



## Compendium of the 2010 World Forum

*Deon Rossouw – CEO, Ethics Institute of South Africa*

*Luc Van Liedekerke – Executive Committee Members, European Business Ethics Network (Belgium)*

*Geert Demuijnck – Professor, Edhec Business School (France)*

The ethical expert panel of the World Forum Lille made a summary of conferences from the past 4 years.

### **Luc Van Liedekerke – What was left behind?**

The growth of our economic system has brought welfare on a scale unimaginable before, however this development caused several problems. If we maintain this growth at the same pace, it will be unsustainable at the ecological and social levels.

It leads to a central question: How much globalization can our society take? It is the action of the corporation (as a market actor) to create the future. Until today, the state took care of the social issues. The corporation was free, except regarding its obligations towards shareholders. Looking at the value for shareholders is still the dominant paradigm but corporations should take care of its stakeholders as well. Best practices are tools for more CSR in the corporations.

### **Geert Demuijnck - What we learned?**

The best practices are actions which go further than legal obligations. Business people should focus on practices that really fit with their company. However, one best practice is not enough to make a whole company responsible. The best practice approach is unavoidably a comparative approach: **five main problems** can be studied to improve the policies.

Impact: some best practices do not have any impact (for instance, FedEx bought 170 hybrid electric trucks: no real impact comparing to the whole company fleet). Relation to the core business of the company: some best practices are far from original core business of the company. For example, giving time for employees for social voluntary activities is a good initiative. However, it would be better to improve the daily global impact of the company. Mandatory versus Voluntary: some are almost mandatory regarding to company's image and relationship towards customers. Big companies have to go further than communication purposes. Institutional context: some are only linked to legal obligations (environmental regulations are stricter in Northern countries), so voluntary initiatives are complementary (not alternatives) to regulation! Balance between economic and CSR benefits: some practices lead



to an obvious economic advantage; others do not bring to a huge economic benefits in the short term.

**Deon Rossouw – What challenges remain?**

From good practice to general practice: practices must to become the mainstream in the company. This can be done by regulating, but also persuading and incentivize the CEOs.

Globalize responsibility: the debate about CSR is now open in Europe but not enough in other continents. The global problems faced can't be solved without collaboration on a global scale.

Educating tomorrow's Leaders: the business schools have a key role in teaching strategies and best practices. It must be worked with the staff of business schools. For instance, the Lille Collection of Best Practices is full of good ideas to teach.

Towards Responsible governance: Responsibility must be at all levels of the company, notably regarding remuneration purposes. Every stakeholder must be included in the responsible governance of a company.

Leading with purpose/meaning: get the balance between compliance and conviction. We need leaders that emphasize not only the value for shareholders but also the role of the company in society. Asking themselves, "What is the company's social role in society"? This will lead to meaningful innovation: think about CSR in a way that really touches staff and employees.

*Summary produced by EDHEC students*