CORPORATE CITIZENSHIP - SOCIAL AND ECOLOGICAL RESPONSIBILITY

Mag. Štefka Gorenak

Fakulteta za komercialne in poslovne vede, Slovenija
gorenak.stefka@siol.net

Abstract: *Research on corporate social responsibility (CSR) provides much of the foundation for conceptualizations of corporate citizenship (Altman 1998b; Waddock 2001). For at least five decades, scholars of CSR have attempted to find and develop a constructive relationship between business and society. According to the social contract, corporations have responsibilities to stakeholders beyond the sole pursuit of profit. For, if corporations fail in their responsibility to enhance community life in general, then the institution of business risks both economic survival and social legitimacy. Corporate ethics implies a critical assessment of discourses and practices in organizations. It starts from a moral sociology, from the existential, organizational life as it is perceived within the organization, from the ethical parts used by organizational members. Top ten corporate values (integrity, honesty, justice, equality, objectivity, loyalty, devotion, respect, prudence, tolerance) are what one may generally observe expressed in most corporate codes of ethics. The concept of corporate citizenship is closely linked in terms of social and environmental issues and in terms of ten values that constitute the basis of such social and environmental concerns. Corporate citizenship implies an ethical leadership, which is both visionary and globalising (Dion 2001). Ethical leadership is a kind of leadership that allows us to meet the challenge of assuming responsibility for the predicament of the other. It is a kind of leadership by which we can create the social, political, economic, cultural conditions required for living together. It is a type of leadership concerned with solidarity. Morally proactive leadership is critical for successful corporate citizenship. The proactive companies focus on the importance of CSR and its management inside and outside the global company. It also looks closely at management of corporate citizenship in a welfare state.*

Keywords: *corporate citizenship, corporate social responsibility, corporate values, ethical leadership, ecology, nature*.

1 Introduction

Citizenship is a challenge that companies cannot ignore and that managers cannot avoid. New ‘communities’ are part of every company’s reality, generating new problems and creating new opportunities. In the 21st century, corporate citizenship may become the standard expectations for global business enterprises. The reason is clear: the benefits and costs of business activities are so extensive that no society can develop without seriously thinking about the role of the global corporations. The challenge of achieving a balance between economics and social wellbeing and place the problem in sharp relief – businesses will not reap the economic benefits of open global markets without responding to their social and political responsibilities. Moral leadership is critical for successful corporate citizenship. Of the four faces of corporate citizenship, the ethical or moral face can be the most challenging to fulfil.

The European Union (EU) acknowledged the potential role that CSR might play in realising EU’s goal of becoming the most competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. Businesses can compete effectively across the responsibility spectrum (Zadek, 2004).

Quality management is given in modern companies – a competitive imperative. Why and how should responsibility be managed? What is responsibility management? CSR is continual company’s commitment to ethical behavior, economic development, and improvement of the life quality of employees, their families, the local community, and society in general.

Researches suggest that CSR under certain conditions can stimulate innovation, investment or trade and consequently also competitiveness. As Porter & Kramer (2006) state “corporations are neither responsible for the world’s problem, nor do they have the resources to solve them all. Each company can identify the particular set of societal problems that it is best equipped to help resolve and form, which it can gain the greatest competitive benefit from.” During the last decade growing numbers of companies worldwide acknowledged the importance of CSR in doing business (Cramer, 2003). Today CSR is one of the most important items on the corporate boardroom agenda for significant number of companies worldwide (Grayson & Hodger, 2004). The challenges of sustainability are now being expanded in the increasing CSR-related expectations and changing consumer’s behavior as well as accountability and being more active and involved in the civil society.

The concept of CSR is being replaced by the term »corporate citizenship«. We suggest that the alternative term »business citizenship« may better incorporate the broader perspective on business rights and duties, stakeholder relationship, opportunities and challenges that accompany the global socio-economy of the 21st century.

In order to develop a working theory of business citizenship, we first extract several key ideas about citizenship of individual persons and apply them to business organizations. This step requires an analysis of two perspectives on the individual, the organization, and the state: the minimalist or the libertarian view, and the communitarian view. This approach allows for a view of business citizenship that accommodates strong moral guidance, structural and institutional relations and the flexibility necessary to respond to the changing circumstances of particular company-stakeholder relationships.

This paper researches the relationship and potential synergies between the quality management, corporate Citizenship, CSR as emerging systems from the social to environmental responsibility (total responsibility management) and sustainable indicators and their implementation – in Slovenian Business Practice.

2. Holistic corporate citizenship

Lester Thurow wrote, nearly 40 years ago, in The Future of Capitalism: 'Paradoxically, at precisely the time when capitalism finds itself with no social competitors – its former competitors, socialism or communism, having died – it will have to undergo a profound metamorphosis' (1966, 326). That metamorphosis of capitalism lies at the very heart of the discussions about CSR, and more recently, corporate citizenship that has abed and flowed throughout most of the 20th century. As more and more pressure is put on capitalism to perform as basically the only major economic system the world now has left, the focus on the social and environmental impact on that system will inevitably increase.

Sustainable capitalism, to use John Eklington's (1997, 258) term, as a building ideology for rethinking business beyond CSR activities towards holistic corporate citizenship requires systemic cultural change. That cultural change involves investing in the long term, and in building a sustainable society as part of it, not just a sustainable business in economic terms. This is at society as part of it, not just a sustainable business in economic terms. This is at the core of holistic corporate citizenship and is what distinguishes it from the very important, but much narrower, generally program-based, discussions on CSR of the past 40 years or so. Holistic corporate citizenship is best viewed, I would argue, not as a program of activities but as a holistic system of organizational behavior affecting every level and aspect of an organization's policies and practices.

The social 'must' – Kenichi Ohmae argued in The Borderless World: Power and Strategy in the Interlinked Economy, that a corporation is a social institution whose responsibilities extend far beyond the well-being of its equity owners to giving security and a good life to its employees, dealers, customers, vendors, and subcontractors. Their whole life hinges on the well-being of the corporation (1991, 214). If that is the case, and we believe it is, then holistic corporate citizenship is not simply about philanthropy, corporate generosity, business community partnerships, executive leasing to community organizations, cause-related marketing, good causes and so on (though these may well be some of the concrete (externalised) realisation of CSR), it is about a changing business ethos. If the organization is to survive, if it is to be sustainable, if it is to create wealth it absolutely requires what Thurow described over 30 years ago as a 'social must' (1966, 303).

Stories of corporate citizenship practice about (see McIntosh et al. 1998; Tichy et al. 1999); theories of corporate citizenship are in the making (Altman ad Davenport 1998; Davenport 1998; Waddock 1999 and 2001; Wood and Logsdon 1999). However, as far as we are aware, there is as yet no substantial research bridge between theory and practice, no assessment of the gap between desired and current states of corporate citizenship.

When asked what constitutes a good corporate citizen, participants consistently ventured beyond their own narrow stakeholder perspectives, ultimately defining corporate citizenship as follows: 'Good corporate citizens strive to conduct all business dealings in an ethical manner, make a concerted effort to balance the needs of all stakeholders while working to protect the environment. Three attributes are presented, which indicate the good corporate citizenship:

1. *Ethical business behavior*. The company is guided by rigorous ethical standards in all its business dealings.
2. *Stakeholder commitment*. The company is managed for the benefit of all stakeholders: the community, consumers, employees, investors, suppliers, etc.
3. *Environmental commitment*. The company moderates its overall environmental impact through programs such as recycling, waste and emission abatement and through impact assessment via environmental audits.

To support these three attributes, participants identified 20 principles of corporate citizenship as criteria for guiding and assessing an organization's performance. These are shown in Table 1.

Table 1. The 20 principles of corporate citizenship

Ethical business behavior
The company…

- engages in fair and honest business practices in its relationships with stakeholders
- Sets high standards of behavior for all employees
- Exercises ethical oversight as the executive and board levels

Stakeholder commitment

The company…

- Is well managed for all stakeholders
- Initiates and engages in genuine dialogue with stakeholders
- Values and implements disclosure

Community commitment

The company…

- Fosters a reciprocal relationship between the corporation and the community
- Invests in the communities in which it operates

Consumer commitment

The company

- Respects the rights of consumers
- Offers quality products and services
- Provides information that is truthful and useful

Employee commitment

The company…

- Provides a family-friendly work environment
- Engages in responsible human-resource management
- Provides an equitable reward and wage system for employees
- Engages in open and flexible communications with employees
- Invests in employee development

Investor commitment

The company

- Strives for a competitive return on investment

Supplier commitment

The company

- Engages in fair-trading practices with suppliers

Environmental commitment

The company…

- Demonstrates a commitment to the environment
- Demonstrates a commitment to sustainable development

Source: Davenport 1998.

3. What are corporate social responsibility and responsibility management?

The research into CSR, carried out over the last 30 years has mainly been related to the analysis of value creation (Clarkson, 1995; Harrison and Feeman, 1999; Waddock and Graves, 1997). Nevertheless, this economic motivation, still of great relevance, does not seem to be enough to justify the growing tendency to propose socially responsible behavior in companies. Approaches to this question can be made from various starting points. The first of these is the factors that explain why companies reveal or divulge information of a social nature (Stanwick and Stanwick, 2006), and lastly, applicable in wider sense, a variety of principles, processes, policies, programs and observable results relative to the company's relationship with society, which uses for its measurement social indices that may be provided by social rating institutions, or ad hoc indices drawn up by the researchers themselves (Johnson and Greening, 1999; Mahoney and Thorne, 2005). To the present, there have been few empirical studies on the explicatory factors of corporate social behavior, and these have been limited to the United States and Europe (Maignan and Ralston (2002).

The neo-institutional theory suggests that organizations and their strategies are strongly influenced by the institutional characteristics in which they operate and by the legacy reflected by the culture, history and policy of a specific country or region (Doh and Guay, 2006; Maginan and Ferell, 2003; Matten and Moon, 2008). Furthermore, Welford (2005) states that generally CSR is more active in Europe than in the United States or Canada, mainly in the North European Countries. The results obtained in research (Sotorrio and Sanchez, 2008) show that there are significant differences in the social behavior between highly reputed European and North American companies (Aguilera et al., 2006; Matten and Moon, 2008).

3.1. Briefly about Total responsibility Management (TRM)

Briefly, TRM starts with inspiration. It means that the company has articulated a values-driven vision to which top management is committed. Built on generally agreed foundational standards that provide a floor of expectations about company practices and performance while incorporating the company's own explicitly stated values, the vision guides strategy development and implementation, processes, procedures, and relationships. The next major component of TRM is integration. TRM integrates the company's inspirational vision into its strategies, its employee relationships and practices, and the numerous management systems that support company strategies. TRM, using continual improvement tools creates feedback loops that foster innovation and improvement in management systems. Key performance indicators, or a measurement system that assesses how well the company is performing along at least the triple bottom line of economic, social, and environment is an important element of the TRM framework; so are transparency and accountability for results. TRM in brief means (Waddock & Bodwell, 2007): inspiration, integration, innovation, and plus indicators.

In analogy with quality management TRM follows the traditional process sequence embedded in quality systems in their implementation – plan, do check, act – a process that is embedded in the corporate accountability management system called SA8000 (Social Accountability 8000), which primarily focuses on implementation of labor standards but can be extended to TRM (Strum et al. 2000). The plan-do-check-act sequence provides a process for continual improvement, which is needed to ensure not only that responsibility management is in place, but also that the company is on a path of continual improvement. TRM is very similar to TQM, where top-management and leadership commitment to customers is a fundamental first step.

3.2. Putting responsibility management into practice

Employees in quality-oriented culture instinctively act as a team. Organizations where focuses on customers, continuous improvement, and teamwork are taken for granted have a good chance of attaining the total quality. The criteria are built upon a set of "core values and concepts" (Evans, 2007): visionary leadership, customer-driven excellence, organizational and personal learning, valuing employees and partners, agility, focus on the future, managing for innovation, management by facts, CSR, focus on results and creating value and systems perspective. The comparison of core values and concepts in TQM/Baldrige Award and TRM are presented in Table 2.

Table 1. Comparison of core values and concepts in TQM/Baldrige Award and TRM

Baldrige award core values / concepts	TRM core values / concepts
Visionary leadership	Visionary and committed leadership
Customer-driven excellence	Stakeholder-driven excellence and responsible practices
Organizational and personal learning	Organizational and personal learning through dialogue and mutual engagement with relevant stakeholders
Valuing employees and partners	Valuing employees, partners, other stakeholders
Agility	Agility and responsiveness
Focus on the future (short and long term)	Focus on the future (short and long term)
Managing for innovation	Managing for responsibility and improvement
Management by fact	Management by fact, transparency, accountability
Public responsibility and citizenship	Public responsibility and citizenship
Focus on results and creating value	Focus on positive results, impacts and value-added for stakeholders with responsible ecological practices

Source: Waddock and Bodwell (2007, 57-59)

At the company's level, sustainable development strategy should be "fostered by a strong sense of social environmental purpose"; it implies a commitment to a triple bottom line that includes profitability, environmental and social goals (Fowler and Hope, 2007). The important work of Collins & Porras (1997) highlights how a well-articulated vision can contribute to company's long-term success. In their book *Built to Last* they found that the visionary companies, that did so well, had future-oriented, inspirational visions, supported by widely recognised core values along with supporting strategies that enabled the company to achieve its vision in the long term. A necessary condition is having a clear vision about CSR from the top management and well-articulated guiding core values that support the vision. For example Ketola's (2007) CSR model anthropocentrism illustrates preference for social responsibility, biocentrism, preference for ecological responsibility and techno centrism the view that economic and ecological responsibilities can be simultaneously achieved through technological solutions.

3.3. Leadership commitment

Leaders and managers in company play a crucial role in developing vision and values. Leaders, who seek to integrate ethics wisdom with management's wisdom will find ways to address social problems while fulfilling the mandate to be profitable. The transition from moral management to moral leadership is similar to the transition form management to leadership – generally. One cannot be a moral leader without first being a leader. Moral leaders possess a number of important qualities. Perhaps these qualities could be referred to as 'habits', which distinguish them from immoral or amoral leaders. Moral leaders have a passion to do the right thing. They are appropriately motivated. They are morally proactive – they take the initiatives and are on the cutting edge of doing the right thing. They are stakeholders inclusive. They adopt and use the stakeholder model of the organization. They strive to be sure that all relevant stakeholders are taken into consideration. They have a strong ethical character and an obsession for fairness. Moral leaders are principled decision-makers and they know how to integrate ethical wisdom with management wisdom in al that they do.

With respect to moral leadership, how might one further articulate the essential attributes of moral leaders or moral leadership? What qualities do leaders need to possess and display to be thought of as moral leaders? Borrowing from the language used by Stephen Covey in his best-selling book The Seven Habits of Highly Effective People (1989), we could easily term these 'the seven habits of highly moral leaders.' In this section, we identify seven important attributes or habitual qualities of moral leaders:

1. They have a passion to do right.
2. They are morally proactive.
3. They consider all stakeholders.
4. They have a strong ethical character.
5. They have an obsession with fairness.
6. They undertake principled decision-making.
7. They integrate ethics wisdom with management wisdom.

Adopting a TRM approach means systematically changing the entire company, ensuring that vision and values are integrated into all company's strategies and operating practices; it also requires the top management involvement. Leaders, wherever they are in the organization, but particularly in the top management, need to take a long-term perspective, make a public commitment, communicate the commitment, be a role model for the company's values, to integrate vision and values into strategies and practices, and support change (Waddock & Bodwell, 2007).

Leading companies are finding that new strategic and organizational skills are required to integrate stakeholder considerations into the value delivery capability of their organizations. The competencies to manage stakeholder value in a way that integrates environmental and social issues into core business decisions remain in familiar territory in all but a handful of companies. Table 3 summarizes the eight disciplines that form the core competencies required to create sustainable value. All eight are essential to achieving the goal and must be considered as parts of a whole process. The eight disciplines of sustainable value (Table 3) are integrated into a management process that executives can use in their organizations to discover and create sustainable value in a step-by-step approach.

Table 3. The eight disciplines of sustainable value

Discipline	Key attributes
1. Understand current value position	Understand where and how the company is creating or destroying stakeholder value – and what it means in terms of business risks and opportunities
2. Anticipate future expectations	Track emerging issues and interests for stakeholders – and what it means for future business risks and opportunities
3. Set sustainable value goals	Establish a strategic intent to create new business value based on reducing negative impacts and/or increasing positive impacts for key stakeholders
4. Design value creation initiatives	Identify value creation opportunities that elevate both financial and societal performance
5. Develop the business case	Build a compelling business case. Obtain the resources and support needed to move the value creation initiatives forward.
6. Capture the value	Assess the requirements to successfully implement the initiatives
7. Validate results and capture learning	Measure progress. Develop metrics for stakeholder value and how it translates into shareholder value
8. Build sustainable value organizational capacity	Develop the mind-set, management capabilities, and skills needed to capture shareholder and stakeholder value

Source: Laszlo (2008, 135-136)

3.4. Stakeholder engagement

The proactive stance is the best in this attempt to anticipate and hence respond to problems before they arise. Many companies find that two-way communication or what is called stakeholder engagement can help to provide better information about possible problems and better prepare the company for issues. The next important task is to indentify the relevant stakeholders. Most companies would acknowledge the importance of a certain set of stakeholders, called primary and secondary stakeholders (see e.g. Clarkson 1995; Waddock 2006).

Integrating responsibility management

Integrating responsibility management into the organization is contingent on many factors unique to each situation. What is clear is that responsibility management approaches must be systemic, i.e. holistic, if they are to be effective. Improvement and innovation means taking processes or systems that may or may not be working reasonably well now and making them better. It means generating new ideas, new products, new systems and new approaches to organising. Employees are the most critical resource that a company has for improving its responsibility management systems because they do the work of the organization day to day.

In addition, the quality movement articulated a set of important principles, by which organizations could begin to move their practices towards higher levels of quality as well as continual improvement (Gorenak and Mulej, 2010). In Table 6 there is a similar roadmap for companies to follow when they are implementing TRM.

Table 2 Baldrige criteria extended to total responsibility management

Baldrige national quality award criteria for performance excellence	TRM criteria for performance excellence
Continuous quality improvement	Continual responsibility improvement process ensures that TRM standards are met.
Meeting customers' expectations	Lives up to expectations of global business, NGOs and governmental communities regarding responsible relationships with employees, suppliers, customers, and communities through sustainable management practices.
Long-range planning	Long-range planning
Increased employee involvement	Meeting employees' expectations about responsible practices through engagement and dialogue.
Process management	Increased stakeholder engagement and management of stakeholder relationships, practices and impacts through attention to systems, processes and outcomes.
Competitive benchmarking	Competitive benchmarking of responsibility systems, including systems/process management for continual responsibility improvement.
Team-based problem-solving	Employee, supplier and customer involvement in meeting standards and problem-solving.
Constant measurement of results	Constant assessment of results, externally verified auditing process, communication and reporting out to stakeholders.
Closer relationships with customers	Closer, engaged and mutually respectful stakeholder relationships.
Management commitment	Top-management commitment, management commitment at all levels, employee and supplier commitment, clear articulation of vision, core values and strategies for continual improvement of stakeholder relations and performance assessment.

Source: Waddock and Bodwell (2007, 130-131)

Indicators

The improvement and innovation elements of TRM create a significant demand for companies to broaden how they measure performance. To measure responsibility, new indicators need to be added to financial and quality management systems, in what we call 'plus indicators'. Indicators for TRM focus on stakeholders, and on the triple bottom lines of economic, societal and environment issues. One of the most notable approaches is that of the Global Reporting Initiative (GRI), a multi-stakeholder initiative that aims to devise and implement globally accepted responsibility and sustainability reporting guidelines that are comparable across companies operating in different industries, much as generally accepted accounting principles are standardized. In addition to GRI, the International Organization for Standardisation (ISO), which promulgates quality and environmental standards that are widely used in businesses announced in 2004 that is it is developing voluntary standards for corporate responsibility by 2008. In 2010 draft of ISO 26000 standard is published.

Measures of business success and dimensions of corporate sustainable development performance focuses specifically on the key areas of (van Heel et al. 2001): governance; general business; environment; socioeconomic and stakeholder engagement.

4. Environmental management systems and standards

Environmental policy in Europe and elsewhere has been suffering from a lack of effectiveness (Knill & Liefferink, 2007). As a response, two key strategies were proposed and partly pursued: (1) to adapt the level and spatial scale of governance to that of the environmental problems; (2) to enhance participation of non-state actors in environmental decision-making. In order to effectively respond to environmental problems, it has repeatedly been proposed to adapt the scale of governance institutions to that of the environmental issue (Young, 2002). Increasingly, functionally specific governance institutions on natural spatial scales are being marshalled (Hooghe & Marks, 2003).

Environmental governance has become a highly complex system of decision points. An important aspect of governance – as opposed to government, and of multi-level governance in particular, is the participation of non-state actors in decision processes on the different levels of governance (Bache and Flinders, 2005; Papadopoulos, 2007). In this context, a stronger decentralization in policy implementation is advocated. What about environmental policy, in particular the inclusion of non-stake actors in policy-making achieved prominence, thanks to four EU directives pushing forward more collaborative forms of governance. Drawing on the academic literature (Pellizzoni, 2003), participatory governance is expected to contribute to improving the ‘quality’ of decisions by incorporating locally held knowledge and by opening up the political arena for environmental interests. Further, it is argued that the inclusion of stakeholders increases the acceptance of decisions and thus improves compliance and implementation on the ground (Schenk *et al.*, 2007). Based on these prerequisites, participatory and collaborative forms of governance are expected to lead to more effective improvements in environmental quality (Newig, 2007; Dietz & Stern, 2008). This is typically expected with environmental problems characterized by increasingly complex spatial interrelations of societal and ecological processes (Young *et al.*, 2006; Fece (2005a, 2005b, 2007 and 2008).

We need to know which types of decision-making processes – multi-sector collaboration, hierarchical planning, command and control regulation, or market-based mechanisms – perform best in terms of environmental outcomes’ (Rauschmayer *et al.*, 2009).

A particular challenge for research (and practice) arises from the fact that the question of (civic) participation is invariably connected to the issue of governance level, because participation is always carried out on a particular – typically local or regional – level. Although it is plausible to assume that there is unexpected potential and fundamental contradictions embedded in the relationship between participation and multi-level governance, this has not yet been the subject of scholarly attention (except by Warleigh, 2006).

Environmental management systems (EMS) were developed as a response to pressure to show the environmental performance. Environmental policy should be planned, implemented, checked and corrected if necessary and finally reviewed. In this way firms aim at continual improvement of the system in order to ameliorate environmental performance (Kolk, 2000).

5. Responsible competitiveness

Even with an optimistic view of the growth in CSR practices there remains little confidence on the part of the general public in most countries that business is willing to become active in combating social exclusion, poverty, and environmental insecurity. The challenge is not so much to ‘find’ profitable opportunities in today’s markets, as to create markets (in societies) that systematically reward responsible practices. The European Community has acknowledged the potential role that CSR might play in realising its goal of becoming the most competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.

To understand competitiveness, the starting point must be the sources, of a nation’s prosperity. A nation’s standard of living is determined by the productivity of its economy, which is measured by the value of goods and services produced per unit of the nation’s human, capital, and natural resources. Productivity depends both on the value of a nation’s products and services, measured by the prices they can commend in open markets, and the efficiency with which they can be produced. True competitiveness, then, is measured by productivity (Cornelius and Porter, 2002). The question is whether CSR practices can play a significant role in driving ‘responsible competitiveness’, characterised by a positive relationship between national and regional competitiveness and a nation’s sustainable development performance. Businesses can compete effectively across the responsibility spectrum, spanning from investment in environmentally friendly technology and raising productivity by improving their employees’ work-life balance, through to cutting corners on environment and labour standards and engaging in corrupt relationships with governments.

Measuring Progress on country’s (region’s, community’s) progress of sustainable development strategy includes a wide set of indicators, additional and improved ways of measuring progress, strategic assessment of performance and progress are quoted in Table 5.

Table 5. Sustainable development indicator set – Measuring progress.

	1.	Health Inequality: Life expectancy (by area) men / women

Well-being	2. Air Quality: Air Quality Management Areas (AQMAs)
	3. Economic opportunity: 16 – 19 year olds who are not in education training or employment
	4. Economic opportunity: people of working age in employment
Supporting thriving communities	5. Community: a) neighborhood satisfaction, b) volunteering
	6. Crime: recorded crimes for a) vehicles b) domestic housebreaking c) violence d) anti-social behavior
	7. Households: a) childhood poverty; children in low income households, b) homeless households
Protecting country's (region's or community's) natural heritage and resources	8. Waste: municipal waste arising a) total and b) recycled/composted
	9. Biodiversity – for example composite indicator of bird populations
	10. River quality: kilometers of river identified as "poor" or "seriously polluted"
Country's (region's or community's) global contribution	11. Climate change: greenhouse gas emissions: total and net
	12. Sustainable Energy: Electricity generated from renewable resources
	13. Sustainable Energy: carbon emission indicator
	14. Transport: total vehicle kilometers
Learning	15. Learning: Eco-schools uptake and number with green flag
Context	16. Economy: Economic output: Gross Domestic Product (GDP) per head
	17. Demography: Age profile of population
Indicators in development	18. Social justice: new indicator being developed to support country's (region's or community's) framework
	19. Environmental Equality: new indicator being developed to support country's (region's or community's) framework
	20. Well-being: well-being measures will be developed in support of country's (region's or community's) framework if supported by the evidence.

Source: White at al, 2006.

To understand competitiveness, the starting point must be the sources of a nation's prosperity. A nation's standard of living is determined by the productivity of its economy, which is measured by the value of goods and services produced per unit of the nation's human, capital, and natural resources (Cornelius and Porter, 2002). Businesses can compete effectively across the responsibility spectrum, spanning from investment in environmentally friendly technology and raising productivity by improving their employees' work-life balance, through to cutting corners on environment and labor standards and engaging in corrupt relationships with governments. Cost/benefit alternatives in business are presented in Table 6.

Table 6. Cost/benefit alternatives in business – some examples

Directly visible	**Costs - indirect, maybe hidden costs**
Cost of happiness/motivation/commitment of co-workers as creative/innovative people	Cost of strikes and poor use of creative and other capabilities (for work rather than resistance)
Cost of fidelity of co-workers in the enterprise (or other organization)	Cost of support to fired co-workers (via taxes) and enabling of new co-workers
Cost of privileges of the most influential ones	Cost of resistance and revolt of un-influential ones
Cost of reliability of business partners (other than co-workers)	Cost of checking/assuring quality of (all) phase of the supply chain of business
Cot of prevention diseases and provision of healthy work and life conditions and habits of people, especially co-workers, etc.	Cost of medication (via taxes and direct), of replacing co-workers and their enabling, of support to disabled co-worker etc.
Cost of public and internal education and training of co-workers and other stakeholders	Cost of too poor quality, rationality, productivity, creativity and innovativeness
Cost of broad information and refreshment and renewal of knowledge and values, culture, ethics and norms of co-workers	Cost of a too poor insight in the essence, adaptability to new conditions etc.
Cost of charity to the benefit of cultural, sport, fire fighters etc. activities providing sense-making content and creativity in leisure time	Cost of consequences (via taxes and direct), of too much drinking and similar leisure time contents damaging health
Cost of government for security, reliability, order etc.	Cost of insecurity, unreliable, possible terrorism and similar experiences

Cost of non-toxic etc. natural environment by requisitely holistic (RH) use of external economics	Cost of illnesses, eco-remediations etc. consequences of abuse of external economics
Cost of fair use of the law of supply and demand (normal profits)	Cost of abuse of the law of supply and demand (normal profits) (exceptional profits now, but later?)
Cost of training limited to a narrow, currently needed specialization without training for inter-disciplinary creative co-operation	Cost of training for inter-disciplinary creative co-operation, as a precondition for requisitely holistic (RH) behavior at work and otherwise
Cost of training for routine or even routine-loving work without creativity and co-operation.	Cost of capacity of creative or even innovative work and cooperation

Source: Knez-Riedl and Mulej (2008, 103)

Corporate responsibility clusters draw on, and yet take us beyond, Michael Porter's seminal work on industrial clusters (Porter 1998). Furthermore, while Porter's original thinking on clustering focused on the role of geographic proximity in stimulating innovation, learning and productivity, research (Zadek, 2004) raises the possibility of geographically dispersed clustering, for example, along value chains. Public policies to amplify corporate responsibility practices need to be, and indeed are being, formulated in the context of this complexity at an international level, and also at regional, national, and even community levels: redefining our understanding of 'responsible competitiveness'; national, regional and sector analysis; standards, tools and competitiveness; responsible competitiveness, winners and losers; redefining competitiveness measures. Measuring Progress on country's progress on sustainable development strategy includes a wide set of indicators, additional and improved ways of measuring progress, strategic assessment of performance and progress (White at al, 2006).

6. Effects of Corporate Social Responsibility on Consumer Behavior

In a business world characterized by increasing competition and in which corporate actions are employed to complement marketing activities in order to gain a sustainable competitive advantage, the present research contributes to our understanding of the effects of CSR on consumer behavior. Especially (Marin et al., 2009) show that CSR initiatives influence consumer behavior through multiple paths, including the traditional path through company evaluation as well as the recently proposed path through consumer-company identification. The implication for marketing managers is straightforward: investing in CSR initiatives is an important strategic task that provides enduring consumer loyalty, based on intangible company assets (Sen et al., 2001, 2006). CSR activities have a significant influence on several consumer related outcomes such as consumer product responses (Pirsch et al., 2007) and attitudes (Berens et al., 2005).

The social behavior of firms and this behavior influences their purchasing decisions has been intensely researched in recent years but the results seem to be inconclusive. The stock performance of "good" companies does not excel that of their "inferior" competitors (Maignan, 2001; Maignan and Ferell, 2003; Margolis and Walsh, 2003; Rubbens and Wessels, 2004). Page and Fearn (2005), Gebben and Gitsham, 2007) found that, in the area of corporate reputation, perceptions of fairness toward consumers or attributions of success and leadership to a company have the greatest impact on consumer attitudes.

7. Gorenje Group – from Total Responsibility Management to Corporate Citizenship

7.1. Problem definition

Problem - The main researches on CSR have not included synergies between corporate citizenship (including social and environmental management as well as responsibility to the nature), Total quality management, Total responsibility management into corporation strategies. Corporate citizenship, especially environmental management and social management in and outside the company help responsible companies to built good relations with the municipalities/communities and support the well-being strategies. Corporate citizenship strategies and sustainable development have to be holistic and constantly measured.

Hypothesis: Corporate citizenship, including environmental management and its implementation in corporation strategies (CSR, TRM) as well as cooperation with stakeholders in and outside the company, lead companies and long-term competitive advantages.

Methodology – Gorenje Group - Head of the department of environment and health and safety at work, was interviewed. Furthermore, the Gorenje Group internal data were included.

7.2 Research questions

Sustainable success for the business and, as a consequence, sustainable success for society are more likely to be reached by asking the following questions of every policy and operation of the company or organization on a daily and recurring basis. Recognize that corporate citizenship is more than CSR and is not simply project-based: it is about three domains – the organization itself, the core business, and the community in which the organization operates.

The questions are following this aim:

1. Is TRM/CSR included in your corporate culture, values and strategies?
2. How does your company put TRM/CSR, especially ecological management, into practice and explain the leadership commitment?
3. What is the context and why is special attention paid to environmental management?
4. Which environmental-management encompassing dimensions have already been included in your strategies?
5. Which TRM/CSR, especially environmental-management indicators, are introduced in your company and how it is measured – examples?
6. Will this make a positive or negative difference – socially, environmentally and financially?
7. Is this fully transparent and accountable in terms of the triple bottom line?
8. Is this fully inclusive, involving employees and stakeholder dialogue and feedback?
9. Is this ethical, sustainable and profitable?
10. Does this add value to the long-term triple bottom line?
11. Will this enable all of us to be proud of our current behavior and the legacy we leave for others?
12. What are the main commitments and goals of Gorenje Group regarding TRM/CSR – environmental management and environment protection?
13. Why are EMAS and good working conditions so important for your company?
14. What are your expectations, successful outcomes and will TRM/CSR lead your company to responsible competitiveness?
15. What does Gorenje Group do to encourage sustainable behavior of the consumers?

7.3. Research findings in general

Gorenje Group wider values, leadership principles and policies are supplemented by the Gorenje Sustainable Development Policy, which lays down their sustainability strategy. The Gorenje Group has undertaken to pursue a sustainable and value-oriented business policy, in part through their commitment to the Global Responsible Care Initiative. The Gorenje Group is aware of its responsibility for its activities, which have an impact on people as well as on closer and wider surroundings, including the natural environment; therefore its approach to the CSR is a planned and responsible one.

Group-wide control of this task is handled by the Gorenje Corporate Sustainability Board, the most important committee for sustainability management at the Group level. The Gorenje Corporate Sustainability Board consists of the members of the management boards of the subgroups responsible for ecology and technology and the heads of the Corporate Center departments for Corporate Human Resources & Organization, Communications and Environment & Sustainability. Chaired by the Group Management Board member responsible for Innovation, Technology and Environment, this body meets regularly to jointly establish the sustainability strategy and objectives, to adopt Group sustainability-related directives and to decide on key initiatives. A corner stone in the implementation of these decisions is the Environment & Sustainability Department, The subgroups and service companies have established effective management systems for health, safety, environmental protection and quality (HSEQ). Rules governing health protection and workplace safety are particularly important and have thus been adapted. The Gorenje Group is aware of the responsibility for its activities with impact on people as well as on closer and wider surroundings, including the natural environment; therefore its approach to CSR is a planned and responsible one. CSR in Gorenje Group incorporates:

1. Responsibility to employees (concern for education and training of employees, concern for young and promising staff, development of human resources, health-care for employees, assurance of suitable employment to disabled persons and communications with employees);
2. Responsibility to users of products and services (assurance of product safety and assurance of environmental friendly products - is based on European committee of domestic equipment manufactures (CECED);
3. Responsibility to close and wide social environment and
4. Responsibility to the natural environment.

Gorenje Group typically makes an effort to provide products that guarantee the satisfaction of customers and meets their expectations. The responsibility to customers ensures that the product is of high quality, accessible, safe and environmental-friendly, and has less social and environmental impacts. More long-term attention should be paid to education of sustainable consumers and all stakeholders (values) in welfare society. Gorenje built up its reputation also by contributions to various activities. Recently Gorenje was allocating funds to the areas of culture, education, health care, and humanitarian activities. Besides that an important share was allocated to the development of sports activities and top sports that additionally confirm the recognition of Gorenje Group in Europe.

Gorenje Group built up its reputation also by contributions to various activities. Company's own activity plays an important role in social activities in the area of culture, health care and humanitarian activities, sports sponsorship, and recreational activities for a wide society, stimulate employees and their families to pay more attention to healthy way of life and useful spending of free time. Employees are also encouraged to become members of the Recreational Society Gorenje that receives some funds. Gorenje Group also supported the activities of the Pensioners' Club of Gorenje and thus showed its concern for the third life period of the company's former employees - for example to establish senior home for former employees in cooperation with local community. In the recent past the rise and increased attention to CSR in Slovenia put Gorenje Group in the spotlight and created significant interests and/or reactions among different stakeholders in Slovenian welfare state. There is a wide array of community activities in which Gorenje Group is involved (corporate citizenship – especially very good cooperation with communities where their companies are and where their employees live).

There are many advantages of contemporary technological solutions for an environmentally conscious user. Contemporary consumers are increasingly aware that price and appearance can no longer be the sole criteria for decisions regarding the purchase of a household appliance; product's impact on the environment should also be considered as a major aspect. Every household consumes a lot of power to provide a good and comfortable life. Comfortable way of life in households results in a major share of indirect greenhouse gas emissions. One way to reduce this share is to purchase energy-efficient and technologically top-most appliances, such as the ones manufactured by Gorenje - a company ranked among the best manufacturers of modern appliance for the home.

There are presented awards[1], which contributed to the competitiveness of the Gorenje Group. At the same time, we have to mention the Institute of ecological research ERICo (that has been a part of the Gorenje Group), which is among the winners of the European Regional Champions Award 2008[2].

7.4. Responsibility to users of products and services – Eco circle

When developing its products, Gorenje's most relevant guidance is assurance of product safety, which is checked by Slovene and esteemed foreign institutions. The institutions issue appropriate reports on tests and certificates before products are launched into the market. It is of vital importance that safety of each product is checked already at the stage of production and after the completed production in special licensed and well-equipped laboratories. Assurance of environmentally friendly products - Gorenje is the member of Conseil Européen de la Construction d'appareils Domestiques – European Committee of Domestic Equipment Manufactures (CECED). Through CECED it would like to be a partner and companion in talks to the European commission in preparation of the legislation.

[1] Gorenje Group Awards:

- Nomination for the Ecologically Aware Company of the Year; Slovenia, 2008
- Environment-Friendly Company Award; Slovenia, 2007
- EcoTopTen award for the class A++ tabletop refrigerator; Germany, 2007
- Winner of the Czech user test for Mora cooking appliances, by power consumption, price, functionality, and design; Czech Republic, 2007
- Nomination Waterwise for efficient water management in the Gorenje Premium Touch washing machine; Great Britain, 2006
- TESAW award for power savings in the new generation evacuation laundry dryers; Australia, 2006
- International Environment Partnership Award, Slovenia – Serbia, 2006
- Third place on the list of sustainable value of the European industry, in the Advance Project research, with regard to environment management; European Union, 2006
- EMAS Award in the category of large companies; European Union, 2005
- Eco Product of the Year – new generation of washing machines and dryers; Slovenia, 2004
- The Product Award for Sustainable Development; European Union, 2004
- Most Environment-Friendly Company Award, Slovenia, 2003
- Award for the most efficient energy management with a special award for the person in charge of energy management, Slovenia, 2003
- Eco Product of the Year – new generation kitchen ranges; Slovenia, 2001
- Eco Product of the Year –Simple&logical washing machine, Slovenia, 1997

[2] The Institute of ecological research ERICo which has been a part of the Gorenje Group for a good year and a half is among the recipients of the European Regional Champions Award 2008, presented by the European Parliament and the Committee on Regional Development. The 30 best projects, selected among 250 nominees, also included the project COOT – Centre of Environment Technology Excellence, in which ERICo is taking part as a key partner. The project is coordinated by the Jožef Stefan Institute and financed by the European Regional Development Fund. The purpose of the award is to identify and acknowledge sound and successful practices and innovations in the EU zone, particularly in those regional projects that can set an example to other regions.

The mission of the CECED is to improve technical properties of appliances along with simultaneous reduction in the environmental influence. Meeting of guarantee and service obligations - In accordance with the legislation, repair services are ensured to buyers of Gorenje Group products. Eco-cycle which includes materials, production, products and recycling is presented below:

Materials - Even before a Gorenje product sees the light of day, it is endowed with a very important feature: it corresponds to all legal and environmental requirements. Hence, product planning phase is of great importance as this is when up to 80 percent of the product's total impact on the environment is anticipated. Gorenje products are made of excellent, ecologically sound and degradable materials, with as little different types of plastics as possible, and with a maximum viable number of standard elements. The purpose of selecting the materials in this way is to enable simple disassembly and recycling once the products useful life has expired.

Production - New concepts come to life in Gorenje only, if they can be implemented in an environment-friendly manner. Hence, products are not only made from environmentally sound and recyclable materials, but also manufactured by environment-friendly technological procedures. The approach of introducing clean, environment-friendly technologies has grown together with Gorenje since the company's beginnings, which through its development, completed numerous environment-friendly technological improvements in its production programs. Investment into improvement of technological procedures and equipment in the last decade resulted in a 42 percent decrease of hazardous waste generated per product, 54 percent decrease in waste disposed per product, 76 percent decrease in total treatment plant load, 65 percent decrease in water consumption per product, and 39 percent decrease in natural gas consumption per appliance produced.

Products - In addition to design and functionality, meeting the criteria of environment-friendly design which includes the entire life cycle of a product starting from development, through manufacturing and use, to handling after the expiry of useful life, is of utmost importance. Furthermore, energy efficiency is defined as one of the key strategic goals in development of technical solutions both in products and production processes. Consistently with various lifestyles, various Gorenje appliances are designed to address different preferences. Nevertheless, they all share a common feature: they are equipped solely with almost entirely recyclable components that are not harmful to health of detrimental to the environment; they use less power, water, and detergent; they are classified among the most energy-efficient household appliances in the market; they meet and exceed the criteria of the highest energy classes as defined by the European standards; the level of noise emitted by operating appliances is at the minimum level; entire technological development and improvements are consistent with the goals of environment protection, as well as with general interests of the society. Top-class washing machines are classified as A+AA, while the best condenser dryers have reached the B energy class. New generations of washing machines and dryers also offer numerous functions and settings that allow additional savings.

Recycling - Gorenje's developers are aware even before a product is launched in the market, that this same product will someday be obsolete. Hence, product development in Gorenje also includes meeting all requirements related to waste management. All products are designed to be as easily disassembled and recycled as possible. The products are made of materials and components that are at least 80 percent recyclable.

7.5. Responsibility to the natural environment

The Gorenje Group’s mission and vision as to the improvement of the quality of life and work in the milieu in which it operates is incorporated in the Group’s strategic plans. Through the introduction of new materials, processes and technologies that minimize harmful impacts on the environment, Gorenje Group fully complies with the most recent ecological standards. Developmental orientation is also moving towards the manufacture of appliances with minimal environmental impact, namely processes which do not destroy the ozone layer, and products that require minimal consumption of energy, water and detergents - both in their manufacture and their use. Gorenje constantly monitors all its gaseous, liquid and solid waste emissions, the consumption of energy sources and - since 1990 - the utilization of all potentially hazardous substances. The introduction of ISO 14001 standards reduced the level of ecological risk and today afford the optimal environmental management. Reducing discharges from harmful processes, control over the utilization of all energy sources, together with the recycling of raw materials and wastes, also contribute to a decrease in operating costs. Environmental protection and providing for safe working conditions are one of basic rights, obligations and responsibilities of all employees and are treated as a constituent part of company’s management.[3]

[3] Gorenje Group is committed to:

1. Include ecology and occupational health and safety in our development strategy, in annual and operative plans with anticipated measures, bearers, performers and timeframes in order to offer employees a safe and healthy fulfilment of their job assignments along with permanent reduction of injury risks or medical harm while constantly reducing any negative environmental impacts;

In 2006 the parent company Gorenje, d.d. continued its activities of environmental management by performing the activities planned for the achievement of objectives of environmental protection. Besides striving for the achievement of measurable objectives (waste management, energy products – all objectives were achieved) special attention was paid to the introduction and meeting of requirements of the RoHS Directive (Restriction of Hazardous Substance Directive) – The Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment, was adopted in 2003 by the European Union.

Eco-Management and Audit Scheme (EMAS) is a directive by the European Parliament (2000) and the Council of Europe, elaborated as a tool for systematic treatment of environment. Gorenje decided to voluntarily enter the EMAS Scheme even before the Slovenian entrance to the European Gorenje has also fulfilled the requirements regarding communication and engagement of employees in the environmental treatment system. Many indicators are used and new indicators are permanently introduced and presented in Gorenje Group environmental report each year.

7.7. Environmental and occupational health and safety policy

Gorenje Group creates original, technically perfect and user friendly products of top-design for agreeable home. It is focused on increasing the satisfaction of consumers while creating in socially responsible mode the values for owners, employees and other shareholders of the Gorenje Group. Due to its importance the policy of environmental protection and occupational health and safety is the constituent part of management policy in Gorenje Group and entrepreneurial culture of the company. Environmental protection and providing for safe working conditions are one of basic rights, obligations and responsibilities of all employees and are treated as a constituent part of company’s management.

7.8. Eco Family initiative –

To commemorate the Earth day, Gorenje presented for the first time the Eco Family initiative to the public. The aim of the initiative is to motivate individuals to change their wasteful habits, to introduce energy-efficient technology in their homes, and to seek alternative options. By establishing the Eco Family initiative, Gorenje is extending the framework of thinking about the agents of efforts for a cleaner environment; in addition to asking what I can do as an individual or employee, it seeks to answer how we as society can contribute. Two books entitled Ecofamily – Environmentally Friendly Operation in Order to Preserve the Planet and Ecofamily – Help the Planet with the Informed Behavior, have been published within the initiative of the Eco Family.

In Gorenje, protection of the environment is at the heart of short-term and long-term policies and goals; it is also an important part of Gorenje's corporate culture. Tradition of environment protection dates as far as 40 years back, when the company built its first waste water treatment plant. 1998 was a major watershed as the strategic plan of the Gorenje Group, adopted that year, also included environment protection among the priorities of the Group's operations. Hence, Gorenje was awarded the ISO 14001 standard for environment protection as early as ten years ago; furthermore, company operations were adjusted to meet the requirements of the EMAS regulation in 2003. Today, Gorenje sees environment protection not only as an obligation, commitment, and self-evident responsibility, but also as a source of numerous new business opportunities.

In the field of environment protection, Gorenje is in the apex of European industry, both with regard to appliance development and management of technological procedures. One proof there of is the Advance Project survey conducted by a group of independent research institutes from several European countries, which ranks Gorenje as third in Europe by efficient environment protection management. The results have shown that Gorenje's

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2. Monitor and measure indicators of conditions in the activity fields and environmental aspect, and in case of deviations, act accordingly;
3. Continually improve workplace conditions and ecological situation while fulfilling current applicable requirements;
4. Plan and introduce new technologies and products according to principles of environmental protection and introduce adequate, faultless and ergonomic working appliances while permanently seeking possibilities for improving working conditions;
5. Use such materials and components, which will meet the most demanding local and international environmental standards;
6. Plan new products in compliance with eco-design requirements comprising the complete life cycle of the product: development, production, use and disposal;
7. Provide for quantity reduction of produced waste and take every measure for streamlined consumption of energy resources;
8. Implement requirements regarding the exposure of workers to the risks caused by noise at the workplace;
9. Train and qualify in order to rise their awareness of assuming responsibility towards the working conditions and environment;
10. Co-operate with employees and interested parties, thus contributing to the success of joint efforts in environmental protection and occupational health and safety;
11. Inform interested parties about our achievements in environmental protection and occupational health and safety.

approach to sustainable development of environment protection was among the most efficient in the segment of environment protection, social aspects, and management economics.

Gorenje invests between EUR 40 and 50 million annually into updating its technology and developing new products. In all segments of its operations and investments related to environment protection, the investments are deliberately planned to exceed the legal requirements. In addition to design and functionality, one crucial aspect of developing new products is compliance with the requirements of ecological design which takes into account the entire life cycle of a product, from development, manufacturing, operation, to disposal. Furthermore, energy efficiency is one of the key strategic goals when developing new technical solutions, both for products and manufacturing processes. All new products are developed in a way that makes them environment-friendly, as they are made using environment-friendly technological procedures and materials, and as they consume less power, water, and detergent. These appliances rank among the most cost-efficient household appliances in the market. They reach and exceed the highest energy classes required by European standards. The noise that they emit during operation is minimal.

In 2007, the German Institute of Applied Ecology Öko-Institut E.V. from Freiburg, ranked Gorenje's refrigerator RB 4139W on the first place on its scale of ten best appliances according to the EcoTopTen initiative. The EcoTopTen list only features appliances that meet the criteria of A++ energy efficiency class, which means up to 45 percent of savings in power consumption. With this recommendation, Gorenje met the most stringent criteria of the EcoTopTen initiative in the field of household appliances for the third time. Upon this foundation – clear vision of environment management and the most cost-efficient refrigerator in Europe in its category – Gorenje was nominated for the award of Ecology-Oriented Company 2007.

On the occasion of the international Earth Day, Gorenje donated to the citizens of Velenje 21 trees gingko biloba for the reviving of the square Titov trg. By organizing the tree planting event with participation of Gorenje's CEO and President of the Management Board, Mayor of the City Municipality of Velenje, and a pupil of the Gustav Šilih Primary School from Velenje, Gorenje is encouraging inhabitants of Velenje to take environmentally responsible actions.

To commemorate the Earth day Gorenje presented for the first time the Eco Family initiative to the public. The aim of the initiative is to motivate individuals to change their wasteful habits, to introduce energy-efficient technology in their homes and to seek alternative options. By establishing the Eco Family initiative, Gorenje is extending the framework of thinking about the agents of efforts for a cleaner environment; in addition to asking what I can do as an individual or employee, it seeks to answer how we as society can contribute. Two books entitled Ecofamily – Environmentally Friendly Operation in Order to Preserve the Planet and Eco Family – Help the Planet with the Informed Behaviors, were published within the initiative of the Eco Family.

8. Conclusions

Nowadays participants in stakeholder partnerships come together specifically to achieve social benefits through joint action. This is accomplished in part by enabling individual partners to pursue their own interests, which may include the direct or indirect commercial interest of participating companies, as well as the interests of other partners. New social partnership can be effective at both the local and the strategic levels, but will not necessarily be so. Governance structures are changing fundamentally at all levels of society – locally, nationally and globally. The way this transition develops will have critical implications for the ability of communities and countries to address the challenges of economic competitiveness, social cohesion and sustainable development.

Although we recognize that very few leaders fully achieve the above seven habits, it should nevertheless be stated that moral leaders achieve most of them or are a long way 'down the road' to achieving them. At a minimum, they stand as baseline standards against which leaders might be compared. In the final analysis, strong corporate citizenship is unattainable without moral leadership.

CSR is included in the corporation strategies. Long-term competitive advantages are expected. The relationship and potential synergies between the total responsibility management, its measurement (sustainable indicators) and Responsible Consumption lead companies to long-term competitiveness and sustainability.

Gorenje Group typically makes an effort to provide products that guarantee the satisfaction of customers as well as other stakeholder and meets their expectations. The responsibility to customers ensures that the product is of high quality, accessible, safe and environment-friendly, and has less social and environmental impacts. More long-term attention should be paid to education of sustainable consumers and all stakeholders (values) in welfare society. Social marketing (i.e. marketing products with social claims or labels) is still not implemented; it will be demanded in the future. Company-customer relationships in pursuing CSR are in defining exactly what CSR means to customers and in understanding how customers perceive it.

Goals regarding environment protection until 2010 are: introduction of requirements relating to the contents of hazardous substances in household appliances; decomposition of waste electrical and electronic devices;

reduction in quantity of produced waste; reduction in the produced industrial waste packaging and rational consumption of energy sources.

The basic principles for implementing CSR are a fair and equal consideration of employees, ethical and fair business operations, observance of the basic human rights, a positive attitude to closer and wider community and responsible environmental management, serve as the basis for defining key social responsibility areas of the Gorenje Group, which are reflected on the Gorenje Group's vision, mission and values.

The result of this study presents a positive contribution to the progress and development of CSR in Gorenje Group, to discussion and debates on CSR, and conformation furtherance of theories important in studying CSR, TRM and sustainable development and its measurement.

Theories and discussions on CSR and sustainability are still evolving. As shown in this study, the responses in the case company (Gorenje Group) are positive and substantiated by its programs directly addressing how to develop and improve CSR by implementation of corporate citizenship, TRM and environmental management into strategies, which includes the permanent measurement (sustainable indicators) to the stakeholders.

9. Future research

Of particular concern to companies, as they focus more on doing good, is the persistent lack of a clear sense of the positive returns to their corporate citizenship actions. This underscores the need for better measurement models (indicators) of corporate citizenship, sustainable development that capture and estimate clearly the effects of a company's actions on its stakeholders (direct and indirect), including its consumers. The synergies between corporate citizenship and responsible consumption also lead CSR-enterprises to long-term competitive advantages by contributing to requisitely holistic management of innovative companies.

Gorenje Group, as a good corporate citizenship is involved in a wide array of community activities. Gorenje Group presents a successful case of corporate citizenship, CSR and sustainable development in Slovenia and in the EU. The aim – to highlight the characteristic features of Slovenian corporate citizenship and compare them to other researches (theoretical and empirical) with available empirical published studies – is achieved. Finally, this case adds to the mounting evidence that corporate citizenship and sustainability, in general, has created a new dimension in managing sustainability at the corporate level. This study provided some compelling empirical observations and evidence as well as direct quotations that explain nebulous corporate citizenship and CSR concepts. There is an immense opportunity to utilize this information to learn and gain new useful insights, approaches and concepts understanding and managing corporate citizenship, CSR and sustainable development.

The case study analysis in this paper presents a company with a clear value-added strategic focus. Future research could focus on companies following low-cost strategies, as the strategic corporate citizenship imperatives should vary with a different competitive positioning. As the case study analyzed in this paper was exploratory, future research could concentrate in a survey of different companies within a single industry or region in order to provide further valuable insights into how sustainable business practices are incorporated into company strategy. Further research might also analyze the moderating role of consumer personality traits such as innovativeness, that may also impact corporate character and contribute to consumer-company identification in dimensions other than those generated by corporate citizenship, as well as CSR, initiatives and may benefit the development of a scale that captures the entire domain of corporate citizenship and CSR.

We have to understand corporate citizenship not as a mere public relations activity, but as an important device of new governance structures on an international and global level. We need a global dialogue between politicians, business and research institutions about 'best practice' and ways to enhance and effectively coordinate corporate citizenship activities.

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