Corporate Social Responsibility through Voluntary Commitment in Small and Medium Sized Enterprises – the Case of the ‘Heilbronn Declaration’

Prof. Dr. Christopher Stehr¹ & Benjamin E. Jakob, MBA²

ABSTRACT
Corporate Social Responsibility has grown popular among discussions in economics and societies worldwide. To a growing extent customers make their buying decisions under CSR aspects. Enterprises try to follow up with CSR strategies. But often a gap has to be detected between the theoretical approach of CSR and practical implementations within the entrepreneurial reality. This article introduces a possible approach of closing the gap within CSR implementation.

The ‘Heilbronn Declaration’ is a voluntary agreement of enterprises and institutions in Germany especially of the Heilbronn-Franconia region. The approach of the ‘Heilbronn Declaration’ targets the decisive factors of success or failure, the achievements of the implementation and best practices regarding CSR. A form of responsible entrepreneurship shall be initiated to meet the requirements of stakeholders’ trust in economy. Therefore it has been elaborated by academics together with enterprises and their shareholders. It is an approach to make voluntary commitment more binding. Its scientific base may allow development of indicators for CSR implementation in business ventures and institutions to finalize in a CSR audit. The innovative approach of the ‘Heilbronn Declaration’ is the integration of the prospective signatories into discussion on the idea and purpose of business from the very first beginning.

Keywords: sustainability, corporate social responsibility, innovation, voluntary commitment, authentic CSR, small and medium sized enterprises (SME)

1. Introduction

It has been more than 20 years since the first steps towards a new understanding of social responsibility and the United Nations Rio Declaration (UN 1992). Since that time there is a global discourse about the implementation of the concept of sustainability for countries, for enterprises and for individuals (Rio+20 2012). Beginning with the book ‘The Limits to growth’ (Meadows et al. 1972) experts and public are still exchanging the different approaches that might lead to sustainability. In general two main approaches regarding sustainability implementation are discussed: legal regulations or voluntary commitment (Töller 2008).

¹ German Graduate School of Management and Law, Bildungscampus 2, Heilbronn, Germany,
² Strategic Consulting, Am Silzenweg 10, 63500, Seligenstadt, Germany.
The impacts of legal regulations concerning the implementation of sustainability and of Corporate Social Responsibility (CSR) are regarded positively, mostly. In contrast there exists a controversial discussion about the effects of voluntary commitments regarding CSR (Zerle 2004). But how can voluntary commitments generate sustainability as well as economic, ecological and social added value? This article describes how a voluntary commitment to CSR of small and medium sized enterprises could provide answers to this question. The signing of the ‘Heilbronn Declaration’ in public was a first step of CSR implementation within the signatories and partners. In continuous follow-up meetings starting in September 2013 the signatories to the ‘Heilbronn Declaration’ are going to discuss key success factors, failure and achievements. This article aims to clarify the challenges of the so called voluntary commitments especially in the area of CSR of small and medium sized enterprises (InstitutfürMittelstandsforshung 2012; European Commission 2003) located in Germany. The article is structured as follows: In the introduction the problem and the research interest are described. In the second chapter the chosen scientific methods and different instruments will be examined. These led to the elaborated ‘Heilbronn Declaration’ and will be used for future research. Section three shows the historical dimension concerning sustainability and the development of voluntary commitments. On basis of the definition of CSR and parts of the ‘Heilbronn Declaration’ the findings for practical CSR implementation of small and medium sized enterprises are described. The objectives of the ‘Heilbronn Declaration’ are pointed out in the fourth part. In chapter five and six the research limitations and implications of the ‘Heilbronn Declaration’ will be illustrated as well as the practical and social implications. The conclusion summarizes the innovation and the benefits of a ‘Heilbronn Declaration’.

2. Methodology

The process elaborating the ‘Heilbronn Declaration’ and the further research can be divided in four parts (see figure 1, source: own illustration). The methodology includes four different scientific methods: A state of the art descriptive analysis (A), several expert workshops (B) and expert interviews (C) and finally an empirical study (D). First, in the descriptive analysis which is here the chapter historical dimension, the histories of sustainability and of voluntary commitments provide a theoretical basis for the text of the ‘Heilbronn Declaration’. The process of discussion (in figure 2, see (B) Expert workshops) started in November 2011. First a peer group of five members containing politicians and entrepreneurs was invited to discuss in so-called experts workshops (Fantapié/Altobelli 2007) the first draft of the ‘Heilbronn Declaration’. In a follow up the group will be extended up to 40 enterprises (Gruber 2006).

1 The full text of the „Heilbronn Declaration“ is available via: http://www.ggs.de/fileadmin/user_upload/data/Master_Heilbronner_Erklarung.pdf
In these workshops different approaches of CSR implementation within enterprises will be elaborated (Marrewijk 2003; Garriga/Melé 2004; Seitanidi/Crane 2009). With the joint signature of the ‘Heilbronn Declaration’ and the presentation to the public as part of the annual conference of the German Business Ethics Network (DNWE) in September 2012 this stage (B) will be completed. The DNWE is a non-governmental Organization (NGO). It works as a platform for discussions about challenges and perspectives of business and corporate ethics (DNWE 2012). The participating enterprises and institutions commit to attend follow-up meetings in 2013. There will be the opportunity to conduct expert interviews (C) and in addition a larger survey (D). The aim is to figure out indicators for CSR implementation in business structures. With these indicators then a CSR balance can be developed (D). As part of a doctoral thesis for example this extensive and comprehensive research can be derived.

3. Historical dimension

In his book ‘Sylviculturaeconomica’ Hannss Carl von Carlowitz saw ahead a resource crisis concerning wood. He suggested not to deforest more wood than could be renewed with afforestation (Carlowitz 1732). The value of the forest should be preserved for the future generations. This idea of a sustainable treatment of the forest has had an important impact to the ancient and actual forestry (Grober 2009). The publication of the book ‘The Limits to Growth’ (Meadows et al. 1972) and ‘The Global 2000 Report to...
the President’ (Barney 1980) significantly influenced these ideas of sustainable governance. Both books had also an impact on the entrepreneurial sustainability and public and scientific discourses. These opuses came to the final conclusion that future industrial and economic activities should consider the limits to growth and implement ecological aspects to prevent overusing the resources of the Earth (Meadows et al. 1972; Barney 1980). On the basis of that discussion the ‘World Commission on Environment and Development’ (WCED) defined in the so called ‘Brundtland Report’ in 1987 sustainability as follows: ‘Sustainable development [ ... ] implies meeting the needs of the present without compromising the ability of future generations to meet their own needs, should become a central guiding principle of the United Nations, Governments and private institutions, organizations and enterprises’ (UN 1987, p. 1). In Germany Ernst Ulrich von Weizsäcker and Friedrich Schmidt-Bleek improved these ideas of sustainability. Together they led the Wuppertal Institute for Climate, Environment and Energy from its beginnings (Wuppertal Institute 2012). Their most important idea was to increase the resource productivity on focus of the dematerialization, the concepts of the books ‘Factor Four – Doubling Wealth, Halving Resource Use’(Weizsäcker 1995) and ‘The Fossil Makers’ (Schmidt-Bleek 1993). In this book Schmidt-Bleek ‘proposed his MIPS concept for gauging material input per service unit’ (Wuppertal Institute 2012). The idea of a sustainability perpetuated to the awareness of sustainable product development and production was born. At that time also the concept of an ‘ecological footprint’ was developed by William E. Rees and Mathis Wackernagel (Rees 1992;Wackernagel 1994). An ‘ecological footprint’ measures the biocapacity that is necessary to provide the resources for a nation, enterprise or an individual person (Wackernagel/Rees 1996, p. 9). A footprint at the end of the survey then informs about the sustainability of what you have proved. There are now different approaches to use this methodology (Ferng 2001;Monfreda et al. 2004). But the concept has also been criticized for failing the objective of sustainability as it doesn’t consider land use and land degradation aspects, for example(van den Bergh/Verbruggen 1999;Fiala 2008). With the ‘United Nations Global Compact’ in 1999 (Janssen 2012) the aspect of social and ecological action in business ventures was emphasized. Articles like the ones of Thomas Donaldson and Thomas W. Dunfee to the issue of e.g. ‘A unified conception of business ethics’ or ‘Contractarian business ethics’ (Donaldson/Dunfee 1994/1995) gave qualitative impetus.

Businesses and institutions try to achieve sustainability. Based on the definition of the ‘Brundtland Commission’ for sustainability enterprises try to manage their economic activities with regard to social and ecological impacts. The approach of ‘corporate sustainability’ is to not only have these three dimensions of sustainability in mind but to integrate in the methods of production and the corporate’s structure (Dyllick/Hockerts 2002, p. 132). Studies on this issue (see below) verify the assumption that enterprises improve and become more successful that act on ecological and social aspects: ‘Creating an organization that functions as a whole instead of separate departments or with managing issues in the supply chain, management needs a shift of approach: the employees and their suppliers have become more important. For instance, to be successful, management has to develop a climate of trust, respect and dedication and allow others to have their fair share of mutual activities (together win).’(Marrewijk 2003, p. 99) Other works on the issue of business ethics are Ulrich (in ed. Zsolnai 2002)

The harmonization of social and environmental goals with the stakeholder orientated issue management brought up issues for sustainability and CSR (see the following section) that overlap with indicators of happiness research. Questions as ‘Are you happy in your job?’, ‘How satisfied are you with your physical/mental health?’, ‘Are you satisfied with your life?’(Stiglitz/Sen/Fitoussi 2009) fit in any category mentioned. That there are possibly differing ideas of measuring the quality of life in countries shows the Buddhist kingdom of Bhutan. Here the most important economic aim is the ideal of a ‘Gross National Happiness’ instead of the ‘Gross National Product’ in western countries (Sittner 2010) which is in a sense limited (Report by the CMEPSP). On behalf of the French President Sarkozy the ‘Commission on the Measurement of Economic Performance and Social Progress’ (CMEPSP) analyzed possible future indicators for our prosperity and social progress without using the measurement unit of a gross national product, for instance (Report by the CMEPSP). The final report of this ‘Stiglitz-Sen-Fitoussi-Commission’ was made public in September 2009 (Stiglitz/Sen/Fitoussi 2009). It ‘distinguishes between an assessment of current well-being and an assessment of sustainability, whether this can last over time’ (Report by the CMEPSP, p. 11; Moss Kanter 2012).

4. Corporate Social Responsibility - Definition

Within the discussion of CSR several different definitions are used. It is essential to first specify the idea and describe precisely the term used. The ‘Organization for Economic Co-Operation and Development’ (OECD) defines CSR based on the agreements of the ‘Global Compact’ (Janssen 2012) as a: ‘Business’s contribution to sustainable development. Consequently, corporate behavior must not only ensure returns to shareholders, wages to employees, and products and services to consumers, but they must respond to the societal and environmental concerns and values’ (OECD 2001, p. 13). The European Commission adds the economical component: ‘A number of companies with good social and environmental records indicate that these activities can result in better performance and can generate more profits and growth.’ (COM 2001, p. 7) Thus CSR can be understood and described in the following way: ‘Open and transparent business practices based on ethical values and respect for employees, communities and the environment, which will contribute to sustainable business success’ (Dahlsrud 2006, p.7).

Already in the 1950s research on business ethics started. The stakeholder approach of R. Edward Freemann (see section ‘Declaration Text’ and ‘Preamble of Treaty’) in 1984 brought an enlargement of the concepts of business ethics, that are for example the concept of ‘Corporate Citizenship’. In 1991 Archie B. Carroll developed a model of corporate social responsibility. He divides four levels: The economic, the legal, the
ethical and the philanthropic one. The first duty of business organizations is to generate profits (Carroll 1991, p. 4). ‘At the same time business is expected to comply with the laws and regulations’ (Carroll 1991, p. 4) as they have a legal responsibility. Some ethical responsibilities are already embodied in the economic and legal components (Carroll 1991). The issue Carroll mentions with the ethical responsibility aspect regards a handling that is ‘fair, just, or in keeping with the respect or the protection of stakeholders’ moral rights.’ (Carroll 1991, p. 6) The philanthropic responsibility ‘encompasses those corporate actions that are in response to society’s expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill.’ (Carroll 1991, p. 6) Carroll states that ‘these kinds of responsibilities have always existed to some extent. [...] In recent years [...] ethical and philanthropic functions have taken a significant place.’ (Carroll 1991, p. 4) Figure 2 (see below, adaption of source: http://www.csrquest.net) shows the augmentation from first only economic responsibilities to legal responsibilities and in addition now the ethical and philanthropic responsibilities.

With the ‘Lisbon Strategy’ for 2000 to 2010 the European Union ‘set itself a new strategic goal to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion. [...] The goal of the Lisbon partnership for growth and employment is to modernize the EU economy in order to secure an unique social model in the face of increasingly global markets, technological change, environmental pressures, and an ageing population’ (Presidency Conclusions 2000). Several papers on CSR of the European Union followed, for example the ‘Green Paper: Promoting a European Framework for CSR’ (COM 2001) and ‘A renewed EU-Strategy 2011-14 for CSR’ (COM 2011). In 2010 the ‘ISO 26000 – Social Responsibility’ (ISO 2011) was established on a global level.
While CSR as a topic has grown popular among scholars, politicians, and journalists (Lotter/Braun 2010; COM 2011; Baldia 2010) there is a gap between the CSR idea and the CSR reality. Enterprises looking to customer needs and the buying decision making processes feel pressurized to stay ‘trendy’ (PricewaterhouseCoopers LLP 2010). Some enterprises try to face these challenges while implementing a CSR strategy (Orbie/Babarinde 2008). Other promote their CSR activities within their marketing strategies (Herrera 2011). Critical customers doubt about the objective quality of these attempts, by questioning the authenticity of CSR. Some enterprises were convicted of greenwashing (Jackisch 2009), socialwashing or even ethicalwashing (Laufer 2003).

Along with the topic’s popularity in politics and research as well as in the media, stakeholders have grown sensitive to CSR efforts that lack authenticity. What stakeholders want is intrinsically motivated ‘real’ or ‘authentically’ CSR (Lay 2006). The question now is how enterprises can deal with this call for transparency and trustability. Where does transparency and trust come from? The ‘Model of an Honorable Merchant’ (Institutfür Management 2010) says that the three characteristics of a good businessman are a humanitarian basic education, economical know-how and a strong character with commercial virtues. Opaschowski sees a structural change in the world of work which accelerates the shifting of paradigm from workers to employees to persons that are self-employed (Opaschowski 2006). Increasingly vital for enterprises is trust which has to be understood as a social legitimization for business. ‘Economists state: it doesn’t matter because it is efficiency economy is about. But this is a perversion as trust is the most precious social and cultural good we know. It is trust that keeps our society together in the innermost part – it is not efficiency. (Felber 2012) The more we talk about trust, the worse the situation gets. The appearance of trust [as subject of discussion, note by the author] is the best indicator of a crisis (Sprenger 2007, translated by the author). But what is ‘trust’? What are its effects?

‘Within organizational settings, the virtues of trust as a social resource have been discussed primarily on three levels.’ (Kramer/Cook 2004, p. 2) First there is a constructive effect on organizational structures. ‘Second, the role trust plays in spontaneous sociability among organizational members has been explored. Third, there has been appreciation of how trust facilitates appropriate […] forms of deference to organizational authorities.’ (Kramer/Cook 2004, p. 2) Sprenger puts ‘trust’ on a level with ‘commitment’. He further sees it as basis for communication especially if employees are seen as associates rather than ordinary worker without responsibility (Sprenger 2007). For Fredmund Malik it is trust that counts exclusively in a relationship between employers and employees. Then there is no need to motivation, specific leadership and other forms of entrepreneurial culture (Malik 2006). Hielscher, too, concludes in his article ‘morality as a factor of production’ that CSR can be conceptualized as a corporate strategy of moral commitments engaged for the purpose of managing the relationship-based risks that arise out of social dilemma situations between the company and its interaction partners.’ (Pies/Koslowski (ed.) 2011, p. 130)

Enterprises try to build up or regain trust of individuals as well as of society. Therefore there is a need to a respectful and responsible acquaintance with the different interests of the stakeholders. ‘Responsible economic activities conduce to economic success and are needed more than ever – particularly in the mittelstand which is the cornerstone of our
economic system.’ (Beschorner 2012) Enterprises should feel responsible and push innovation besides generating a economical, ecological and social value. This is the approach of the ‘Heilbronn Declaration’.

5. The ‘Heilbronn Declaration’

The idea of a ‘Heilbronn Declaration on Corporate Social Responsibility’ arose in preparation for the 12th annual conference of the German Business Ethics Network (DNWE) which takes place at the German Graduate School of Management and Law (GGS) in Heilbronn in September 2012. During the planning of the annual conference the concept of the ‘Heilbronn Declaration’ was developed. The partners wanted to make sure that the congress on business ethics gives impetus to ethical and CSR-actions. The concept is mostly aimed at German Mittelstand (Randow/Kirchfeld 2010) and family firms and family owned firms which stand for sustainable and value orientated management as there is a large number of these enterprises in the Heilbronn-Franken area. Furthermore in that region exists the largest number of enterprises which are world market leader and are value orientated managed.

5.1 The ‘Heilbronn Declaration’: Preamble of the Treaty

The preamble of the declaration first describes the current global economic situation and analyses a lack of trust in businesses. The text then explains the challenges for enterprises to act in a globalized world and emphasizes the need for action. At last the signatories of the declaration proclaim their firm intentions and commit themselves to implementing CSR and business ethics.

In its ‘EU strategy’ (COM 2011, p. 7) the European Commission established the approach of the ‘Heilbronn Declaration’ as they state: ‘Enterprises must be given the flexibility to innovate and to develop an approach to CSR that is appropriate to their circumstances.’ The enterprises, mostly German Mittelstand (Randow/Kirchfeld 2010) enterprises that sign the ‘Heilbronn Declaration’ use exactly this flexibility to show their responsibility for the society. In the preamble of the ‘Heilbronn Declaration’ they state:

‘We – mittelstand enterprises from Baden-Wuerttemberg, Bavaria and in particular from the economic region Heilbronn-Franconia – believe that confidence is a core prerequisite for a successful entrepreneurial creation of value. At present, however, we often refer to an “economical confidence crisis”. By means of this declaration, we want to set an example to counter this crisis. Initiatively and voluntarily, we obligate ourselves to assume the social responsibility that we bear as successful enterprises, partly even as world market leaders, on both local and global levels. In doing so, we want to go far beyond what is considered a matter of course. It is our goal not only to be world-class in the fields of management, technology and service, but also to set new standards for a corporate sense of responsibility and social commitment, and thus to give proof of our outstanding innovative capacity.’ (‘Heilbronn Declaration’)

In comparison to other voluntary obligations for CSR like e.g. the Rio Declaration (UN 1992), the ‘Stuttgart Declaration’ (Gasperi/ Scheunemann 2011) which is made once a year at the ‘German CSR-Forum’ or the ‘Resolution Nürnberg Declaration’ of the ‘Netzwerk21-Kongress 2010’ (Richter/ Elsässer 2012) to mention just a few, it is not just another one. The ‘Heilbronn Declaration’ is a voluntary commitment based on the idea
of integration and participation. The ‘Heilbronn Declaration’ integrates the business ventures and institutions right from the start of the elaboration and formulation of the declaration.
In the run-up to the presentation of the ‘Heilbronn Declaration’ in September 2012 there have been and are going to take place workshops which discuss the ‘Heilbronn Declaration’ on basis of the authors’ draft (see figure 4 below). Parties involved and other institutions have the possibility not only to present themselves in public doing CSR but even to form the discussion itself and set new standards. Together with academics entrepreneurs elaborate the facts of the declaration and discuss on the spirit and purpose of business. The leading thought is to create an area of confidence and transparency to succeed. The aims are a greater extent of sustainability which means transparency, trustability, ethical conduct, respect for stakeholder interests, cultural and biological diversity, the rule of law and for human rights.
Due to cooperation and to address ethical issues on a scientific level and at the same time maintain a strong reference to practical possibilities this is possible. The enterprises and the other institutions involved can show that the implementation of ethical and CSR-principles creates sustainability and in addition economic success as studies of Verschoor (1998), Statman (2006) or Filbeck, Gorman and Zhao (2009) attest. The analysis of figure 3 (Source: own illustration) shows that the core factor to authenticity, to authentic motivation of CSR within an enterprise can’t be created only by rules (COM 2011). Therefore a right way to achieve it is to be proactive. There are a lot of different approaches to implement sustainability and its social component, CSR, in countries, regions, companies or institutions. The idea first developed in 1732 by chief officer of the mining administration Carlowitz. Several pathbreaking books and reports followed.
In response to these publications summits have been held to device practical objectives. Still there are for example annually organized and declared the ‘Stuttgart Declaration’ in Stuttgart, Germany, or the ‘Responsible Business Summit USA’ in New York, United States of America.
With the ‘Rio Declaration’ the conception of sustainability being three-divided in an ecological, economic and social aspect became accepted. With the social aspect the idea of CSR arose. Different approaches, e.g. the shareholder and stakeholder approach or the idea of business ethics supported this CSR component. Thinkers as Thomas W. Dunfee or Thomas Donaldson (see section ‘Historical dimension’) supported the discussions and the further developments. But with the so-called green-, social- and ethicalwashing a gap between the CSR idea and reality occurred. The ‘Heilbronn Declaration’ meets this divergency with the intension of a transparent and reliable long-term discourse that follows the signing of the declaration. With the cooperation of academics and enterpriser it is possible to reach the target. The goal is to collect data to develop indicators for CSR in enterprises and then to configure a CSR audit.
5.2 The ‘Heilbronn Declaration’: Declaration Text

With his book ‘Creating shareholder value: The new standard for business performance’ Alfred Rappaport published a controversial discussed management idea. His approach says that the success of a company can only be measured by the distributions to the shareholders. Taking into account this controversial discussion the ‘Heilbronn Declaration’ announces:

‘In many enterprises an implicit expectation vis-à-vis managers and employees has formed, demanding nothing but the unreflected implementation of a “shareholder”-oriented strategy. “Shareholders” are all those who hold a share in profit and loss of a corporation. In this way, responsible action is restricted in a lopsided way. “Responsible action”, broadly conceived, means for the economic sector: to consider and to balance criteria of both private and national or global economies, as well as ecological and social criteria, to find solutions which, if possible, satisfy all interest groups in the same way – including the yet unborn.’ (‘Heilbronn Declaration’)

In the ‘Heilbronn Declaration’ responsibility means the inclusion of the interests of any stakeholders. This idea should control a corporate’s structure and was developed by R. Edward Freeman in 1984. His book ‘Strategic management: A stakeholder approach’ supposes that there might be other stakeholder groups besides shareholders, managers, or employees. From this ethical assumption he then derives his economic theory of strategic management. Stakeholders are employees, manager, shareholders, suppliers, customers, unions, regional and national authorities, citizens’ initiatives as well as the
society as a whole. The signatories of the ‘Heilbronn Declaration’ want to meet the challenges of globalization, of different ideas of management and especially the social component of sustainability as they say: ‘In the course of globalisation an economic climate has arisen in which economic functionality as a decision-factor not only ranks first, but at the same time repeals other criteria as irrelevant and uneconomic – in the context of entrepreneurial internationalisation this also applies to ethical considerations.’ (‘Heilbronn Declaration’) The partners want to set an example and implement the needs of the employees, the society or the environment and feel in charge to act.

5.3 Small and Medium Enterprises and CSR within the ‘Heilbronn Declaration’

The companies and institutions that take part have the chance to set an example and as they are mostly located in the Heilbronn-Franconia region to create a pioneering region (Stehr 2011). To this end, the authors have designed the project of a ‘Heilbronn Declaration’: a voluntary agreement of entrepreneurs of the Heilbronn-Franconia region to develop a form of responsible entrepreneurship and thus to contribute to the recovery of stakeholders’ faith in economy. In the ‘Heilbronn Declaration’ it says:

‘In recent years we have proved that we are not solely interested in remaining competitive on an international and global scale, but also give consideration to “stakeholder” needs. “Stakeholders” are all those who are involved or interested in a corporation’s actions in any way. Therefore we are in the foremost position when it comes to finding a way out of the “economical confidence crisis” because we have realised: Without confidence – be it between an enterprise and its customers, its suppliers or its cooperation partners, or between economy, politics and society – no sustainably successful business is possible. For example, it has been scientifically proven that in enterprise networks and so-called clusters, especially the building of long-term business relationships depends essentially on the development of a trustful cooperation. Establishing a constellation of trust is the foundation for a beneficial partnership that encourages exchange and enables the achievement of common goals. We know that this foundation of confidence can only be preserved if we earn it every day anew, and if every single member of our corporations credibly stands up for it.’

But the engagement does not end with the signing of the declaration. The enterprises have committed themselves for improving their sustainability approaches and each of the CSR strategy. Therefore they meet again within one year to exchange their experiences and to analyze the improvements and failures. For this the ‘Heilbronn Declaration’ says:

‘We obligate ourselves to […] meet with all participants of this declaration after a period of one year, i.e. in September 2013, to exchange experiences, to compare real achievements, to publicly communicate by which means we have contributed to the above-mentioned goals and, ideally, to develop a follow-up programme for the collective assumption of social responsibility. The idea then is to create a relevant CSR balance for enterprises and institutions based on of these data and experiences.

6. Findings

With the integrative and participatory approach the ‘Heilbronn Declaration’ is not another declaration. Enterprises appreciate its stakeholder-approach and long-term view with the scientific monitoring. Moreover there are not just enterprises taking part. The Regional association Heilbronn-Franken and chambers of commerce are about to
sign the declaration, too. Thus the ‘Heilbronn Declaration’ can influence the regional policy thinking as well as the local economic promotion.

There are limits to this initial research, that are to be mentioned. What reduces the meaning of the ‘Heilbronn Declaration’ for research at the moment is that there is still an ongoing process. The ‘Heilbronn Declaration’ was signed in September 2012 and within one year all participants met again and exchanged and analyzed their experiences. Hence it was possible to determine first indicators by which it will be possible to compare the CSR implementation and implementation speed in different enterprises. This however will be subject to future investigation and research, especially since there is yet a too little number of participants or rather signatories to do a quantitative research that is fully valid. Another criterion is the fact that the signatories have been integrated in the development of the declaration. Thus they might have been able to adjust the declaration to their levels and ideas. But this could also point out a better identification of the enterprises with the declaration which means a higher authenticity. Moreover the participation facilitates the implementation of the ‘Heilbronn Declaration’. In contradiction to that there might be at the same time for the enterprise who signs the declaration a kind of social commitment to realize their goals consistently. With the involvement of academics the partners might have the chance to benefit from a scientifically-based discussion.

The impact and implications of the ‘Heilbronn Declaration’ however are expected to manifold, as a result of the interaction with related stakeholders. There might be interaction within enterprises, between the science community, society and even individuals. With their signature the entrepreneurs declare in public: ‘It is our aim to encourage others to reflect on the ethical dimension of their actions and to take on social responsibility as well. Therefore, we enter into this mutual commitment and at the same time invite everyone to follow our example.’ (‘Heilbronn Declaration’) Entrepreneurs want to change their corporate structures and business ethics. They feel responsible beyond legal regulations. This is why they go to the public: to tell everybody, especially customers and suppliers that they do corporate social responsibility. The entrepreneurs and the representatives of institutions implement not only CSR in their own structures. They also want to spread the idea in their marketplace.

The signatories make a contribution to a more sustainable world. The studies of Verschoor (1998), Statman (2006) or Filbeck, Gorman and Zhao (2009) that the implementation of CSR, if it is done in an authentically way, in most cases lead to economic success. Thus means regional growth, a low rate of unemployment or even lower health care costs when employees are comfortable with their workplace. Employees perform sustainable when they are happy, productive and able to develop their personal future and the one of the enterprise (Ibid). The physician and social scientist Nicholas A. Christakis found out that happiness is contagious (Rauner 2009). Entrepreneurs may generate different values by signing the declaration. They could benefit from a reduction of cost in production and optimize their processes. They further are able to reduce the level of corruption. The positive image in public helps to attract talented employees (Spreitzer/Porath 2012). On basis of the implemented ethical structures it is easier for entrepreneurs to optimize the factors for a sustainable
performance of the individual employee and the business as a whole (Spreitzer/Porath 2012). This could be enough of a reason for enterprises to implement CSR.

Conclusion

The originality of the ‘Heilbronn Declaration’ is the innovative approach of integration and participation of the prospective signatories right from the beginning. Another novelty is the commitment for the participating entrepreneurs to attend follow-up meetings in 2013 where the partners involved will analyze the factors of success, compare achievements and failures and decide further steps. The ‘Heilbronn Declaration’ then might be a first step of an ongoing progress which will open the opportunity to develop applied CSR indicators for enterprises. With these indicators it might be able to compare different enterprises regarding their different CSR strategies and measures.

Since the signing of the Heilbronn Declaration the signatories meet to a total of five workshops in the course of the year 2013. The eleven signing companies represent total revenue of approximately 30 billion EUR and 100 thousand employees. During these workshop sessions it was possible to derive the following practical conclusions. The primary common aim was activities of trust building for future joint CSR activities. It also showed that all companies already had a certain minimum standard of CSR as defined by Carroll, yet with different characteristic. Another conclusion is that different companies show understandings of time and time perspective, resulting in different CSR implementation speeds and CSR approaches. Regarding the drivers of CSR it shows that suppliers appear to be the lowest driver for the companies, instead the biggest drivers were identified as business markers, major key accounts, customers in general and intrinsically motivated entrepreneurs and owners. The motivation of the companies to engage in CSR actions is entirely different, ranging from employer branding and brand value creation to the gaining of an innovation advantage against direct competitor and a stakeholder driven approach. Yet all companies unanimously state that CSR influences future development and needs to be integrated into the business development processes and business core values, resulting in a new entrepreneurial strategy and framework. While these practical conclusions will be subject to future research, the show a clear indication for the practicability of CSR through voluntary commitment.

References

Carlowitz, H. C. v. 1732, SylviiculturaOeconomica oder Hausswirthliche Nachricht und Naturmäßige Anweisung zur Wilden Baum-Zucht, 2nd edn, Leipzig.


Freeman, R. E. 1984, Strategic management: A stakeholder approach, Pitman, Boston.


**Online References**


Published by ECSDEV, Via dei Fiori, 34, 00172, Rome, Italy http://ecsdev.org