social science / human sciences will no longer be viewed as ‘soft’ sciences but as “hard” sciences that have a fundamental impact on the success of a business. The business language will therefore also be transformed to the extent that social terms will also be relevant and valued during board meetings and executive meetings.

7.4.15 Leadership

A new leadership quality, “bridging leadership” emerged. Successful leaders will be the ones who possess the ability to engage with stakeholders and who succeed in forging partnerships with key stakeholders. These leaders will also inculcate a culture of partnership building and value and develop the role that staff have in bridging the gap between an organisation and its stakeholders. Again, social leadership becomes a differentiating value in an organisation.

7.4.16 The learning organisation

Organisations will learn through experiences. Each new relationship or partnership with stakeholders will differ from the previous ones. Diversity will be embraced and business philosophy will move from an expert controller basis to a co-producer with its stakeholders. Organisations will realize that there are no answers in text books on the new business landscape and learning will be experiential, adopting trial and error principles. Stakeholders will however “tolerate” legitimate mistakes because organisational practice will be transparent and

consultative in nature – and based on partnership principles. Organizations will also “learn” from their stakeholders and incorporate these learnings into key strategic imperatives.

7.4.17 Opportunity creation

Social transformation of the business landscape is viewed as a strong business case for creating new opportunities and expanding the marketplace. Social responsibility will no longer be seen as a pure responsibility, but also as a means to create wealth for all stakeholders. The business case for corporate citizenship, therefore, will have been proven to the extent that social development interventions have been integrated into mainstream economy.

7.4.18 Business as a community

Business will be an integral part of the community and vice versa. Boards will be structured in such a way that various stakeholders and community members will have representation on the boards of organisations. Although voting rights will be limited, in certain cases where direct social impact of decisions occurs, the voting rights of these board members will come into play. Organisations will act as the key facilitator in forging cross-sector partnerships (public sector, private sector and civil society). Furthermore, organisations will encourage, facilitate and provide the incentive for active participation of employees in community activities. Corporate volunteerism will be a mainstream business philosophy that will receive local and international recognition through media award ceremonies and investor support.

Corporate social performance will be determined by the level of community development and progress and the level of contribution towards this progress. The core focus or indicator of success therefore will be externally measured which will be contrary to current belief. Overall performance of an organisation will be determined and judged through a 360° assessment, i.e. shareholders, staff, government, consumers, civil society, etc. This new philosophy or order of business will offer the notion of interdependence between all sectors, ensuring sustainability for all.

7.4.19 Mutual gain

Business will operate on a mutual gains business-society perspective whereby corporations engage other sectors and issues. This framework is based on systems of mutuality and exchange in which power is shared. Participation depends upon deep understanding and recognition that combining the distinct competencies and self-interests of the sectors allows participants in collaboration to achieve outcomes that are otherwise impossible.

Waddell (2002) refers to this type of relationship as “collaboration enterprise”. Furthermore, in such a relationship, stakeholders are defined as those who are related to an opportunity or problem, rather than to a corporation. This philosophy again confirms the interdependence between all stakeholders in mainstream economy and society.

7.4.20 Global agenda of business

With globalisation going the full circle, and world trade becoming a reality even for small and medium enterprises, corporations have integrated the global development agenda into their core business strategies. Corporations are measured against their ability to contribute towards global sustainability objectives. The business sector will be the main drivers of future world summits on sustainable development, contrary to the current situation in which the United Nations and governments are the primary role-players. The business sector has produced activists for sustainable development and openly criticises its peers for lack of participation and contributions. Business leaders are taking the lead in what was traditionally purely a political and governmental affair, hence shaping the future of sustainable development irreversibly.

7.4.21 Activism

Activism, public campaigns and radical outcry against social and environmental abuse, not only by powerful NGOs, but also by ordinary citizens have become the norm. The ordinary man in the street has been empowered to exercise his / her opinion and the availability of a wide variety of media makes public opinion a powerful force that business regards amongst the most critical risk factors to deal with on a daily basis. The mere fact that stakeholders have been included in mainstream economy through the mutual gain philosophy puts the business sector in a highly visible, almost fragile position in which managing perceptions, expectations and reputation become the name of the game.

7.4.22 Business intelligence

Access to, accuracy of and speed at which market intelligence is sourced will become a major competitive advantage of corporations. New types of information as well as alternative sources of market intelligence have emerged. Community perceptions and expectations on business activities and ventures are regarded as key determinants in corporate decision making. Formal communication channels between society and corporations have been established to secure a continuous flow of information between them. Seconding employees to community structures have also been formalised to the extent that staff are working full-time in communities. Again, due to globalisation, these employees are strategically positioned not only in a single area, but also amongst government's civil society structures and across borders. Management Information

Systems (MIS) are more flexible in the sense that formal and non-formal sources of intelligence are mobilised to ensure broad-based coverage of critically needed information.

7.5 CONCLUSION

One certainty about the future business landscape is that it will undergo dramatic change. The changes that will take place will definitely be of a higher order or “third order” change referring to almost radical shifts in paradigms resulting in systemic changes with no or limited predictable or linear patterns. What will make this changing landscape an even bigger challenge is the fact that the business sector will take the lead in driving change on the global front. The business sector will be the change agent, setting the pace and facilitating change not only within the business sector, but across sectoral boundaries. The business sector will drive the global sustainability agenda to the extent that governments all over the world will follow the trends and interventions suggested by the business world in creating and ensuring a sustainable future for the planet and its people.

This role that the business sector will be playing will therefore lead to a new “breed” of business leaders. For the first time the value of social scientists will be embraced by executive management and boards of organisations. These leaders will realise the value of stakeholder engagement and partnership building. They will forge a culture of independence not only between an organisation, its staff, consumers, shareholders, society and environment, but also intersectorally between public sector, private sector and civil society. This will inevitably lead to a global business culture of mutual gain whereby the open market is viewed by all role-players as opportunities to benefit all, consequently creating wealth for all participants.

This landscape however will require a fundamental understanding and appreciation of the dynamics and complexities by the various role-players. It will specifically be the business sector, which is the major creator of wealth and economic sustainability that will have to deal with complex sets of information from a wide variety of sources. Market intelligence therefore will become a major competitive advantage, but also an organisation’s ability to act on new sets of information and dynamically steer the strategic indicators possibly in new directions. What makes this landscape even more challenging in this complex environment is the base-line expectation of transparency, disclosure and inclusivity. Any action by an organisation will immediately be known and judged by a global audience. The novelty of information technology in the so-called “CNN – era” now also suddenly becomes a serious threat.

The business sector therefore finds itself in an environment characterised by intangible value indicators. Reputation, perceptions, trust, loyalty and market expectations are but a few of these “intangibles” that will require ongoing management intervention. There already are to the contrary, viewpoints in support of referring to these indicators as “tangibles”. These indicators are already viewed as key risk areas that demand risk management intervention and through social accounting practices will be valued alongside financial indicators in determining the overall value of an organisation.

Finally, during the Rio summit (1992) there was an outcry from civil society and social activists to empower the ordinary citizen and more specifically, the most vulnerable people with a “voice”. This was reiterated during the Johannesburg Summit (2002), referring by the same people, to the limited progress that had been made in this regard. There already was a strong increase in social activism evident during the Johannesburg summit pointing out that the business sector had again “highjacked” the summit as a trade expo and ignored the fact that it was supposed to be a summit on sustainable development. It will be up to the global business sector to prove these activists wrong in a future which places a responsibility upon the business sector far greater than ever expected.

Further research in South Africa in the field of corporate citizenship is limited. Furthermore, although increasingly the preferred term used more generally is “corporate citizenship”, it can still be regarded as a new term in a field that is in need of further research locally. The study introduces an even “newer” term “corporate social performance”, which attempts to reveal more specific measurement criteria or indicators that could benefit not only the corporate sector, but certainly society as a whole. The need was therefore identified to pursue an in-depth exploration and analysis as well as experimentation in the field of corporate social performance. This study therefore falls in the exploratory, qualitative research domain focusing on an in-depth literature review on the topic combining in-depth interviews with leading SA authorities in the field of corporate citizenship.

Due to the contemporary nature of this field as well as its contextuality in the South African business landscape, any data gathered through qualitative or quantitative research design can be regarded as rich data. The decision to follow the qualitative methodology was based purely on the scarcity of both existing research and leading experts in the field.

It was therefore decided to conduct in-depth interviews with 15 leading South African experts in the field of corporate citizenship (refer to 3.4.3. for a detailed description and selection of participants). Their opinions were elicited through a semi-structured interview comprising five open-ended questions. The response obtained can certainly be regarded as rich data that