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978-1-107-05867-5 - Managing Corporate Impacts: Co-Creating Value

Jennifer J. Griffin

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Managing Corporate Impacts

Managing Corporate Impacts draws on the insights and experiences of managers from around the world to examine how companies can manage corporate impacts to co-create enduring value for business and society. Corporate impacts—the points at which businesses create or destroy value with others—extend well beyond financial impacts to include the workplace, procurement and delivery of goods and services, and shaping perceptions held about corporate behavior. This book uses simple frameworks to demonstrate why and how today's corporations co-create enduring value with multiple stakeholders simultaneously. By introducing multiplier effects and spillover effects, the frameworks move the attention of management beyond direct impacts to examine indirect impacts that create or destroy value connected to the core of the business. By purposely connecting with stakeholders through information-sharing, and effectively managing myriad impacts along supply and distribution chains, companies are poised to provide solutions and co-create value.

JENNIFER J. GRIFFIN is Professor of Strategic Management and Public Policy at the George Washington University School of Business, and Director of the Global Strategies Program at the George Washington University's Institute for Corporate Responsibility. She teaches courses on business strategy and public policy, issues management, social impact, and strategic stakeholder management.

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Foreword

Professor Jennifer Griffin has written a very important book. She has put meat on the bones of the idea that businesses co-create value for and with their stakeholders. She has done this by paying detailed attention to the impacts of corporate and stakeholder actions, and has given us a roadmap for how to do research in the area that has come to be known as stakeholder theory.

Of particular note is her attention to how the interests of stakeholders cannot be considered one by one, since there is a jointness to their interests and their actions. Create value for employees and you will also affect customers, suppliers, etc. Finding the sweet spot of where the intersection of interests lie is the task for those executives who want to build a great company. By examining spillover and multiplier effects, Griffin makes such an ‘interdependence principle’ part of the basic apparatus of stakeholder theory. Future research simply cannot ignore these arguments.

Professor Griffin also addresses the idea that firms sometimes actually destroy value. She believes that if executives can become more cognizant and conscious of their actual impacts on stakeholders, then value destruction is more easily avoidable.

Griffin envisions a world where business is clearly seen as embedded in society, where business and other societal institutions can cooperate to accelerate the process of value co-creation. In such a world, we will need to go beyond looking at impacts, but we will need a pragmatic conception of ethics that takes the nuances of Griffin’s approach into account.

With this book, Griffin establishes herself as one of the co-authors of a new narrative about business, seeing business as a set of value co-creating relationships among stakeholders. This new narrative is beginning to replace the old story of business as just about the physics of money and competition.

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Indeed, setting forth this new narrative is one of the main purposes of this book series, *Business, Value Creation, and Society*, and Griffin's contribution advances our understanding of how business operates and must operate in the twenty-first century.

R. Edward Freeman
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