

Index

stakeholders impacted by 5-7 accountability 71, 249 see also global governance standards takeover target, BP as 6 branded products 11, 24 actual or perceived value 10, 12-13 advertising initiatives for achieving prestige-laden products 74 impacts 234-235 promises and expectations of 70 agriculture-based economies 198 recycling of branded bottles 71 Airbnb 185, 210-211 British Petroleum. see BP oil spill, Gulf ambassadors, employees as 118-119 of Mexico Apple 73 business associations 93 convergence of interests 233 assurance-based learning 264-265 autonomy for local managers 150-151 social and environmental issues 145 backwards linkages in value chains business crises 136-137 focus on 46-48 'not my job' mindset 169 Baron, D.P. 259-260 Bartlett, C.A. 255-258 business models beer industry 234 built on impacts 185-186 behavior, standards of. see global govnew, via social media 240 ernance standards; standards of business objectives, outreach aligned behavior with 159 beliefs, businesses founded on 184-185 BP oil spill, Gulf of Mexico cause-related marketing 72 broader view of stakeholders ceremonial adoption 148, 260 due to 13 certification systems 187-189 competitors, impact on 6-7 see also global governance standards credit rating of BP 6 changes in expectations. see expectadestruction of value 107-109 tions, changes in employees, impact on 6 civil society organizations 193-197, financial impacts 5-6 254, 260-261 future production, impact on 6 clarity indirect effects 129 of focus 97-98, 272 industry, impact on 7 over co-creating value 135 law suits following 7 closure of organizations 62-63 clustering of organizations 80 multiplier effects 7, 15, 16-17 operational impacts 6 co-creation of value positive multiplier effects from 17 as alternative to capturing value 2.79 - 2.81reputation, impact on 6 spillover effects 6-7, 15 benefits of 1 stakeholder network and recovery clarity over 135 from 17 combination of impacts 104, 122

330



Index 331

communities 78-79 communication complexity of 1-2 philanthropic outreach to 157-162 compliance, impacts as equivalent to smart phones 42-43 176-178 communities corporations' ability in 22-24 building infrastructure of 117-118 effectiveness of, measurement of 123-125 business objectives, outreach aligned with 159 expectations, changes in 199-201 financial mindsets 53-56 changing boundaries and composglobal economy 270-272 ition of 83-86 choice of issues 97-98 information-sharing impacts 96-100 initiatives for achieving impacts clarity of focus 97-98 241-242 clustering of organizations 80 issue-by-issue approach, implicaco-creation of value 96-100 tions of 224-227 of common interest 81-82, 84 mechanisms for achieving impacts cultural sensitivity 100 241-242 depth of concern over multiplier effects 131-132, 152-153 impacts 99-100 myths about, implications of employee interests, outreach aligned 178 - 179with 159-160 'not my job,' impacts as 168-173 expectations of corporate partnerships 241-242 behavior 88 philanthropy, mitigating impacts as of experts 85 157-162 fact-based information 87 product impacts 75-76 firm- or community-centric information 87-88 relationships, importance of 60 size of firms 162-168 fluidity of 83-84 spillover effects 122-125 general public as included in 86 stakeholder-by-stakeholder and global economy 270-272 approach, implications of information-sharing connection 224-227 with 78 whole-of-company approach latent groups in 86 local, as most affected by impacts, 279-281 co-location of services for myth of 173-176 employees 64-65 local disparities 80-81 Coca-Cola 246 local focus of firms, benefits codes of conduct 187-189 of 91-94 see also global governance standards local/global impacts, tension collaborative mechanisms to achieve between 244-245 impacts 232, 239 managerial gaps 98 combination of impacts 17 new business models 79 benefits of 102-103 new business opportunities co-creation of value 122 through 81 destruction of value 107-109 NGOs, engagement with 91 holistic view of firms 104 organizational networks as 84 net impacts 109-111 overlapping interests 85 stakeholders, interaction as overlooked 78 between 104 perceptual information 87 for value creation 104 product-based spillover effects 120 see also spillover effects responsibilities, sharing of 90

332 Index

communities (cont.) countries, small, as innovators 270 creation of value. see co-creation rhetoric/reality, consistency between 99 of value seen as source of friction 175 credit rating, impact on of BP oil spill, Gulf of Mexico 6 skills and expertise transfer to 116-117 crises focus on 46-48 small, spillover effects in 115 smaller problems/concrete actions 'not my job' mindset 169, 172 96-97 cross-functional initiatives for achieving impacts 231-232, 236-237 social and community issues 94-95 social issues along value chains cultural sensitivity 100 139-145 customer-focused organizations 58, spillover effects 120-122 68-69, 119-120 trade/professional/business associations 93 DeBeers 209-210 traditional mindset as restricting 82 Deepwater Horizon oil spill. see BP oil and value creation 78-79 spill, Gulf of Mexico variety of information shared depth of concern over impacts 99-100 87-89 deregulation 191 virtual 78, 79, 81-82, 175 destruction of value 107-109 direct effects volume of information shared 89 financial 35-37 competition multiplier effects 129 changing expectations of business 184-190 and net impacts 110-111 distributing issues 207-209 game changing issues 209-211 global strategies 256-257, 259-260 downsizing/closing, dealing multidomestic strategies 257-259 with 62-63 strategies for multinational corporations 255-258 effectiveness, measurement of 123-125 traditional product-market stratefficiency 39-41 emerging economies, (in)stability of 261 egies, limitations of 259-263 employees, impact on transnational strategies 258 competitors, impact on of BP oil spill, ambassadors, employees as 118–119 Gulf of Mexico 6-7 attraction of potential complementary products 73-74 employees 66-68 BP oil spill, Gulf of Mexico, compliance, impacts as equivalent to impact of 6 176 - 178co-location of services 64-65 see also legal impacts; legal systems conditions in the workplace 66 conditions in the workplace 66 consistency, need for 272-273 downsizing/closing, dealing with 62-63 contracts 134-135 corporate governance engagement with employees 62-63, 159 and impacts, assumptions concerning 245 financial inducements 63-64 inclusivity in the workplace 65 initiatives for achieving impacts 237 infrastructure of communities, buildsee also global governance standards ing 117-118 corporations initiatives 234 ability to create value 22-24 size of firms 162-168, 186, 266-270 interests of, community outreach aligned with 159-160 cost center mindset 48-49

Index 333

FedEx 64 investment, employee-based financial impacts 116-117 leadership development 64 BP oil spill, Gulf of Mexico, impact leadership opportunities 66-68 of 5-6 legal systems 65 complexity of 2 metrics for measuring 63 direct and indirect effects 35-37 non-financial inducements 64 evaluation with non-financial norms in businesses, industries and impacts 38-39 regions 65-66 limitations of 276-277 respect towards employees 61-62 as multidimensional 34-35 retention of employees 64, 66-68 spillover effects 111 spillover effects 113-119 stakeholder groups, impacts transfer of skills and expertise to on 14-15 communities 116-117 wider view than 8-9 types of 9-10 financial mindsets assumptions based on 37-38 employment opportunities for local people 114 and co-creating value 53-56 through the value chain 114 cost centre mindset 48-49 engagement-based learning 265 crises, focus on 46-48 engagement with employees 62-63, direct and indirect effects 35-37 159 dividends/profits as partial picture Enron 215-216 only 37 entrepreneurs efficiency 39-41 responses to changing expectations focus on shareholders as 186 incomplete 34 see also small firms innovation 41-45 environmental issues investment mindset 48-50 initiatives for achieving impacts 237 limitations of 38, 53-56, 58 integration of issues 250-251 parade of horribles 46-48 multiplier effects 132-133, 145-147 pernicious behaviors 50-53 product use 71 reliance on as restricting 35 sources of products 136-137 risk identification 37-38 trade/business/professional associsocial entrepreneurs 45 win-win situations 39-45 ations 145 Food and Drug Administration (FDA) see also issue-by-issue approach expectations, changes in 221-222 blurring of boundaries 197-199 food shelters, distribution to 72-73 civil society 193-197 Foxconn 73 and co-creation of values 197-201 Friedman, M. 78-79, 155, 163 functional initiatives 231, 234-236 competition 184-190 game changing issues 209-211 governments 190-193 game changing issues 209-211 gatekeepers, stakeholders as expertise transfer 116-117 221-222 experts, communities of 85 externalities of business 51 general issues 205-207 General Motors 49 127, 234 externally-oriented crises 46 Exxon Valdez oil spill 17, 215 Ghoshal, S. 255-258 giveaways, mitigating impacts as faith, businesses founded on 184-185 157-162 farm-restaurant relationships 43-44 global competitive strategy 259-260

334 Index

global coordination of multiplier process-oriented systems 251 effects 148-149 purposes of 249 global economy response-based learning 264 clarity of focus 272 government(s) and co-creation of value 270-272 enterprises owned by 75 competition strategies for MNCs enterprises sponsored by 198 255-258 expectations, changes in 190-193 consistency, need for 272-273 governance standards 253 emerging economies, (in)stability impacts seen as responsibility of of 261 168 - 173global competitive strategies and scalability 268-269 256-257, 259-260 social issues, role regarding 217 information disclosure 257-259 as stakeholders 85-86 and local pressures 270-272 Grameen Bank 185-186 local tastes, customization to 69, 74, Greenpeace 221 91, 147-149, 257 groups of firms. see partnerships multidomestic competitive strategies Gulf of Mexico oil spill. see BP oil 257-259 spill, Gulf of Mexico traditional product-market strategies, limitations of 259-263 harm mitigation 208-209 transnational competitive strategies high status products 74 high visibility industries 231 2.58 global financial crisis, multiplier holistic view of firms 104 effects of 16 Honda 91-92 global governance standards human resources accountability 249 initiatives concerning 234see also assumptions 245 employees, impact on assurance-based learning 264-265 hypernorms 254 benefits for MNCs of 248 demands for 244, 261-263 impacts of firms' actions aggregation of across engagement-based learning 265 global competitive strategies stakeholders 233 256-257 business models built on 185-186 government-led 253 learning from crises 21 hurdles, seen as 249 local communities as most affected implementation as undermining 173-176 intentions of 249 narrow/broad approaches to increase in 248-249 222-224 industry-led 253-254 as 'not my job' 168-173 information disclosure 249, number and variety of 4-5 251-252 philanthropy, mitigating impacts as integration of issues 250-251 157-162 issues for MNCs around lack of prevention of bad impacts 2-3 245-247 size of firms 162-168 legitimacy as purpose of 249-251 as strategic choices 233 local/global impacts, tension whole-of-company approach between 244-245 279-281 multilateral-led 254 wider view of 3 opportunities from 263-266 see also combination of impacts; performance-based learning 264 employees, impact on; financial



Index 335

leadership opportunities 91-96 impacts; information-sharing impacts; issue-by-issue local disparities 80-81 approach; product impacts local focus of firms, benefits of 91-94 in-kind product donations 72–73 managerial gaps 98 inclusivity in the workplace 65 new business models 79 new business opportunities indirect effects financial 35-37 through 81 multiplier effects 129-131 NGOs, engagement with 91 and net impacts 110-111 organizational networks as industrial sectors communities 84 BP oil spill, Gulf of Mexico 7 overlapping interests in focus on particular impacts 229 communities 85 governance standards 253-254 perceptual information 87 high visibility industries 231 positive and negative 11-12 industry associations responsibilities, sharing of 90 convergence of interests 233 rhetoric/reality, consistency mechanisms to achieve between 99 impacts 233 smaller problems/concrete actions informal sector 198 96-97 information asymmetries 192 social and community issues 94-95 information disclosure 249, 251–252, spillover effects 120-122 257-259, 260-261 starting point for identifying 95 information-sharing impacts trade/professional/business actual/perceived 12-13 associations 93 traditional mindset as restricting 82 changing boundaries and composition of communities 83-86 variety of information choice of issues 97-98 shared 87-89 clarity of focus 97-98 virtual communities 78, 79, 81-82 clustering of organizations 80 volume of information shared 89 co-creation of value 96-100 information technology common interest communities smart phones 42-43 81-82,84 social media 78, 79, 81-82, 175, communities as overlooked 78 194, 240 connection with communities 78 virtual communities 78, 79 cross-border transfers 91 Information Technology Industry cultural sensitivity 100 Council (ITIC) 230 customization to individual infrastructure 190 consumers 88-89 initiatives for achieving impacts depth of concern over choosing 230-231, 233 impacts 99-100 co-creation of value 241-242 direct/indirect 12-13 corporate governance 237 expectations of corporate cross-functional 231-232, behavior 88 236-237 development 236 experts, communities of 85 fact-based information 87 environmental 237 functional 231, 234-236 firm- or community-centric 87-88 fluidity of communities 83-84 human resource initiatives 234 general public as included in marketing 234-235 communities 86 multiplier effects of 236 latent groups in communities 86 procurement 236



336 Index

initiatives for achieving impacts (cont.) ways to think about 233 see also mechanisms to achieve impacts	layoffs, dealing with 62–63 leadership development 64 leadership opportunities employees, impact on 66–68
innovation 41 and global governance standards 261–263	information-sharing impacts 91–96 product impacts 74–75
small countries as innovators 270 stakeholder-by-stakeholder approach as stifling 220	learning assurance-based 264–265 from crises 21
integration of issues 250–251	engagement-based 265
internally-oriented crises 46	performance-based 264
internet. see information technology	response-based 264
investment, employee-based	legacy issues 215
116–117	legal impacts
investment mindset 48–50	BP oil spill, Gulf of Mexico 7
issue-by-issue approach	compliance, impacts as equivalent to
along value chains 207–209	176–178
co-creation of value, implications for	legal systems
224–227	governments, role of 191 impacts seen as responsibility of
discrete items, issues as 212 fluidity of issues 214	168–169, 171
as focus 202–203	and net impacts 109–110
game changing issues 209–211	personnel impacts 65
general issues 205–207	product impacts 73
impact-focused approach as	legitimacy
alternative 203–204, 224	global competitive strategies
integration of issues 250–251	256–257
intertwined, issues as 214	as purpose of global governance
legacy issues 215	standards 249-251
limitations of 204–205	local communities. see communities
movement between types of 211–212	local focus of firms, benefits of 91–94, 100, 120–122
persistent issues 217 prioritization of 205–206	local/global impacts, tension between 244–245
sourcing-producing-distributing issues 207–209	see also global governance standards local managers
issue networks 143-144	autonomy for 150-151
	'not my job' mindset 170, 171–172
job creation through the value chain 114	local tastes, customization to 69, 74, 91, 147–149, 257
Kravis, Henry 1	management innovations 43–45 marketing 69
labeling of products 70	cause-related marketing 72
large firms	initiatives for achieving impacts
and co-creation of value 162-168	234–235
responses to changing	materiality 124-125
expectations 186	McDonalds 221
and scalability 266-269	measurement of effectiveness, 123–125
latent groups in communities 86	mechanisms for achieving impacts

Index 337

use of products 137-138 co-creation of value 241-242 collaborative 232, 239 value chains 133-139 industry associations 233 vertically integrated firms 139 solo 232, 238-239 myths about co-creating value ways to think about 233 compliance, impacts as equivalent to see also initiatives for achieving impacts 176-178 implications of 178-179 microfinance 185-186, 267 local communities as most affected Microsoft 216 mission, businesses founded on 184-185 173-176 mobile phones 42-43 'not my job,' impacts as 168–173 momentum 123, 124-125 philanthropy, mitigating impacts as monitoring and reporting 151 157-162 multidomestic competitive strategies size of firms 162-168 257-259 multinational corporations nation states competitive strategies for 255-258 governance standards 253 see also global economy; global impacts seen as responsibility of governance standards 168-169 multiplier effects nationalized enterprises 75 across geographies 147–149 net impacts 17-20, 109-111 along the value chain 16-17 networks assumptions when addressing issue 143-144 152-153 organizational, as communities 84 autonomy for local managers see also multiplier effects 150-151 Nokia 62-63 non-financial impacts big picture perspective needed 132 BP oil spill, Gulf of Mexico 7, 15, complexity of 2 evaluation with financial 16 - 17clarity over co-creating value 135 impacts 38-39 co-creation of value 131-132, integration of activities across 152 - 153functions 278-279 coordination of 131 'not my job' mindset 169 defined 15-16, 128-133 non-governmental organizations direct effects 129 engagement with 91 environmental multipliers along global governance standards 254 value chains 145-147 norms in businesses, industries and regions 65-66, 109-110, 187-189, 254 global coordination 148-149 global financial crisis 16 see also global governance standards indirect effects 129-131 'not my job,' impacts as 168-173 initiatives for achieving impacts 236 oil spill, Gulf of Mexico. see BP oil issue networks 143-144 monitoring and reporting 151 spill, Gulf of Mexico positive from BP oil spill, Gulf of Operation Hope 225 Mexico 17 operational impacts of BP oil spill, risk mitigation 149 Gulf of Mexico, impact of 6 shared responsibilities 149-152 organizational networks as social and environmental issues communities 84 132 - 133parade of horribles mindset 46-48 social issues along value chains 139-145 partnerships sources of products 136-137 co-creation of value 241-242

338 Index

partnerships (cont.)	reality/rhetoric, consistency
convergence of interests 233	between 99
credibility 226-227	recruitment of potential
focus on particular impacts in indus-	employees 66-68
trial sectors 229	recycling of branded bottles 71
social media 240	relationships
as way to achieve impacts 239	importance in co-creating value 60
perceived or actual value 10, 12–13	see also multiplier effects
performance-based learning 264	renewable energy programs 267
pernicious behaviors mindset 50–53	reputation, impact on 277
persistent issues 217	BP oil spill, Gulf of Mexico 6
personnel impacts. see employees,	respect towards employees 61–62
impact on	see also employees, impact on
pharmaceutical industry, multiplier	response-based learning 264
effects in 129	responsibility
philanthropy, mitigating impacts as	'not my job,' impacts as 168–173
157–162	sharing of 90, 149–152
	Walmart 172–173
prestige-laden products 74	
privatization 191	restaurant-farm relationships 43–44
process innovation 43	retention of employees 66–68
process-oriented systems 251	rhetoric/reality, consistency between 99
procurement initiatives for achieving	risk identification 37–38
impacts 236	risk mitigation 149, 192
product impacts	1.1:15: 277 270
accountability 71	scalability 266–269
cause-related marketing 72	self-regulation 187–189
and co-creation of value 75–76	shareholders
complementary products 73–74	financial spillover effects 111
customer focus 68–69	focus on as incomplete 34
food shelters, distribution to 72–73	integration with
in-kind product donations 72–73	stakeholders 38–39
labeling of products 70	size of firms 266
leadership opportunities 74–75	and co-creation of value 162–168
legal systems 73	responses to changing
local tastes, customization to 69,	expectations 186
74	skills transfer 116–117
marketing of products 69-70	small countries as innovators 270
negative externalities 72	small firms
prestige-laden products 74	and co-creation of value
range of 10–11	162–168
recycling of branded bottles 71	impact integration from the start
social issues 71	269–270
sources of products 136-137	and scalability 266-269
spillover effects 119–120	smart phones 42-43
state-owned enterprises 75	social entrepreneurs 45
use of products 137–138	social issues
vertically integrated firms 74–75	along value chains 139-145
product innovation 41–43	integration of issues 250–251
production issues 207–209	multiplier effects 132–133
professional associations 93, 145	as persistent issues 217
public-private partnerships 25–26	product use 71

Index 339

sources of products 136-137 stakeholder network recovery from BP oil spill, Gulf of trade/business/professional associations 145see also Mexico 17see also multiplier issue-by-issue approach effects social media 78, 79, 81-82, 175, 194, stakeholders 240 aggregation of impacts across 233 sources of products 136-137 BP oil spill, Gulf of Mexico, impact sourcing issues 207-209 of 5-7spillover effects financial impacts 14-15 ambassadors, employees as financial spillover effects 111 118 - 119governments as 85-86 BP oil spill, Gulf of Mexico 6-7, 15 integration with shareholders 38-39 co-creation of value 122-125 interaction between 104 communities 120-122 net impacts on 109-111 effectiveness, measurement of Starbucks' public-private partner-123-125 ship with Colombia 25-26 wider view of 3 employees, impact on 113-119 employment of local people 114 workplace impacts 14-15 feedback from customers, action on standards of behavior 119-120 expectations of corporate financial 111 behavior 88 growth/shrinkage of firms 115 and net impacts 109-110 information 120-122 pernicious behaviors mindset 50-53 infrastructure of communities, buildself-imposed 187-189see also global ing 117-118 governance standards investment, employee-based Starbucks' public-private partnership 116-117 with Colombia 25-26, 236 job creation through the value state-owned enterprises 75 chain 114 survival after crises 20-21 and net impacts 110 product impacts 119-120 Tata 43, 186 skills and expertise transfer 116-117 taxes 190-191 in small communities 115 technology. see information technology volunteerism, employer-sponsored Tesla 210 114-115 Timberland 45 spin-off organizations 45 tobacco manufacturers 213-214 Tovota 43, 49, 91-92, 210 staff. see employees, impact on stakeholder-by-stakeholder approach trade associations 93 changeability of stakeholders mechanisms to achieve impacts 233 220-222 social and environmental issues 145 co-creation of value, implications for transfer of skills and expertise to com-224-227 munities 116-117 gatekeepers, stakeholders as transnational competitive strategies 221-222 258 mixed messages 219 multiple roles/hats of Unilever 113-114 stakeholders 219 universal standards, demands for. see narrow focus on impacts due to global governance standards 222-224 as stifling innovation 220 value stakeholder forums 192 actual or perceived 10, 12-13



340 Index

value chains value (cont.) backwards linkages 136-137 co-creation of as alternative to capturing value clarity over co-creating value 135 contracts 134-135 2.79-2.81 benefits of 1 downside economic risks 135 clarity over 135 environmental multipliers along 145-147 combination of impacts 104, 122 communities 78–79 issues along 207-209 multiplier effects 16-17, 133-139 complexity of 1-2 social impact along 139-145 compliance, impacts as equivalent to 176-178 sources of products 136-137 traditional, product-based 133-136 effectiveness of, measurement of use of products 137-138 123-125 expectations, changes in 199-201 values, businesses founded on financial mindsets 53-56 184-185 variety of information shared 87-89 global economy 270-272 vertically integrated firms/sectors information-sharing impacts 96-100 74-75, 139, 268 initiatives for achieving impacts ViiV Healthcare 45 241-242 virtual communities 78, 79, 81–82, 175 issue-by-issue approach, implicavoluntary regulation 187-189 tions of 224-227 mechanisms for achieving impacts volunteerism, employer-sponsored 241-242 114-115 multiplier effects 131-132, Walmart 172-173, 213, 224-225 152-153 myths about, implications of whistleblowers 219 whole-of-company approach 178-179 279-281 'not my job,' impacts as 168-173 philanthropy, mitigating impacts win-win situations 39-45 workplace impacts as 157-162 attraction of potential product impacts 75-76 relationships, importance of 60 employees 68 co-location of services for size of firms 162-168 employees 64-65 and spillover effects 122-125 stakeholder-by-stakeholder conditions in the workplace 66 inclusivity 65 approach, implications of norms in businesses, industries and 224-227 regions 65-66 whole-of-company approach spillover effects 113-119 279-281 stakeholder groups, impacts corporations' ability to create 22-24 on 14-15 types of 9-10 destruction of 107-109 direct/indirect 12-13 see also employees, impact on