It's just
PEOPLE WITH PEOPLE
Views of corporate social responsibility

Pia Lappalainen (ed.)

Aalto University

CROSSOVER

COMPILATION

Aalto University publication series
CROSSOVER 1/2011

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– Views of Corporate Social Responsibility

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ISBN 978-952-60-0036-7 (printed)
ISBN 978-952-60-0037-4 (pdf)
ISSN-L 1799-4977
ISSN 1799-4977 (printed)
ISSN 1799-4985 (pdf)

Graphic design: Liisa Suonsivu (content)
Image of the cover: Akin Savage

Aalto Print
Helsinki
2011

"When all is said and done, the only change that will make a difference is the transformation of the human heart."

– Peter Senge –

Contents

Thank You to Our Partners

We thank the following cooperating partners:

Aalto Social Impact (ASI) for mental as well as concrete support in helping us step into the discomfort zone to try out something out of the ordinary. ASI is an initiative launched within Aalto University to pursue a better world through design, business, arts, and sciences. ASI currently offers three services: it supports projects, organizes events, and provides educational courses related to social impact. We are deeply indebted to 2010 ASI President and Development Cooperation Project Jury Chairman *Anne Badan*, and lecturers *Asta Raami* and *Samu Mielonen* from Aalto University School of Art and Design for their encouragement and mentoring in promoting social impact activities at Aalto University.

Aalto University for opening vistas for experimenting and experiencing. Without the competition for pedagogical innovations launched in 2009, this endeavor would never have seen daylight.

Colleagues *Lena Hillebrandt* from Aalto University School of Science and *Taija Townsend* from Aalto University School of Economics for being there for us and for me all throughout this journey. We extend our sincerest thanks also for your contribution in the Development Cooperation Project Jury.

Finnfund for their invaluable couching and concrete support in expanding our understanding of challenges and policies related to development cooperation. In particular, Investment Director *Helena Arlander* opened doors in a way that helped us get started. Her colleague, Senior Environmental Adviser *Sylvie Fraboulet-Jussila* provided us with more in-depth knowledge in her outstanding lecture.

Finnish Red Cross for sharing their longtime expertise in the field. Secretary General *Kristiina Kumpula* allowed us to learn from the operations of a well-established non-profit organization, and the contacts she shared paved our way towards concrete efforts.

GreyPro for their top-of-the-art brochure design and layout. *Jari Mayer* with his keen and gifted eye on what gets the message across added a professional image and touch to our brochures.

Microsoft for their knowledge of and insights into materializing CSR in practice. Sales Director *Anthony Gyursanszky* in his visiting lecture at Aalto University inspired and challenged us to widen our horizons with his perspective to innovation policies.

Naisten Pankki for sharing with us their established goodwork channels. In particular, Counsellor of Education *Paula Mattila* in her visiting lecture at Aalto University opened our eyes to understand the connection between education and national wellbeing.

Petteri Niitamo for his patient and expert mentoring in the extensive field of competence development, not to mention for his fascinating visiting lecture.

Sari Baldauf for honoring the Development Cooperation Project grande finale with her presence and stimulating talk on responsibility themes.

Sivusoppi, and in particular *Liisa Suonsivu* for her expertise in graphic design and dedication in providing our publication with the final, reader-friendly touch.

Skandinaviska Enskilda Banken for their broad stance on corporate sustainability. We are grateful to Client Executive *Niina Äikäs* for her inspiring visiting lecture at Aalto University that made us see CSR as something larger than mere focus on financial accountability.

To the Reader

Pia Lappalainen, Aalto University School of Science, pia.lappalainen@aalto.fi

A warm welcome to the pages of *People with People*! This publication, which also serves as an opening of the Aalto University crossover publication series, is a tribute to all the good intentions harbored, measures taken, and successes (and failures) experienced in the field of social responsibility.

The writing process gathered together a miscellaneous group of inspired authors with one common denominator: interest in social responsibility. The writers acknowledge that actions speak louder than words but there comes also the time to speak. And this book is now speaking out the need of many kind and responsible hearts to do good and to give rather than receive, but it also speaks out the rationale and necessity of being accountable to our society, environment and future generations. In brief, it challenges us to consider the social footprint we leave behind as evidence of our visit on Planet Earth.

Let me briefly preview what lies ahead in the pages to follow: after the inspiring accompanying note from Aalto University President, PhD **Tuula Teeri**, we set on our journey. This book is divided into 3 sections, each presenting its own angle to social responsibility.

Part I draws from research, providing a peek into some of the society-wide developments urging us to assume new mindsets and skills in the changing world. Through discussion of the most pertinent global challenges in terms of human attitudes and competences, this section focuses on the in-depth understanding of the competence development needs helping materialize the noble causes promoting collaboration in such worldwide themes as sustainability and human equality.

Professor **Eija Nieminen** from Aalto University School of Art and Design provides a general overview of some of the global trends forcing us to renew our mindsets. PhD Candidate **Eija Ranta-Owusu** from Helsinki University raises such fundamental questions stemming from globalization as asymmetries of power and inequality. Among globalization impacts, PhD Candidate **Jonna Louvrier** from Hanken School of Economics discusses workplace multiculturality and underscores the significance of and challenges related to diversity management in today's working life. As a remedy, Adjunct Professor **Petteri Niitamo** from Aalto University School of Science proposes a move from research emphasis on cultural differences to emphasis on commonalities in people processes. He furthers our understanding of global responsibility by examining the diverse competences involved in intercultural work settings. Lecturer **Taija Townsend** from Aalto University School of Economics deepens our craft in cross-cultural work by elaborating on the three communications features of one's communication strategy in the developing country context: culture orientation, communicator orientation, and audience orientation.

In the succeeding article, I address some of the emerging working-life skills requirements labeled as social competence and depict the Development Cooperation Project organized at Aalto University as a means of integrating soft skills into higher education. Counsellor of Education **Paula Mattila** from the National Board of Education discusses some of the recent trends in the national education agenda, welcoming the advent of global citizenship and ethical internationalism in the Finnish core curricula. Education is further elaborated on by Directors **Kati Korhonen-Yrjänheikki** and **Ida Mielityinen** from the Finnish Association of Graduate Engineers TEK who, together with PhD Candidate **Annina Takala** from Tampere University of Technology claim student values and attitudes should be integrated into higher education to raise interest in issues of societal scale and importance.

Part II presents concrete action taken in the field of CSR. Self-evidently, such long-time operators as the Red Cross and Finnfund with undeniable merits in good-work reveal their experiences from actual fieldwork, providing case examples. A true specialist in the field, Secretary General **Kristiina Kumpula** from the Red Cross demonstrates her realistic attitude towards obstacles stemming from cultural differences – her useful tips serve to guide the efforts of any novice aspiring to make a difference. Investment Director **Helena Arlander** from Finnfund sheds light on some of the best practices deployed by Finnfund.

As deputes in the field, industrial operators are making an entry into CSR activities. Microsoft, SEB and Pöyry showcase their practices in implementing CSR. Government Affairs Lead **Max Mickelsson**, Head of Corporate Sustainability **Cecilia Widebäck West** and Senior Vice President **Risto Laukkanen** together with Communications Director **Hanna-Mari Tuovinen** impress the uninformed reader with the multitude of efforts put to environmental protection and sustainability, echoing a message that is now on everyone's lips: businesses can no longer function without legitimization through responsible behavior.

As a token of this shared, societal understanding, Technology Academy Finland grants their Millennium Technology Prize to people behind innovations that bolster sustainable development. Distinguished Professor and member of the jury **Risto Nieminen** in his text explains how the organization helps steer the course of technological development in a more humane direction.

Part III is dedicated to student views and it clearly corroborates that Aalto University deserves to be called the Innovation University. These student articles open our eyes to see what the next generation can do. Or rather, that there is not a thing that they could *not* do if they set their mind to it. The five texts reflect a strong, determined commitment of the younger generation to the wellbeing of society, and an extremely natural and self-evident stance to themes that are not that self-evident for the older generations. Judging by these writings, the future looks positive.

This has been a long and rewarding journey – and yet, we've only just begun! We started out with determination to change the world, but I believe the greatest change has already taken place, in our hearts.

Pia Lappalainen
Lecturer
Aalto University
7.12.2010

P.S. This book abounds in impressive-sounding concepts such as sustainability and social responsibility. However, it is important not to turn such concepts into anything more complicated than they are. Deep down, it's just ***People with People.***

Message from Aalto University President

Tuula Teeri, Aalto University, president@aalto.fi

This book is a by-product of a long process that started with ”The Aalto Pedagogical Innovations” competition early 2009. At the same time, it is a living proof of what Aalto was created for: *Changing the world through top-quality and interdisciplinary research, pioneering education, surpassing traditional boundaries, and renewal*. We aim at breaking boundaries to raise a new generation of experts that are capable of making a positive, sustained impact on the broader societal horizon.

Realizing something as profound and far-reaching as the Aalto University mission to *change the world* calls for support and new mindsets at the grass-roots level, in the lively interface where the students meet the education system. Pioneering pedagogic endeavors are needed to foster humanity and to improve awareness of evolving societal needs. In the future labor market, disciplinary expertise alone will no longer be enough; domain-specific capabilities will need to be complemented by a deep sense of global responsibility, awareness of the environmental issues and dedication to an overall sustainable development.

The Development Cooperation Project, which instigated and inspired the making of this book, showcases an effort to build a learning environment where the students are challenged to work with real-life problems and to integrate knowledge and skills in engineering, economy, ethics and ecology. Many more endeavors also addressing societal responsibility are currently mushrooming at Aalto University. To name one example, a new Master's program ”Creative Sustainability” was recently established to provide a joint teaching platform for Aalto University on sustainable design and business. The modules in this program that focus on *Corporate Responsibility* and *Business Approaches to Climate Change and Poverty* are coaching the students to work in multidisciplinary teams and *the Living Lab concept* is opening up new vistas in university-industry collaboration.

Endeavors like this are valuable, not only because they can contribute to a positive global change but because they urge and promote paradigm shifts in education. This is the core of our mission, combining top-quality and interdisciplinary research with pioneering education – Aalto University wants to pave the way for activities that will change the way the world thinks. Ultimately, however, all and any success stories depend on individuals – on curious, ambitious students who sign up for new and experimental courses or programs, and on dedicated faculty who are willing to go the extra mile to design and create new, innovative learning environments.

Good things are happening. Because we make them happen.

"The important thing in science is not so much to obtain new facts as to discover new ways of thinking about them."

– Sir William Bragg –

Part I
– The Science behind CSR

Global Responsibility

Eija Nieminen, Aalto University School of Art and Design, eija.nieminen@aalto.fi

Advance warnings of climate change have, in the past year, raised strong reactions across the world – for the first time this has been seen in the business sector, which has traditionally taken a rather conservative view of global warming. There is still no absolute certainty about climate change and its causes. However, the harmful effects of fossil fuels are beyond doubt and a widespread awareness of the significant risks and irreversible damage caused by their use have pushed the debate on the future of humanity into top gear at both the political and civic levels.

The United Nations declaration on sustainable development was published in the Brundtland Report in 1987. The report defined sustainable development as development which does not endanger the welfare – that is, the positive economic, social and environmental development – of future generations. In actual fact, especially in the industrialised countries, the consumption of material resources has increased due to the mechanisms of globalisation and the market economy, while decisions are being based on ever-shortening business cycles. This has led to a situation where the consumption of natural resources and the amount of resultant waste are increasing globally, despite the adoption of cleaner technologies and better energy efficiency. The social polarisation of humankind into the poor and the wealthy has also intensified, both within the industrialised world and between slowly and rapidly developing countries. The distribution of work and welfare becomes inequitable as businesses seek to maximise short-term profit by cutting costs. These cuts often hit at the beginning of the value chain, mostly in developing countries, by underselling raw materials and labour and, thus, reducing total costs of the production.

The economic boom in India and China is unprecedented. It is fuelled by the desire of private individuals to acquire wealth and the same standard of living and welfare as people in industrialised countries. Awareness of the price of growth – its impact on the environment or inequitable social development – has thus far been marginal in developing economies. (Cai Jun, 2007) The habits of consumption and modes of production adopted in industrialised countries are transplanted to developing economies unmodified, resulting in a real ecological time bomb. (Jakobson, 2005) [1)]

There appears to be two significant trends in sustainable development: technological and political megatrends, and social changes which affect the behaviour of individuals and groups.

Technological megatrends, such as the potential introduction of fusion power, would contribute to a more even and just distribution of global wealth, both geographically and socially. They also contribute to the mitigation of climate warming and may even stop it altogether. It is already technologically feasible to make the switch to renewable energy sources, but widespread political will is still lacking. The transition phase presupposes public support for the development and adoption of new technologies, but, understandably, the market economy, with its short cycles, is not willing to risk its profitability. Until now, sweeping social interests have remained in a weak position politically, waiting for the business sector to make the move on its own, a process which at present might only be accelerated noticeably by political crises in the current major producers of energy.

Social trends of change, such as the shift in the focus of consumption patterns towards services, contribute to more sustainable development in small steps. Even without major financial input or crucial global political decisions, such as the adoption of new energy technologies, they have, nevertheless, the potential of becoming a significantly large trend. Consumers, who are the drivers of the market economy, can have a considerable impact by adopting new patterns of behaviour to satisfy their needs in more ecological and equitable ways. A brief look at countries which do not as yet operate fully according to the rules of the market economy is revealing here. For instance, repairing household appliances is still worthwhile in developing economies, because there is simply not enough wealth to buy new ones when old appliances brake down. Such equipment must be built to last and be repaired, but it is also more expensive in relative terms. The wheel of consumption currently feeds itself, as more and more ever cheaper alternatives come on the market. The mountains of waste keep growing globally. It is high time to take a critical look at our real needs and give thought to quality rather than the diversity of supply and availability as such.

The United Nations Intergovernmental Panel on Climate Change (IPCC) for 2001 (New Scientist, 2007) introduced alternative scenarios for climate change control. The scenarios are based on social and technological, as well as economic megatrend assumptions. Under these scenarios, getting anthropogenic greenhouse gas emissions under control calls for the rapid adoption of renewable energies and/or the development of technologies that are capable of using several forms of energy and/or changing the world economy into a sustainable system focused on services and information and making use of worldwide innovation.

In industrialised countries, the focus of all design must be shifted from products towards comprehensive satisfaction of needs using new solutions which use less materials and energy. New business models need to be developed, new product-service concepts built to satisfy the real needs of users. They are starting points for establishing new ways of making consumption more sustainable and for breaking the link between the continuous growth of the economy and welfare and the escalating use of resources.

1) Among other things, there is a lack of water in China. One Chinese in four does not have safe drinking water, and over 60% of the water in China's five most important rivers is polluted. Of the 20 most polluted cities in the world, 16 are in China.

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About the author

Eija Nieminen, D.Sc. (Tech), works as professor and director of the innovation centre Designium, at the Aalto University School of Art and Design. She initiated and directed the new Aalto Master´s programme ”Creative Sustainability”. She has carried out several research projects in co-operation with major Finnish companies, as well as with Finland's Environmental Administration (SYKE). Her research has, in recent years, mainly focused on sustainable design and innovation, with a multiscientific approach. She has published more that 30 papers and the book ”Creative Sustinability - case studies on user-driven business innovation" in 2008.

Inequality as an Issue:

North-South Relations and the Politics of Development in the Age of Globalization

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Introduction

We live in an intricately interconnected world. Increasing interstate cooperation, transnational networks, and global capitalism have interwoven the world into a tight web of interactions between global, national, and local scales. Therefore, we can hardly repudiate the fact that inequalities, poverty, and development problems in the South affect our lives in the North. In an equal manner, economic decision-making, risk behavior of multinational businesses, and capital accumulation in the North have an impact on a countless number of citizens in developing countries that try to cope economically and socially in the global world. Despite its interwoven nature, effects of globalization differ between the rich North and poor South, and between developing countries themselves, among which there are growing economic and political powers such as China, India, and Brazil, as well as impoverished and indebted developing nations, whose positive share of globalization is minimal, if not nonexistent. Wars, violence, environmental destruction, and forced migration are just few examples of the side effects of enormous inequalities upon which our global world is constructed. Consequently, we must understand globalization as simultaneously intertwined accumulation of wealth and poverty, an intrinsically complex and contradictory process of mutual interdependence.

Inequalities in North-South relations show that development is an urgent global challenge. It touches us all. Yet development theories and the traditional form of international solidarity – development cooperation – have been under increasing critique by academic scholars, business elites, and Third World activists. Built in the post-World War II situation where Europe was recovering economically from wartime poverty and destitution with the help of US Marshall Plan, where the world order was being reorganized according to the Cold War political landscapes, and where the last reminiscences of colonial arrangements were collapsing, the idea of 'development' and international arrangements of development cooperation signaled the birth of an international moral community, while at the same time offering a device for Western countries to maintain economic ties and to combat communism in newly independent developing countries. For peoples in the South, it represented a positive 'liberating possibility' after a long history of colonialism. (Cooper & Packard, 2007.) Development, as reflected in development theories and development cooperation, stood essentially for national development occurring through state planning and development interventions influenced by Keynesian economics and facilitated by international aid. Main academic, and to some extent policy, paradigms of development, modernization theory and its Left-wing critique, dependency theory, both relied on the concept of national development, which was either enhanced or worsened by international exchange of trade and aid between North and South.

Theoretical explanatory power of development theories has been seriously undermined by globalization. As Leys (2007, 110) notes: "By the mid-1980s, the real world on which 'development theory' had been premised had…disappeared." National and international controls over circulation of capital were removed; accelerated flows of people, commodities, technology, foreign direct investments, and capital was enhanced; and the role of nation-states was seriously questioned with the increasing influence of international financial institutions, trade organizations, development agencies, and multinational companies. 'Development' was no longer a business of nation-states. In addition to theoretical challenge, this change strengthened the voices of business elites, according to whom development aid is an unnecessary device of international economic and social policy which serves as a disincentive that makes the recipients of aid passive, while development problems and poverty could easily be solved by following the laws of economics: the optimal allocation of resources through free functioning of market forces. This view has been supported by some Third World economists, such as Moyo (2009), according to whom development aid has impeded the functioning of markets in Africa and, therefore, it has caused – rather than reduced – poverty. A completely opposite Third World criticism on development, on its part, accuses development cooperation of enhancing global capitalism, corporate economic interests, and gain of multinationals through globalization at the expense of the poor South and poor masses within these countries. No matter what the point of view, the conclusion is clear: 'development' is a current topic.

This article examines development cooperation as an international form of solidarity and global responsibility. It attempts to place development cooperation into a larger framework of economic and financial exchange between the North and the South. Its academic point of view derives from development theories and anthropological analysis of development and globalization, as well as from statistical information and policy papers. In the first part of the article, I examine characteristics of inequality in North-South relations represented as global asymmetries of power at the age of globalization. The second part discusses the politics of development and the possibilities of development cooperation to respond to the challenges posed by inequalities and global asymmetries of power. The main argument is that in comparison to making global capitalism and globalization work for the poor of the world, development cooperation plays a minor role in diminishing human suffering, inequalities, and poverty. Yet, as long as economic, financial, technological, and cultural globalization continues to marginalize countries, regions, and peoples, development cooperation is not only desirable but necessary.

North-South Relations and Global Asymmetries of Power

There are various approaches to studying 'development' at the age of globalization. These approaches vary from those arguing that globalization is a structurally new phenomenon based on technological innovations, deregulation of financial markets, mobility of production capital, and the birth of multinational companies that are considered to have positive impacts on reducing global poverty and inequalities to those hypothesizing that globalization represents an enhancement of modernity and a deepening of the capitalist world system that for hundreds of years has been based on the extraction and exploitation of resources and raw materials of the South, while accumulating economic surplus for the industrialized North. Therefore, globalization is considered to perpetuate, rather than alleviate, global inequalities. (Greig, Hulme & Turner 2007, 179-185.) French sociologist Bourdieu (2001, 2), for example, describes globalization as

> a simultaneously descriptive and prescriptive pseudo-concept that has taken the place of the word "modernization", long used by American social science as a euphemistic way of imposing a naively ethnocentric evolutionary model that permits the classification of different societies according to their distance from the most economically advanced society, which is to say American society…

Thus Bourdieu sees globalization as a continuation of the economic system dominated by the US and Europe, classifying countries according to their wealth or poverty giving the rich Northern countries excessive power in defining goals and strategies of development, while countries in the poor South are assumed to change – or to 'modernize' as depicted by the most traditional model of development theory – by following the development path of Northern industrialized nations. On the contrary, anthropological research on globalization tends to underline that in order to understand globalization we need to accept multiplicity and complexity of perspectives. While on the one hand globalization indeed does signify intensified global flows of people, commodities, technology, media images, cultural influences, and capital, on the other hand it is about disconnections, exclusion, and marginalization (Edelman & Haugerud, 2007, 22). Anthropologists Comaroff and Comaroff (2000, 298) note that capitalism in its global phase is intricately contradictory:

> …[I]t appears both to include and to marginalize in unanticipated ways; to produce desire and expectation on a global scale yet to decrease the certainty of work or the security of persons; to magnify class differences but to undercut class consciousness; above all, to offer up fast, almost instantaneous riches to those who master its spectral technologies – and, simultaneously, to threaten the very existence of those who do not.

The specific role of developing countries in the global division of labor as providers of raw materials and cheap labor force derives from a long historical background of colonial world order. Despite recent developments in newly industrialized Asian countries, China, and a few emerging markets in Latin America, most postcolonial countries have not undergone processes of modernization and industrialization, the main historical pillars of economic growth in the North. Greig, Hulme & Turner (2007, 2) note that by the turn of the Millennium, countries of the rich North that represent only one-fifth of the world population produced over four-fifths of the world's Gross National Product, while most of the remaining one-fifth was produced by few East Asian countries leaving other developing countries disproportionately underrepresented. From the point of view of the poorest developing countries, this poses a clear danger: has globalization actually made some parts of the world unnecessary or irrelevant for global development? While the ongoing economic crisis has indicated a shift in global power relations from the economies dominated by the US and Europe towards the increasing role of emerging markets in the South, especially China (See Paavonen 2010), some countries most specifically in Africa are being marginalized from global flows of foreign direct investments, capital, and technology. According to Gross National Income measures, converted to US dollars by the World Bank Atlas method, GNI per capita in 2008 ranged from approximately $150 in Sub-Saharan African countries, such as Burundi, Democratic Republic of Congo, and Liberia, to over $74,000 in Liechtenstein, Norway, and Luxemburg all the way to $203,000 in Monaco. The gap between the richest and the poorest countries has been progressively aggravated over time: although global per capita income has multiplied by three between 1960s and the mid 1990s, there are more than 100 countries whose incomes, in fact, declined since the 1980s (Greig, Hulme & Turner, 2007).

In addition to global inequalities, it has been argued that the polarization between the rich and the poor and the subsequent marginalization of the poorest regions and peoples has occurred not only in developing countries but in the North, as well. According to the United Nations Development Programme (UNDP), the richest 5% of the world's people receive 114 times the income of the poorest 5%, while the richest 1% receive as much as the poorest 57% (UNDP 2003, 39).

Consequently, poor people everywhere have become poorer, while the narrow transnational elites have become wealthier. Marginalization of the poor is simultaneously occurring within developing countries. Some developing countries with the most successful economic growth especially in Latin America are among the most unequal countries of the world, which indicates that economic growth alone is not sufficient for alleviating poverty or decreasing inequalities. In Brazil, for example, the richest 20% receive over 70% of income and the share of the poorest 20% accounts for merely 2% of income (Greig, Hulme & Turner, 2007). According to the World Bank, income inequalities tend to be reflected in inequalities in consumption patterns, individual and family health, educational levels, political participation, and decision-making powers. With respect to decision-making powers, inequalities become asymmetries of power within developing countries and on the global scale, when most economic and financial decisions affecting the poor are made among those peoples and institutions that represent the rich. The voice of the poor in international financial institutions, trade organizations, development agencies, and multinational corporations is extremely limited despite some signs of improvement as reflected, for example, in the increasing voting power of emerging markets, such as China, in the International Monetary Fund (IMF).

Politics of Development: Does Aid Solve Inequalities?

Given the increasing global inequalities during last few decades, one is tempted to argue that development cooperation has failed. So, what has, in fact, been the role of development cooperation in the reduction of inequalities, poverty, and other global problems at the age of globalization? By the mid 1980s, as testified by academic scholars, the idea of national development and the central role of nation-states as agents of development planning and interventions had become obsolete. Debt crises, the increasing role of international financial institutions such as the

World Bank and the IMF in defining developing countries' development policies, and the collapse of communism at the international level all enhanced the inclusion of developing countries in the mechanisms of global capitalism. The largest economic and development policy frameworks, as best manifested in structural adjustment programs and later poverty reduction strategies, concentrated on enhancing free trade, liberalization of markets, and economic growth through drastic reduction of state intervention in financial, economic, and social policies, and through the enhancement of institutional and legal frameworks favorable for market economy.

Considering the critique of business elites and Third World economists towards development aid, it is curious that 'development' as promoted by the most influential financial institutions and development agencies, such as the World Bank, the IMF, and the United States Agency for International Development (USAID), has, at least since the 1980s, concentrated on the creation of suitable conditions for market economy and free trade in developing countries. [1)] This market orientation of development cooperation has also been fiercely opposed by many Third World activists, such as social movements, indigenous organizations, and trade unions, and, indeed, if we argue that development cooperation has not functioned, we are actually saying that the financial and economic models that have revolved around market liberalizations are not functioning. The poorest countries actually have very little to sell or to liberalize, the critique goes, especially when the same requirements seldom apply to the North where, for example, protectionism in the form of agricultural subsidies is well in use.

If we criticize development cooperation for not having delivered results, we need to place the flow of development funds into the context of other North-South resource flows. In 2008, the development aid of OECD-countries, which includes all the most important donor countries and in some countries non-governmental aid (NGO sector) as well, was approximately 136 billion dollars a year. If we compare this sum to international derivatives markets, foreign exchange transactions, or stock markets, we realize that development aid formulates a minimal part of global money flows. The importance of world trade patterns – whether they are just or unjust – for developing countries is much higher than that of development cooperation. Even during the ongoing economic crisis, private investments to the poorest – and least appetizing for private investors – developing countries have surmounted the level of development funds. Therefore, the role of multinational companies, international businesses, and business elites in developing countries is crucial: it depends on their behavior whether businesses are there to reduce inequalities, poverty, and other global problems or, rather, to perpetuate them. Too often developing countries offer a haven of cheap, unorganized labor force and weak legislation on labor rights, taxation, and environmental protection, which can be taken advantage of in the name of profit-making and comparative advantage. Finnwatch, for example, has estimated that developing countries are losing 850-1000 billion dollars annually due to illegal capital flight, which deprives them of public revenues vital for public services and social development (Simola, 2009). While part of the capital flight can be explained through corruption and crime, a major part of developing countries' tax losses results from tax evasion and avoidance by multinational companies, international businesses, and international and national elites (Nokelainen, Purje & Ylönen, 2009). The impact of development cooperation, let alone corporate charity programs, makes little difference in alleviating global inequalities or poverty, if the bigger picture of world trade patterns, transnational networks of economy and finance, and the functioning of global capitalism remains unequal and based on asymmetries of power.

However, this does not make development cooperation unnecessary. As long as globalization continues to marginalize countries, regions, and peoples, development cooperation is necessary. For example, when during the 1980s and 1990s the poorest developing countries were forced to reduce drastically their public investments on labor markets and social services as conditioned by the World Bank and the IMF, international aid kept people educated, healthy, and busy by impeding massive human suffering and by compensating for the social effects of structural economic and financial changes. While development cooperation often takes care of the poorest as evidenced, for example, by important reductions in maternal mortality, increase in girls' schooling, and the improvement of indigenous rights, it also indirectly facilitates the production of skilled laborers, consumers, and producers that in the future might have a crucial economic role and an enormous impact on global power relations. In contemporary Brazil, for example, conditional cash transfers to the poorest sectors have not merely improved children's schooling and maternal health but also enhanced home markets and economic growth – and, indeed, reduced inequalities. Social development and economic development, therefore, go hand in hand. Through development cooperation, those regions and peoples that are in danger of being marginalized by globalization are being kept attached to our mutually intertwined world in a positive way rather than through negative global phenomena such as wars, violence, environmental destruction, and forced migration. The fate of globalization depends on the fair involvement of the poorest regions and peoples in the functioning of global capitalism. It also depends on the diminishing of asymmetrical North-South relations through the enhancement of decision-making powers of the South in defining economic and development goals and practices according to their own priorities and through the creation of global governing mechanisms favorable for developing countries. Because of the mutual interdependence of our global world, development cooperation as a global responsibility is not a choice. It is a must.

1) There is a considerable amount of diversity in goals and practices of development among different donor countries, let alone among non-governmental organizations. European countries, and especially Nordic countries, have more often emphasized the promotion of human rights and social development.

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Finnish Multicultural Work Organizations and Diversity Management. Providing Solutions or Increasing Challenges?

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Introduction

The globalisation of the economy, increased immigration, and an aging workforce are all topics that are inducing changes to Finnish work organizations. Finland is in a challenging situation. In 2010 the amount of people retiring from the workforce is double compared to the year 2000, and for instance the health and service sector will lose up to half of its workforce by 2025. The situation is even harsher in agriculture, where up to 60% of the workforce will retire by the same year. (Ministry of Employment and the Economy, 69/2009).

Recruiting foreign workforce has been suggested as a potential solution to the situation, and in 2006 the Finnish Government Migration Policy Programme proposed the promotion of work-related migration as a central objective. Active recruitment of foreign employees to the most vulnerable sectors has been undertaken by private employment agencies and, for example, the recruitment of Filippino nurses has attracted both media (see Simola, 2008) and research attention (Nieminen, 2010; Laurén & Wrede, 2010; Clealand, 2010).

At the same time as work-related immigration is debated, the population of Finland has become more and more multicultural. Immigration has increased considerably from the 1990's onwards, and the motives for migrating to Finland have become more diverse. For long, the primary motive for immigration stemmed from family reasons, but job-related immigration is expected to rise and even exceed family-related immigration (Arajärvi, 2009). Furthermore, the amount of foreigners studying in Finland has increased, which has also been a governmental objective (Söderqvist, 2005). In 2009, 1 100 university degrees were completed by foreigners in Finland, which is more than 4% of all university degrees obtained that year (Statistics Finland, 2010).

Finnish working life has in consequence become more heterogenic in terms of nationalities and cultures, and the diversity of the workforce is expected to further increase (Moisio & Martikainen, 2006). This growing diversity, even though seen as a positive trend by most employers, also brings about challenges. For instance, the labour market has become more differentiated along identity lines, and working life inequality has increased (Wrede et al., 2010). Foreigners already in the country face important challenges in building up careers and advancing in the Finnish society, despite the official plans to promote the employment of foreigners and a positive approach to diversity in business organizations.

In this context, diversity management as an organizational initative addressing questions of difference and inclusion arises as topical and important, both as a business matter and as a corporate social responsibility question. Diversity management can be seen as a sphere where identities and power are negotiated (Foldy, 2002), and as a site where organizations may challenge or reinforce the prevailing knowledge about minorities and the inherent power relations.

In this article the focus is on diversity management in Finland. Ethnicity and cultural differences are the most common constituents of diversity work in Finland. Focus will thus be placed on ethnic and cultural difference and on how diversity management has addressed dilemmas related to ethnicity in the Finnish labour market.

Ethnicity in working life

The understanding of ethnic minorities in Finnish working life is dual and contradictory. On the one hand foreign talent, cultural competence and international backgrounds are praised, but on the other hand, ethnic minorities already residing in Finland are primarily seen though a frame of lack.

I use here the term ethnic minority to refer to individuals that are perceived in the labour market as being non-Finns. Even though there is in public discussions a tendency to treat immigrants or foreigners as a rather homogeneous group, the only common denominator often is an assumed non-Finnishness. The ethnic minorities working in Finland, or aspiring to do so, come from different countries (or even Finland), have different administrative statuses and educational backgrounds, just to mention a few of the differentiating factors.

Compared to the majority population, ethnic minorities are in many regards in a weaker labour market position. They are more often unemployed, have more short-term contracts, and are paid less than Finns (Forsander, 2002; Forsander & Alitolppa-Niitamo, 2000). It is also not uncommon for immigrants to work in positions not corresponding to their educational background (Rintala-Rasmus & Giorgiani, 2007).

It is understandable that recent immigration is related to increased risk of unemployment as migration is a major life change. Unemployment rates also do decrease with the time spent in Finland (Forsander, 2002). But there are elements in the Finnish society that keep ethnic minorities out of work organizations, even when increased ethnic diversity is seen as a business resource. It is the way in which minorities and their knowledge is perceived and valued, the emphasis on Finnish language skills, the scant interest in foreign experience, and discrimination that constitute the main hurdles for ethnic minorities' increased participation in Finnish working life. (see Ahmad, 2010).

Language

Poor language skills in Finnish is a common reason accounting for the low working life participation of minorities, and learning Finnish is seen as a way to improve the chances of succeeding and advancing at work (Tiilikainen, 2008; Forsander, 2001). According to Söderqvist (2005), employers required Finnish skills of ethnic minority candidates, and Swedish was not needed. The motivations for requiring Finnish skills were related to client needs, colleagues' weak language skills, avoiding accidents, and as a proof of the applicant's intent to stay in Finland. Language skills needed to perform the job is a reasonable requirement, but Finnish employers seem to demand Finnish language skills even in situations where the work task is performed in English (Vehaskari, 2010). Requiring Finnish skills as a proof of the intent to stay in Finland is both unreasonable and discriminatory. Finns do move abroad too, despite their excellent Finnish skills. Why should ethnic minorities not have the right to do so, whether or not they know Finnish?

Not valuing foreign experience

Foreign experience and diplomas are of little value in Finnish organizations. Foreign degrees are not easily transferable, which hampers the employment possibilities of ethnic minorities within their own competence field or impedes them from working on the same conditions as their Finnish colleagues. Foreign employees may do the same job when a formal diploma is not required, but with a lower salary. Quite some public-sector efforts have been put on investigating the transferability of diplomas and on providing immigrants with training helping them gain a local diploma. The importance of studies undertaken in Finland is, however, unclear. The chances to become employed in Finland have been found to increase after studies (Forsander & Alitolppa-Niitamo, 2000; Jaakkola, 2000), but employers have also been found to attach little importance to Finnish diplomas (Söderqvist, 2005). In Söderqvist's study, employers claimed that what is decisive for recruitment is the overall evaluation of the person, his or her skills and attitudes.

To have the right attitude is, in fact, seen as important, and in Finland it seems to be about having an attitude in line with Finnish norms. Forsander and Alitolppa-Niitamo (2000) found that the informal competence of an applicant is of special importance for gaining employment: the social, attitudinal, and cultural competence required in the Finnish labour market.

Prejudice

Prejudice and discrimination against ethnic minorities is extensive. Qualitative studies looking into the working life experiences of ethnic minorities describe how they feel untrusted and not valued, and that Finns are preferred in promotions (Rintala-Rasmus & Giorgiani, 2007; Raunio, 2003). Quantitative studies have shown the prevalence of discrimination experiences and how they differ between different immigrant groups. Somali minority employees are more often discriminated and harassed than Estonians or Russians (Pohjanpää, 2003, see also Jasinskaja-Lahti et al., 2002). Immigrants have found that they are not talked to and that they are avoided or stared at (Jaakkola, 2000).

One form of racism is to not take into account an employee's special needs in the guise of equal treatment (Verlot 2002, cited in Laurén & Wrede, 2010 p.175). Not considering the special needs of ethnic minorities has prevailed in Finnish organizations. Foreigners and ethnic minorities are recruited as if they were Finns, and their cultural specific knowledge and skills are seldom drawn on at work (Söderqvist, 2005).

The way ethnic minorities are portrayed in media and research texts can also have effects on how they are seen in recruitment situations and employment. When in the media the image of the immigrant is attached to unemployment and difficulties, ethnic minorities may also in job situations be viewed through this frame (Huttunen, 2004). The understandings of ethnic minorities, their skills and capabilities are social constructions that position them in certain ways. The understandings may differ, highlight different aspects, see things from different perspectives. For instance, the often-cited reason for difficulties in the labour market caused by poor language skills in Finnish has been contested in a research report by Holm et al. (2008), where 70% of immigrants were seen as having good enough Finnish skills for employment.

Diversity management research in Finland

These constructions of the ethnic minority in the Finnish labour market are at least not in line with business-oriented diversity management thinking (see Litvin, 2006). According to the business case logic of diversity management, difference is a resource organizations should draw on and turn into profits. Seeing ethnic minorities in a frame of lack – lack of Finnish skills, lack of Finnish attitude and cultural competence – shifts attention away from what ethnic minorities do have. Giving meaning to ethnic minorities as lacking is also an act of power, positioning minorities in subordinate positions.

How have diversity management initiatives addressed these understandings, or have they addressed them? What is diversity management about in the Finnish context?

Many researchers commenting on diversity management in Finland have concluded that diversity management is not an issue here (Trux, 2010) or is only taking its first steps in Finland (Meriläinen et al., 2009; Sippola 2007a). Diversity management can have many different meanings and imply different actions in different organizations. With regard to this multiplicity of diversity meanings, previous research has made valid points when portraying diversity management as only emerging in Finland. However, at the same time as diversity management is not regarded as a topical issue in organizations, several collaborative projects between business organizations, trade unions and public authorities have been run where the aim has been to promote multicultural work communities and good practices in these (for an overview of the projects see: Vänskä-Rajala, 2007; Ruhanen & Martikainen, 2006). Also, several studies have looked at multicultural work communities and how to best manage them. Sometimes the question is approached with the terminology of diversity management (Savileppä, 2007), other times not necessarily (Vartia et al, 2007; Pitkänen, 2005). But the central question is how to manage a multicultural workforce in a way of fostering good relationships between organizational members. What changes in an organization when it becomes more multicultural? Considering the extent of this type of research conducted in Finland, both academic- and practitioner-focused, diversity management can be said to be in the air du temps. Non-academic research on the topic is influential in the constructing of diversity management as a social phenomenon (Bairoh & Trux, 2010,

p. 197) and should therefore also be considered when evaluating the relevance of the topic in Finnish working life. Diversity management is also taught in universities as a part of courses or as its own course (see Vänskä-Rajala, 2007).

What is diversity about?

Diversity is not only about ethnicity. There are at least two different ways of defining the scope of diversity. One is to maintain that diversity work should only focus on historically underrepresented groups, such as women and ethnic minorities. The other position is to hold that diversity should include all conceivable elements of difference, such as personality, work style, education and so on. The problem with this second position is that it gives all differences the same weight, and misses the fact that some differences are related to disadvantage at work, while others are not (Prasad et al., 2006).

The two approaches can be found in research and reports on diversity in Finland. Diversity is often approached as encompassing a variety of differences, such as age, gender, ethnicity, sexual orientation, disability, language, family situation and religion. The importance of these differences within organizations and the extent to which managers perceive different differences as needing to be managed, narrows considerably the scope of the definition of diversity. Religion for instance is often seen as a non-issue in Finnish organizations. And when looking at the effect of diversity on organizational practices it is especially ethnicity that arises as the main constituent of diversity (Haapanen, 2007).

Diversity and organizational practices

On the basis of their studies of ten organizations in Finland, Sippola and Leponiemi concluded that diversity management induced little or no changes to HRM practices. Recruitment and training practices were sometimes modified, but overall HRM remained untouched by diversity thinking (Sippola & Leponiemi, 2007). Similar findings suggesting that organizations are not ready to change with diversity have been reported by other studies (Sippola, 2007b; Haapanen, 2007; Söderqvist, 2005). Savileppä (2005) has listed reasons why Finnish organizations should, however, actively manage its workforce diversity.

The challenges facing work communities and management when becoming more diverse reflect, to a large extent, the reasons that have been regarded as impeding the full participation of ethnic minorities' in Finnish work life. Lacking language skills, deficient induction of ethnic minorities, and Finns' lacking knowledge about cultural differences have in many studies been viewed as the most crucial challenges (Sippola & Leponiemi, 2007; Sippola 2007b; Juuti, 2005; Söderqvist, 2005; Haapanen, 2007; Sippola & Hammar-Suutari 2006).

Language

Even though lacking language skills in Finnish have repeatedly been underscored by both managers and Finnish colleagues as hampering the opportunities of ethnic minorities to participate and contribute to work as equals, little evidence exists that Finnish organizations would provide training in the Finnish language. In a study by Bergholm & Giorgiani (2007), the majority of the immigrant respondents wished to study Finnish, but none of the employing organizations provided courses. At the same time, ethnic minorities evaluate their own language skills more positively than their colleagues and managers, assessing their Finnish proficiency as sufficient (Juuti, 2005). Minorities thus evaluate their skills more in line with the results of Holm et al. (2008).

Training and induction

Training and induction are often-cited organizational activities that take diversity into account (Sippola & Leponiemi, 2007; Sippola, 2007b; Savileppä, 2007; Juuti, 2005; ETNO). Training and induction address both minority employees and the majority population. Minority employees are provided with information about Finnish working life norms and organizations may draft common rules of conduct. Induction programs are seen as needing increasing attention, and the induction of immigrants is viewed as especially important. Finnish colleagues, however, both found that immigrant employees should receive more induction than was the case, and that induction took too much of the resources (Juuti, 2005).

Finns are also seen as needing more information about different cultures and cross-cultural matters. Managers are not knowledgeable enough about different cultures, which may lead to ignoring foreign competencies and skills both in recruitment and at work (Söderqvist, 2005). Civil service providers have been found to feel that they would need more intercultural competence and language skills in order to be able to perform their work well (Sippola & Hammar-Suutari, 2006).

Salo and Poutiainen (2010a, 2010b) have studied induction material, including information on multiculturalism. They show how manuals aiming to foster positive multicultural working communities construct stereotyped understandings of Finns and immigrants, and rather than challenging the division into us (Finns) and the others (the immigrants), the manuals construct differences between the groups. Induction manuals, as well as diversity promoting reports from the EU and state authorities serve as a channel for conveying norms and understanding of expected behavior. Immigrants are assumed to comply with these norms, and for instance Finns' suspicions towards difference are legitimised. In a report published by the Ministry of Labour and Economic Affairs we can read the following: "practicing religion during a work day, a regime diverging from Finnish traditions or different clothing rules, may bewilder Finnish co-workers and employers" (Ministry of Employment and the Economy, 2009).

Discrimination

Discrimination and racism are strikingly absent in studies on multicultural work organizations when looking from the organizational perspective. The negative attitudes of the majority are seen as a main hurdle impeding increasing diversity (Sippola, 2007b), and studies on ethnic minority employee experiences of work have clearly shown that discrimination and racism are everyday phenomena in Finnish working life settings.

There seems to be a reluctance on the part of managers to name racist practices and events as such and to carry the responsibility over racism within one's organization. Foremen in Juuti's (2005) study legitimised their own racism by pointing to the fact that immigrants too are racist. Another common way to legitimise colleagues' racism is to portray Finns as unaccustomed to dealing with foreigners. As a consequence of Finns' inexperience, ethnic minorities are expected to be tolerant towards the clumpsy, and racist?, behaviour of Finns (Söderqvist, 2005; Vehaskari, 2010). The research conducted by Anna Rastas indicates that discussions about racism in Finland often, indeed, ignore racism as an experience and avoid pondering about solutions as to how to avoid racism, and rather focus on debating the limits of racism – what counts and what does not, as racism (Rastas, 2009). Just as in society at large, ethnic minority employees are left alone with their experiences of discrimination and racism.

Diversity management in Finland: potentials and pitfalls

Diversity management, or the management of culturally diverse organizations, is not a matter of choice. Organizations are more diverse, and the top management of organizations either chooses to manage the workforce accordingly or accepts to waste human resources. In this sense, successful diversity management is a business opportunity.

Today diversity management focuses on the training and induction of both majority and minority employees. Majority employees and managers are provided with information on different cultures and intercultural skills, whereas minority employees are provided with extra training on Finnish working life norms and rules.

These practices respond to and reinforce the images constructed about ethnic minorities and Finns in the labour market. Ethnic minority employees are seen as lacking Finnish culture-specific knowledge, whereas Finns are seen as inexperienced to function in a multicultural setting. Companies seem to be undertaking similar approaches to ethnic minority employment as the public sector. Public-sector initiatives to enhance minority member employment have focused on increasing their social and human capital, at the same time, however, also constructing them as lacking.

The diversity of work communities will certainly continue to increase in the years to come. Further developing good induction programs where ethnic minorities are taken into account will be important. However, there is a risk that without challenging the dominant knowledge about ethnic minorities and Finns, the work will not achieve the ends aimed for. More attention will have to be paid to not producing stereotypic images in company materials and training.

Diversity management work can play an important role in shaping attitudes. This will, however, not materialize if functioning along dominant lines of thought or by avoiding more difficult questions of racism, discrimination and harassment. It is both in the best interest of business organizations and society to start making racism visible. Employers and employees should start taking responsibility for their own racist practices, which are not always intentional. One way of getting started could be for Finns to look in the mirror. Are Finns really that inexperienced with multiculturalism as diversity research suggests? Or is it just a convenient way of ridding oneself of the responsibility for racism and discrimination and handing it over to the one being defined as different?

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Intercultural Work Competence

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Introduction

A good amount of research has been published on personal factors accounting for adaptive or efficient performance in intercultural work settings. These studies have yielded a commonly accepted set of characteristics that serve as guidelines for recruitment purposes. But, instead of personal characteristics, a more fruitful approach is offered by behavioural competencies. Competencies, as desirable sets of behaviours in a given job provide ”roundtables” for all work improvement efforts. A set of two plus one broad competencies is suggested, addressing work improvement in recruitment, training, leadership and performance processes in intercultural work contexts. The proposition is to move from emphasis on cultural differences to emphasis on commonalities in people processes in order to enhance intercultural exchange in the ever globalizing world of work.

Three to four broad personal characteristics

There has appeared a small plethora of research on performance and adaptation of individuals working in intercultural settings. This research has sparked equally vivid development of assessment instruments and today there are almost ninety single assessment tools available (Fantini, 2005). Reviews on intercultural success tend to concur on the personal characteristics that stand out as beneficial for adaptation and performance in a wide array of intercultural work settings.

Hammer and colleagues (1978) used factor analysis to identify three main ”personal ability” dimensions underlying cross-cultural success: ability to deal with psychological stress, ability to communicate, and ability to establish interpersonal relationships. Gudykunst and Hammer (1984) presented a very similar tripartite division of personal factors accounting for success in intercultural settings. Mendenhall and Oddou (1985) reviewed both predictors and performance in acculturation and summarized the criteria along three areas: self, relationship and perceptual orientations, each organized further into sub-dimensions. Cui and van den Berg (1991) conceptualized intercultural effectiveness as a second-order factor comprising three dimensions: communication competence, cultural empathy, and communication behavior. Arthur and Bennett’s survey (1995) focused on people moving from and to a diverse range of countries, assigned to a variety of jobs. Their list of important topics included job knowledge and motivation, family situation, flexibility/adaptability, relational skills and extra-cultural openness. In his review, Daniel Kealey (1996) presented motivation, communication, flexibility, empathy, respect, tolerance for ambiguity and self-confidence as consistently confirmed personal resources for cross-cultural success. Finally, Niitamo (1999) reviewed the literature specifically with regard to evaluation of individuals applying to ”overseas” jobs and work positions, see also Holopainen & Björkman (2005).

It may be summarized from the above that, despite terminological differences, there appears from three to four broad personal factors important for intercultural work effectiveness. Perceptual and attitudinal factors appear often in reviews with reference to terms such as perceptual orientations, tolerance of ambiguity and cultural empathy. Social interaction and communication also appear as important preconditions of success in almost all the reviews. Thirdly, the ability to withstand or handle stress appears as a factor enhancing intercultural adaptation or ”acculturation”. The fourth broad category of personal factors is composed of miscellaneous personality and behavioral traits exemplified in terms such as self-confidence, flexibility, respect, etc. While personal characteristics serve as useful checklists in recruiting people to intercultural work settings, they fail to provide guidelines for how to influence the behaviour processes involved in intercultural work.

Competencies as roundtables to work improvement

The concept of competency contrasts to personal characteristics in its emphasis on situation-sensitive capacities and behaviours performed in predefined contexts (e.g., McClelland, 1973; Spencer & Spencer, 1993). Sandberg (2000) distinguishes between worker-oriented and work-oriented approaches to competence. The former views competence as composed of attributes possessed by workers, typically represented as knowledge, skills, abilities and other personal (KSAOs) attributes required for effective performance. In the latter approach, important task activities are first identified and then transformed or otherwise related to worker attributes, e.g., ability to inspire others. Competency is here defined simply as a set of activities (behaviours and cognitions) that the individual (or workgroup) should master for adequate or superior performance in a given task, job or problem situation.

In addition to emphasis on actual behaviours performed in a given job or job family, the competency concept underscores their multi-element structure. For example, not only is it necessary to have a skill to do something, one should also possess motivation to perform the task.

Or, strong motivation to do something is rarely enough to fulfil a task, knowledge is also needed to reach a satisfactory performance level. Another conceptual tenet proposed here is to distinguish between competencies and their regulatory or ”driver” processes (Nederström & Niitamo, 2010).

Such driver-outcome distinction makes the still vaguely understood concept of competencies tangible and more understandable. The view of competencies ”driven” by motivational, thinking and attitude processes brings more leverage to all work improvement efforts as the focus of change efforts can be targeted on either the driver or outcome end of a competency.

Despite of the various conceptual perspectives on competencies, the shared emphasis on actual behaviours makes competencies the premium choice for integrated work improvement efforts. From the work organization’s perspective, competencies indicate such valued and recognised behaviours which to promote and reward in recruitment, training, leadership as well as performance management. Competencies serve as hubs or ”roundtables” for all work improvement efforts. Selection, training and development, coaching, leadership and performance management can be coordinated with a common competency concept which greatly increases manageability of planning. Workers are provided with sets of objectives which to work towards and are clear about how they are expected to perform their tasks.

Two plus one intercultural work competencies

All the single but often overlapping and interrelated personal characteristics in the previous reviews were summarized into the three to four broad categories of perceptual-attitudinal, interaction-communication, stress management and miscellaneous factors. Three behavioral competencies were delineated upon these categories. The goal was to define a set of competencies vital for success in all work situations that involve essential intercultural exchange. This would cover anything from work accomplished in multicultural work teams to situations involving people moving to work in foreign culture environments.

Handling ambiguity-diversity

Handling ambiguity-diversity appears an obvious formulation for a perceptual-attitudinal competency in intercultural work settings. Exposure to new cultures always involves perceptual challenges, as newcomers to previously unfamiliar cultures are bombarded with ambiguous stimuli and meanings upon which they must make sense. Broad perception, a tendency to look at things in an abstracting way enables to relate disparate things together and understand new information. Therefore, it is plausible to assume that broad rather than narrow perception enhances understanding and handling of ambiguity and diversity.

Tolerance of ambiguity appears often in studies of intercultural effectiveness and acculturation. The term was introduced in Authoritarian Personality (Adorno et al., 1950), the classic volume on Nazi mentality drawing upon radical exclusion of ethnic or otherwise diverging groups of people. Ambiguity tolerance is defined as the ability to perceive ambiguity in information and behavior in an open way instead of resorting to defensive attitudes. This means that intercultural exchange would be better enhanced through adoption of curious and positive rather than negative and defensive attitudes towards ambiguity, novelty and change. Therefore, it may be summarized that intercultural exchange benefits from efforts to perceive the world in a broad, holistic manner and efforts to develop positive curiosity towards new cultures and experiences.

True cooperation

Interaction and communication are the founding of intercultural exchange. However, it is suggested that these somewhat esoteric terms be replaced with the tangible common sense term of cooperation. Cooperation summarizes the same critical elements while molding them into goal-oriented form. ”True” cooperation may be evaluated by observing performance in its three sub-processes: creating and keeping up contacts, advising and supporting others and serving and listening to other people (Nederström & Niitamo, 2010). These sub-processes can be used to differentiate between different intercultural work settings. For example, contact creation may be of pronounced importance in international business while advisory processes may be in high demand in aid and assistance type of work. Therefore, it may be summarized that intercultural exchange benefits from genuine efforts to cooperate with others, whether it be creating contacts, supporting others or listening to other people.

Coping with stress through interaction with others

The third broad competency concerns people who are moving to new cultural work and life environments. Moving to live and work in another culture will almost invariably cause at least some emotional stress experiences. The more distance to one’s own cultural environment, the more stress may be expected. The term ”culture shock” was introduced by Kalervo Oberg in describing experiences of people moving to live and work in foreign countries (Oberg, 1960). Accordingly, culture shock is precipitated by the anxiety that results from losing familiar signs and symbols of social intercourse. Oberg went so far as to name culture shock an occupational disease that consists of a sequence of experiential phases along sojourns to foreign cultures.

The studies and reviews on personal factors predicting acculturation speak of ”low stress” individuals. The problem is that an overall ability to withstand stress is not an established construct in general psychology, very few such people really exist. Of course, when personnel professionals speak about stress tolerance they have in mind a particular set of stressors in a given target job, e.g., operative time pressures, health and security risks or interpersonal conflicts. But instead of an esoteric personal characteristic, a much more fruitful approach is to focus on the ways people tend to cope with stress (Folkman & Lazarus, 1980).

Coping with stress can be said to comprise five strategies or styles: direct action, interaction with others, rational analysis and planning, detachment from the stressor and focusing on self. It is proposed that interaction with others, i.e., asking for, and accepting support from others, emerges as prime means of dealing with stress in intercultural work contexts. The fact that the newcomer's all activities, particularly in the beginning phase, depend on interaction with host culture representatives would make interaction a critically important way of coping with stress for sojourners.

Towards common sense concepts in intercultural exchange

Anthropological concepts emphasizing cultural differences have heavily influenced the discussion of intercultural exchange. The empirical research tradition of acculturation originates from the experiences of westerners sojourning to ”exotic” cultures. The ”us and them” mentality that emanates from Europe's colonial times still echoes in these studies. Instead of facilitating true intercultural exchange, such an approach carries the risk of erecting glass walls between members of different cultures resulting in an aquarium-like situation between members of the observer and observed culture.

What is proposed here is a change of perspective to common sense, or if you will, socio-psychological concepts that draw upon universality of the human condition. With emphasis on commonality between people from all cultures, the common sense perspective should be more functional in enhancing intercultural exchange. Perhaps cultural differences in regard to intercultural exchange are not as profound, exclusive, dichotomous and dramatic as has been thought previously. Developmental psychologists talk about ”bicognition” as a natural strand in human development and they view, for example, bilingualism as a competency rather than a problem (Ramirez & Castaneda, 1974). In the same vein, biculturalism theory (LaFromboise et al., 1993) lays out the notion of being able to function competently within two cultures, without loss of original cultural identity or feelings of having to choose one culture over another. The theory rejects many of the dichotomies implicit in previous conceptualizations of acculturation.

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Communicating CSR in Developing Countries

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Introduction

With regard to developing countries, the notion of corporate social responsibility (CSR) strongly relates to the idea that companies have responsibilities towards the society in which they operate. More specifically, CSR has an important role in developing countries as CSR actions support the growth and stability of undeveloped social and economic structures (Visser, 2008:474). It is essential to comprehend characteristics related to CSR in developing countries as they are rapidly expanding economies which are significant investment markets for international business (ibid.). Communication is an important element of CSR as companies have begun to regularly report on their CSR policies and practices. Even though specific requirements to successful CSR reporting are still unclear (Podner, 2008:76-77), one factor which must be considered is that communication is always tied to context. Developing countries often differ in their situational and socio-cultural settings; however, CSR literature offers some insight to the manner in which the general context of developing countries can be incorporated into CSR communication.

In the following, I will briefly summarise existing literature which can be linked to the themes of CSR, developing countries and communication. In particular, I will discuss the nature of CSR in developing countries (Carroll 1979/1991; Visser 2008), the case for strategic CSR in developing countries (Lantos, 2001; Jimali, 2007), and CSR communication strategies (Morsing & Schultz 2006; Munter, 2006). Based on this discussion, I will introduce a tentative CSR communication strategy pertinent to the developing country context.

CSR in developing countries

CSR practices in western countries are typically described according to Carroll's (1979/1991) CSR pyramid. In short, the pyramid divides CSR activities into four areas of responsibility, i.e. economic, legal, ethical and philanthropic responsibilities. As the foundation of the CSR pyramid, economic responsibilities are the most important element of CSR as companies are expected to 'make money' for stakeholders. The next two levels of the pyramid – legal responsibilities and ethical responsibilities – are closely connected to economic responsibilities as companies are expected to carry out business ventures in accordance with legal and ethical rules and standards. Finally, philanthropic responsibilities form the top level of the

CSR pyramid. This area of responsibility pertains to the idea that business and society are interdependent, i.e. not only does business function as the economic backbone of society, but companies also need and depend on society to create successful business operations. Thus companies are expected to share their profits and give something back to society, especially through measures which will help preserve the environment and develop social welfare.

Visser (2008:488-492) argues that CSR activities in developing countries can also be explained with regard to this conceptual framework. In developing countries, economic responsibilities are just as important as in western countries especially because developing societies are continuously forced to deal with economic hardships. Legal and ethical responsibilities are also part of the pyramid depicting CSR practices in developing countries; however, their role is considerably smaller as developing countries have weak legal infrastructures and do not generally consider ethics as a CSR priority. Philanthropic responsibilities, in contrast, take on a more noteworthy role in developing countries owing to their "strong indigenous cultural traditions of philanthropy" (Visser, 2008: 480-481). As a result, philanthropic responsibilities precede legal and ethical responsibilities in the CSR pyramid depicting developing countries. The conclusion of the pyramid describing CSR in developing countries is that cultural traditions are relevant to the developing country context and therefore cultural traditions need to be taken into consideration in a CSR communication strategy.

A strategic CSR model for developing countries

Another manner through which CSR can be explained is Lantos' (2001) conceptual framework. This framework is important as it can be used to explain how CSR should be conducted in developing countries (Jimali, 2007). In brief, Lantos' framework categorizes CSR into three areas of responsibility: ethical, altruistic and strategic responsibilities. Ethical responsibilities are realized not only because companies are economically, legally and ethically bound to do so, but also because it is morally 'the right thing' to do. Altruistic responsibilities are carried out for humanitarian and cultural reasons irrespective of whether or not companies benefit financially from charitable actions. Strategic responsibilities are executed in a way that connects business interests with social wellbeing and environmental conservation. In line with Lantos' conceptual framework, most developing countries are thought to emphasize altruistic responsibilities as "the understanding of CSR in developing countries seems to be grounded in the context of social voluntary responsibility" (Jimali, 2007:21).

Since altruistic responsibilities are at the core of CSR in developing countries, Jimali (2007:21-25) maintains that a more doable approach to CSR in the developing country context would be to target humanitarian activities to areas which are pertinent to companies' overall business strategy, i.e. to apply a strategic approach to CSR, which incorporates and connects economic and philanthropic responsibilities to each other. This would be a practical alternative to CSR actions in developing countries as both business and society would have a self-serving motivation and an interest to sustain the mutually beneficial relationship. With regard to a CSR communication strategy in developing countries, this model suggests that CSR reporting in the developing country context should include a communicator-oriented (i.e. the company) communication style as well as an audience-oriented (i.e. the developing society) communication style.

CSR communication practices

CSR reporting practices can be described in terms of three communication strategies: the stakeholder information strategy, the stakeholder response strategy, and the stakeholder involvement strategy (Morsing & Schultz, 2006; also see Munter, 2006:6-7). The stakeholder information strategy refers to communication process in which companies inform and distribute details about their CSR policies and practices to stakeholders. The main objective of this 'tell-style' communication strategy is to control the CSR profile that companies create of themselves. The shortcoming of this communication strategy is that it does not include informational input from any other source than the company itself. Therefore companies that follow the stakeholder information strategy must have enough credibility among stakeholders. Secondly, the stakeholder response strategy pertains to a communication process in which stakeholders are asked to give their views about CSR issues through questionnaires, opinion polls and surveys. The aim of this 'consult-style' strategy is to learn from stakeholders, but to control the overall CSR profile of the company. At first, the stakeholder response strategy can be perceived as a communication style through which stakeholders can influence companies' CSR policies and practices. However, the questionnaires, opinion polls and surveys that are presented to stakeholders often include leading questions which give the expected answers to the stakeholders and/or contain the information that companies are searching for. Finally, the stakeholder involvement strategy relates to a collaborative and interactive 'join-style' communication process. This strategy stands for "a two-way dialogue" in which companies and stakeholders negotiate for CSR actions that meet the interests, needs and values of both groups (Morsing & Schultz, 2006:328). The stakeholder involvement strategy would seem to be the most suitable CSR communication style in the developing context mainly because it corresponds with the strategic CSR model discussed in the previous section.

Nevertheless, the limitation of all three stakeholder strategies is that they overlook an audience-oriented communication style. Even though the stakeholder information strategy, the stakeholder response strategy, and the stakeholder involvement strategy are useful descriptions of the way in which companies communicate about CSR issues, all three strategies are communicator-focused styles (cf. Munter, 2006:6-7) as their fundamental purpose is to create companies' CSR profiles.

Communicating CSR in developing countries

The conclusion is that, with regard to the developing country context, a CSR communication strategy should consist of a reporting style which takes three communication features into consideration. First, a culture-oriented communication style should reflect an understanding of the local culture and especially indigenous CSR traditions. Secondly, a communicator-oriented communication style should underscore the interactive dialogue between companies and developing societies. Finally, an audience-oriented communication style – the most important element of a CSR communication strategy in developing countries – adds to the company's chances of achieving its overall CSR objectives in a specific developing society (cf. Munter, 2006:10-17). To be able to persuade the developing society in which they operate to develop and maintain a mutually beneficial relationship, companies must learn to appreciate their audience. This means that companies need to recognize what the audience knows and how the audience feels about the companies' business operations and their CSR activities – and this understanding must show in their CSR reporting.

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Social Responsibility as an Emerging Competence Requirement

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Motivations behind curriculum development

Several megatrends are altering the demands on university education. On a larger scale, the education system is being challenged by such society-wide phenomena as the ageing of population, mobility, and expanding use of ICT but also the shifting of modern emphases on financial growth towards postmodern values promoting the Good Life. On the industrial scale, changes stemming from globalization increasingly accentuate socio-cultural aspects to accommodate for the needs of individuals representing growingly different educational backgrounds, cultures and nationalities. (Lehmann et al., 2008)

Furthermore, EU-level strategies, adopted to enforce the university third mission of societal impact, are to be integrated into university operations. As an example, the Lisbon Strategy in 2000 gave an impetus to the European education system, triggering the introduction of job market motivations in the educational horizon. Growing awareness of the role of education in European competitiveness has since then facilitated the overarching of knowledge into innovation, economy and societal development. The apparent connection between education and wellbeing has molded European-level policies, instigating a strategic framework for education to support both national and EU-scale actions.

More specifically, the EU has defined four guidelines to promote social development within Europe. First, lifelong learning and mobility of workforce are to be promoted among the EU member nations. Secondly and somewhat self-evidently, the quality and efficiency of education are to be enhanced. As the third principle, EU policies have placed equity, social cohesion and active citizenship in the spotlight to reduce societal marginalization. And finally, the EU highlights innovation, entrepreneurship and creativity as central in education design.

These guidelines clearly evidence the growing emphasis in societal and global development on education, not merely as a means of tackling competitiveness but also as instrumental in enhancing societal participation in a way that extends citizens' lifecycle as members of society as well as in promoting world-wide equality and living standards. In brief, the EU underscores the role of education in promoting wellbeing, viewing the education system as a means of dividing wellbeing equally and developing society – also the global one - structurally. (European Commission, 2010)

To further add to the educational emphasis on societal participation, the Ministry for Foreign Affairs of Finland (2010) has articulated global responsibility as being at Finns' best interest, with global responsibility designating a fair world characterized by an international community generating security. Additionally to security concerns, global poverty and human development have been on the rise not merely in national but also in academic attention, and collaborative efforts to tackle e.g. sustainability and human equality issues are subsequently attracting attention in engineering communities all over the world.

Curriculum design drawing from global awareness

The participation of western industrial communities in the economic development of under-developed nations was originally, after World War II, motivated by ideologies of modernisation and urbanisation. Gradually, concerns for how the developed technologies fitted in local contexts began to be voiced, resulting in more simple technologies that were cheaper to build, operate and maintain by poor villages. The appropriateness of the social and environmental impact of the technologies deployed on local settings triggered an interest in sustainability. Natural constraints such as irreversibility began to be acknowledged, thanks to the growing awareness that natural resources could not be treated similarly to human-made capital. This challenged economic competitiveness as the first priority in technological development.

A major ideological leap was instigated by the understanding that technology transfer needed to be based on the diffusion of technical knowledge to help local communities develop their expertise, instead of merely delivering aid packages. As a result, the eradication of social problems was shifted to the centre of attention. Unfortunately, the top-down approach utilized in development cooperation to involve the local communities did not take into consideration the local needs nor did it consult the people supposedly being aided with the endeavours. As a remedy, participatory practices began to be advocated in the 1980s to engage local communities in active, equal partnership instead of encouraging passive receptivity. This necessitated a shift away from a patronizing and condescending attitude disempowering the target communities.

The gradually fortifying calls for humanitarian and empowering engineering have, step by step, resulted in the incorporation of sustainable development and social responsibility education in the university curriculum. A subsequent relationship between engineering and community development has begun to take shape. However, in addition to the inclusion of attitudinal and motivational social responsibility themes in syllabus design, a yet another challenge needs to be tackled: engineering students are typically and primarily identified as straightforward problem solvers. Unfortunately, the problems being addressed in societal contexts rarely have either right or wrong answers, and therefore the chief metric of engineering ability can no longer denote being right and difference can no longer signify error. (Lucena & Schneider, 2008) Such a broad mindset not yet materializes in today's educational reality, thereby necessitating a drastic reform of university ideals and a new institutional attitude to curriculum revision.

Emerging competence requirements

In addition to traditional analytical and technical skills, today's employers expect emerging personal and social qualifications of their employees. These requirements include communicative skills and ability to work in teams; similarly, cultural understanding and international orientation turn pivotal in global markets. (de Graaff et al, 2007)

Also employees themselves, struggling with the changing demands and needs of working life, have realized that, although skilful and knowledgeable in their subject matters, they lack qualifications that provide them with prerequisites necessary in today's multidisciplinary and cross-cultural duties. This raises the question of whether university education is too focused on producing substance expertise and too ignorant of so-called social skills that help turn employee expertise into productivity. These process skills – learning to learn, lifelong learning, cooperation, communication, teamwork, intercultural cooperation, sustainability, social and global responsibility – represent the socio-cultural dimensions that are becoming increasingly important as globalization intensifies the demands for socially and globally adept work communities. (Christensen et al., 2006).

Traditionally these social aspects have been largely neglected and underestimated in corporate life and subsequently in university education, as well. Engineering education has until now been strongly contents-driven, soft skills being a relatively recent notion in education offerings. (Lappalainen, 2009) However, modern engineering communities are increasingly rendering crucial also the ability to integrate thinking, feeling and behaviour in pursuit of professional objectives, pressing the education providers to develop ways of teaching social competence. (Emilsson & Lilje, 2008)

The Development Cooperation Project as a venue for learning social responsibility

To respond to today's industrial competence needs, in particular in terms of social competence, the Development Cooperation Project was conducted at Aalto University to create new types of learning contents and educational practices. Instead of teaching grammar, this English and communications course strove to build an integrated learning environment that allowed students to activate and apply their language and communications skills in a real-life context. Such an approach was chosen to promote project management skills, sustainability, self-leadership, ethical integrity, networking, social competence (e.g. empathy), and global and social responsibility, while engaging the students in goodwork to aid some local community in a developing country. In return for their efforts in this degree-fulfilling course, the students were granted 2 ECTS credits.

The 29 (9 Finnish and 20 international) students operated in cross-disciplinary teams to supplement the expertise their group held. Together they brainstormed ways of benefiting some third-world community in a sustainable and socially responsible way. The students had the option of materializing their solutions in knowledge transfer or as more concrete products or services or even fund raising. The aim was to encourage students to invest their substance knowledge and personal abilities in the development of a community in need, in alliance with an already operating non-profit organization.

In the Project in question the students competed in 5 groups for the most feasible third-world development cooperation idea. The winning group presented the idea of assisting Egyptian NGO operations by designing ICT-platforms. The prize constituted a trip to their target location to implement their idea.

Intercultural settings such as the project in question open up opportunities for developing personal abilities. Research in the field (Niitamo, 1999) illustrates that depending on categorization and approach, some 3 to 5 factors have been identified as abilities pertinent to multicultural communications. According to some, these competences encompass the ability to deal with psychological stress, to communicate and to establish relationships. Others categorize the essential skills into self-, relationship, and perceptual orientations, whereas the division into communication competence, cultural empathy and communication behaviour also has its advocates. A more extensive listing proposes motivation, communication, flexibility, empathy, respect, tolerance for ambiguity and self-confidence as personal resources for multicultural success. As can be seen, all these formulations address social relations and communication activity, turning university language studies and communications courses into fruitful arenas for expanding one's individual expertise. Moreover, socially constructed knowledge acquired through experiential learning in project teams is regarded as authentic and can be retained more effectively in long-term memory. (Codone, 2010)

As methodology facilitating language education for working-life purposes, content-based and integrated education where language functions merely as an instrument of learning offers means of meeting diverse learning objectives (Huhta, 2010). Exposure to subjects outside the core curriculum accustoms graduates to operating at the intersection of technical and non-technical attributes and promotes curiosity about the greater, societal landscape. (Akay, 2008) Furthermore, there is a good case for teaching within the context of a subject area being the most effective way of enhancing critical thinking. (Garside, 1996) Application of real-life cases is also a means of securing the relevance of the study material, which is known to be a factor increasing student motivation and empowerment. (Frymier, 1996) The Development Cooperation Project addressed all these learning objectives in pursuit of leveraged education quality and societal impact.

Integrated courses offer also other benefits in the form of a wider spectrum of assignment potential and thereby also opportunities for student freedom in being creative. Therefore, in the Development Cooperation Project students were not rated for their language proficiency but rather for their communicational aptitude and for the novelty and creativity of brainstorming outcomes, as well as perceived effort. (Sternberg, 1997) Student work was also graded for concrete project feasibility.

The project thereby not only served as a language and communications course but offered a contextual platform for an educational paradigm shift: instead of content gathering, the students rehearsed their skills in information literacy, networking, ideation, brainstorming, innovation, critical thinking, reflective learning, teamwork, and collaboration. Furthermore, they subjected themselves to substances such as ethics, corporate social responsibility, social responsibility, environmental accountability, cultural awareness, and global responsibility.

Conclusion

Any initiative to expand student horizons through extra-curricular activities involve efforts towards a broader university education that addresses the impacts of engineering solutions in a global, economic, environmental and societal context. Further, such endeavours strive to expand diversity of viewpoints in higher education by accustoming students to listening and valuing the perspectives of others, also those of non-experts. At the same time, such projects aim to foster critical, self-reflective thinking, while also catering for student needs to develop interpersonal, communication and collaboration skills.

Ultimately the Development Cooperation Project portrayed in this article pursued to tackle the marginally met challenge of community inclusion in development cooperation. Such a noble cause is a means of promoting ethical integrity through university education, while providing a real-life context for language and communications studies at Aalto University. (Lucena & Schneider, 2008)

On the surface, our Project served outcomes pertinent to university language education: students earned study credits, enhanced their language proficiency, and activated their communications skills. Additionally, thanks to the nature of the course, they established contacts with industrial stakeholders, built networks, and developed project management skills - all of these desired by-products of university curriculum.

But ultimately, there were motivations and lessons learned that extended beyond study credits and formal learning outcomes: the affective rewards outweighed by far the more concrete gains. The opportunity for goodwork not only opened student eyes to the potential vistas in societal impact, but it also forced the university faculty to rise to the occasion through self-renewal, in pursuit of more up-to-date, relevant, and topical education.

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Doing Good, Caring, and Creating Communality – Can This Be Fostered in the National Education Agenda?

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Education – key for good

In a sustainable world one would expect goodness, caring and communality to abound. In working towards such a world, we will find education at the very core of those fora and tools that should be considered, utilised and developed in order to achieve real impact.

The availability of education as such is beneficial, and hence, the availability of good-quality education for all provides a real boost for the wellbeing of societies: Quoting a recent OECD study, the social outcomes of learning have far-reaching *implications that extend beyond narrow economic measures. First, economic activity is interdependent with social and political activity; therefore, the relevance of learning is broader and more complex than its direct impact on the former. Learning experiences that have an impact on health, civic activity or social tolerance, for example, may have an economic dimension that is neglected when policy decisions are based solely on narrow return to education measures. Second, learning has an impact on our standards of living other than that measured in terms of increased production and consumption of goods and services. Social and personal wellbeing are ends in themselves, and the effect of education on them is an important policy issue.*
(http://www.oecd.org/document/35/0,3343,en_2649_35845581_35762147_1_1_1_1,00.html)

But can we educate people to see the world and mankind as one and to take on roles of actors for the good of the entire humanity?

From Peace Education to Global Citizenship to Ethical Internationalism

The composition and value base of any given education curriculum should be reflected against the backdrop of the social and political situation – including international aspects – of the time when the curriculum is drawn up. Hence, such themes and foci that one can relate to the theme of this article have ranged from peace education, development education, cultural knowledge, and human rights education all the way to environmental and sustainable education as well as intercultural education.

Global awareness in Finland has its roots in the Christian charity tradition and missionary movement as well as in the ”solidarity generation” of the 1960s/70s. To give an example, Finland’s 1960s comprehensive education reform found its key value base in the 1948 UN Declaration of Human Rights. Finland was even one of the active states in formulating the 1974 Unesco Recommendation concerning education for international understanding, co-operation and peace as well as education relating to human rights and fundamental freedoms. A decade later, the recommendation is in detail reflected under the theme of international education within the 1985 basic education core curriculum. The 1995 core curriculum brings in highlights from the Council of Europe documents setting emphasis on democracy and human rights – Finland had joined COE a few years earlier.

Finland’s accession to the European Union in 1995 brought along the European dimension, or training for the European citizenship, if you like. At present the discussions focus on global education and world citizenship, underpinned in Finland by the Ministry of Education and Culture and its programme for Global Education 2010. The underlying notion is that globalisation has penetrated even the youngest pupil’s life in all its spheres – starting from the playground or the classroom which in today’s Finland can be genuinely multicultural. The Council of Europe’s White Paper on Intercultural Dialogue (2008) calls for intercultural competencies which ”should be understood, taught and learned, so that we can live together as equals in dignity”.

The next generation in global education is under way, labeled as ethical internationalism. It will combine critical thinking, empowered networking, contextualised concept of knowledge, and advanced ICT with global citizenship. It was introduced to Finnish educators at the 2nd international conference organised by CIMO and the Finnish National Board of Education in Mikkeli November 2010 by Global Education Professor Vanessa Andreotti from Oulu University.

(http://www.oph.fi/download/119833_Kulttuuri-identiteetti_ja_kansainvalisyys_Liite_3.pdf
http://www.minedu.fi/OPM/Julkaisut/2007/kvkasvatus2010.html?lang=en&extra_locale=fi
http://www.coe.int/t/dg4/intercultural/WhitePaper_InterculturalDialogue_2_en.asp#P72_6045
http://www.coe.int/t/dg4/nscentre/Resources/Publications/GE_PRP_Finland_report.pdf)

Glimpses from core curricula: the responsibility and communality agenda is already in place

The present basic education core curriculum sets out from such values as human rights, equality, democracy, natural diversity, preservation of environmental viability, and the endorsement of multiculturalism. Basic education promotes responsibility and a sense of communality. The cross-curricular themes include: cultural identity and internationalism, and responsibility for the environment, well-being and sustainable future.
(http://www.oph.fi/download/47671_core_curricula_basic_education_1.pdf)

According to a comprehensive survey with school heads in 2009, the value base set out in the core curriculum has provided a strong steering element in schools' work. Head teachers say the emphasis has been set on such values that support pupils' personal growth including tolerance, responsibility and the skills of living together.
(http://www.oph.fi/download/111770_Kokemuksia_2004_opsuudistuksesta_2009.pdf)

Upper secondary general (high school) education sets emphasis on co-operation, encouraging students to active interaction and honesty. The aim is for students to know their rights and responsibilities and to grow to assume adult responsibility for their own choices and actions. During their upper secondary school years, students are supposed to be provided with experiences of how to shape the future through joint decisions and efforts. The cross-curricular themes include: active citizenship and entrepreneurship, sustainable development, and cultural identity and knowledge of cultures.
(http://www.oph.fi/download/47678_core_curricula_upper_secondary_education.pdf)

In upper secondary vocational education the student will, among other core competences based on EU life-long learning objectives, adopt skills regarding active citizenship and different cultures. This implies that upon graduation, he/she will be able to participate in constructive and responsible ways in the activities and decision-making of those communities he/she partakes.
(http://www.oph.fi/download/115708_Elinikaisen_oppimisen_avaintaidot_ammatiliset_perustutkinnot_26.8_2009.pdf)

In their proposal of June 2010, the expert group set by the Ministry of Education and Culture present ”Basic education 2020 - the national general objectives and distribution of lesson hours”. There will be a new core curriculum set for the Finnish basic education starting around 2014. The objectives for the skills an individual needs in society have been classified into five groups where several aspects of global citizenship will be covered even if the globally-/internationally-oriented cross-curricular themes may not remain as such. (http://www.minedu.fi/OPM/Julkaisut/2010/perusopetuksen_tuntijako.html)

What do youngsters know and how do they feel?

In 2009, the International Civic and Citizenship Study (ICCS) measured student perceptions and behaviours relevant to civics and citizenship education within value beliefs, attitudes, behavioural intentions, and behaviours. Finns were top class regarding knowledge within the above four domains. Yet, among students, both regarding Finland and the participating countries in general, active civic participation in the community was relatively rare either at school or in the students' plans for their adult lives, and similarly, only minorities of teachers reported student involvement in human rights projects or activities to help the underprivileged. (http://iccs.acer.edu.au/uploads/File/Reports/ICCS_10_Initial_Findings.pdf)

The Youth Barometer 2010 commissioned by the Finnish Ministry of Education and Culture reveals 15-29-year-old Finns are increasingly against immigration to Finland, but on the other hand, do not discriminate their friends based on religion, skin colour or ethnic background. Young people feel relatively carefree with liberal (green or leftwing) outlook on society but they seem not to believe in action through political parties.
(http://www.minedu.fi/export/sites/default/OPM/Nuoriso/nuorisoasiain_neuvottelukunta/julkaisut/barometrit/liitteet/nuorisobarometri2010.pdf)

Next steps?

If it is then a question of activating students, how can that be established? Real-life (non-formal and informal if needed) action- and community-based learning environments should be considered when real learning impact is endeavored (see e.g. OECD 2010, The Nature of Learning).

OECD suggests service learning as an approach to combining the community-based approach, volunteerism and learning environments that make it possible for students to learn together about what works in doing good.

Cooperative learning has a long history of successful learning achievement. The rapid development and ubiquity of ICT has overcome the major obstacle for bringing youngsters from most parts of the globe to work together. The development of English as a global lingua franca provides a shared communication medium for more and more youngsters.

Both OECD above and other research indicate that student empowerment, cooperative and experimental learning, and communality can be woven into a goal-oriented entity of development projects that make up meaningful learning environments for students. Such a process has been recorded, for example, in Mervi Aineslahti's (2009) dissertation A Journey in the Landscape of Sustainable School Development (in Finnish, see http://www.doria.fi/bitstream/handle/10024/43195/matkakou.pdf?sequence=1)

Programmes and funds for goodwork and caring

A variety of programmes and funds are annually made open for bids coming from active educators wishing to organise their interest in global care into projects.

The internationalisation state grants are a Finnish specialty, available for general education and vocational schools through their providers of education since mid-1990s. These grants are worth some 2 MEUR a year and they are administrated by the Finnish National Board of Education. Their aim is to help schools organise development projects through which they can implement the international education dimension in their curricula. In a country the size of Finland, these grants have reached a vast number of schools, students and teachers over the years. Such projects that have to do with the theme of this article have been in the interest of both the applicants and the donors since the beginning of this activity. We could call it a third-world strand as these projects are often implemented for and with schools and educators in Africa – often Finland's development cooperation partner countries – sometimes Asia, occasionally Latin America. Most project plans – thanks to the fact perhaps that the core curricula cited above have these elements – contain elements of global education. In 2010-2011 the National Board of Education is financing a nation-wide coordination project with a coordinator duo from the town of Ulvila, bringing together some forty global education projects from all over Finland, in order to achieve better impact.

Under the Ministry for Education and Culture, the Centre for International Cooperation and Mobility CIMO is administrating a vast number of EU-based and other international education programmes and funds (www.cimo.fi).

The Finnish National Board of Education has set a framework for its international activities where global responsibility is seen as one of the guiding principles and, CIMOs strategy 2020 is under way with a strong global responsibility vain, as well. (http://www.oph.fi/download/126651_Opetushallituksen_kansainvalisen_toiminnan_viitekehys.pdf)

In cooperation with the national education agencies, the Finnish Ministry for Foreign Affairs has played key part in promoting global education in Finland. The Foreign Ministry, among other things, produces materials which are aimed for use both at school and within the cooperation that schools and NGOs are encouraged to run. The Ministry maintains a popular web portal at http://global.finland.fi.

The Ministry for Foreign Affairs has entered into an agreement with the National Board of Education for a nationwide project in global citizenship for 2010-2011. It will be a hands-on bottom-up project for developing a school- and pupil-centered approach towards ethical internationalism. The project has links to the Council of Europe work for global education and more importantly, potential for bringing new insight for the next core curricula in basic education and secondary education.

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Values and Attitudes in Engineering Education

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Introduction

The role of engineers as contributors to society has evolved through the past 150 years. While in 19th century engineers were regarded as heroic constructors with social responsibility, early in the 20th century this image was changed to servants of industry (Jørgensen, 2007). Since 1980s, the conception of engineers as servants of public safety, health, and well-being has increased, and it is accepted as the mission of engineering education (Heikkerö, 2008, 2009; See for example Academic Engineers and Architects in Finland TEK Code of Honour. However, a remarkable share of engineers – in Finland roughly 80 – 85% depending on the engineering degree (TEK 2010; UIL 2010) – work in the private sector, and therefore, the tension between serving the immediate needs of industry versus public good is evident.

The practical nature of engineering discipline implies that engineering reflects, more than most professions, the immediate environment in which it operates (Allenby et al., 2009). The knowledge-intensiveness of the economy, expansion of higher education, global interdependence in facing challenges of sustainable development, globalization of the economy, development of ICT, steady growth of the service sector as part of the economy - of which knowledge-intensive services constitute a growing share - aging of population in developed countries, changing values stressing quality of life and self-expression (OECD, 2008), opening up of the innovation system (Chesbrough, 2003) and converging of NBRIC-technologies (Allenby et al., 2009) may be observed as major societal trends impacting the educational system as a whole, including engineering education.

The knowledge society is characterized by increased dynamic, emerging and social complexity (Scharmer, 2009). Often not only the solution to a problem is unknown, but the problem statement itself is unfolding and system subcomponents are interdependent on each other. As an example, challenges related to sustainable development call for a transdisciplinary whole-system approach. The authors suggest that increasing emerging complexity in society implies a growing need to initiate and implement structural changes collaboratively. This requires strong ethical competence since, as argued by Hämäläinen & Heiskala (2004), the key hindrances to carrying out structural changes in society are mental: stiff and rigid values, attitudes and norms steering human behaviour. This is the case also from the viewpoint of the landscape of science and technology that is conflict-ridden, and tensions between different expectations easily collide (Børsen, 2008). Implementation of structural changes in the present society would require strong collaborative learning skills. Unfortunately, lack of collaborative learning skills is among the most urgent skills shortages of Finnish engineering graduates, calling for action to develop engineering pedagogy and curriculum (Korhonen-Yrjänheikki, forthcoming).

In order to be able to work in multicultural and cross-disciplinary teams that are common in working life, engineers need to have the capacity to identify their own value basis and attitudes impacting their work and thinking. Ability to reflect on and argue for one's personal values belong to any engineer's basic interaction, internationalization and organizational skills. A remarkable share of innovations emerges within the boundaries of different disciplines, which also underline the importance of these skills. (Mielityinen, 2009)

The origin of the word technology comes from Greek "techne" that refers to a skill. Technology is a process of human action, either creation or application of new tools, in which scientific, technical and social factors interact (Heikkerö, 2008, 2009). The authors argue that it is of key importance that engineering students from first year onwards learn to see engineering as a social and technical process (Conlon, 2008) and understand the role of engineers and technology in society (Takala, 2009). In order to reach this aim, the authors suggest that it is important to analyze the instrumental, strategic and communicative engineering competencies from the viewpoint of values and attitudes (Ravesteijn et al., 2006), also referred to as the key technical competencies, interdisciplinary competencies, and interaction, internationalization and organizational competencies (Mielityinen, 2009).

The aims of this paper are three-fold. First, we will discuss the ethical competence needed to accomplish the mission of engineering to enhance the welfare of people and environment. Second, we analyze in more detail the value and attitude component of sustainability competence and collaborative learning skills. Third, we aim to identify different aspects important for developing engineering pedagogy from the viewpoint of facing the need of strengthening the values and attitudes aspect of engineering graduates' competence.

Ingredients of Ethical Competence

Boni & Berjano (2009) suggest that the dimensions of student's moral personality can be classified to eight aspects: self-knowledge, autonomy and self-regulation, capacity for dialogue, capacity to transform the environment, critical understanding, capacity of empathy and social perspective, social skills involved with interpersonal behavior and moral reasoning which allows reflection in situations of value conflict. The framework of Børsen (2008), when discussing the needed ethical competencies is oriented towards abilities needed for conducting research in the present society that he calls ”postnormal science”. He highlights skills such as ability to understand internal ethics of science and reflect on it, ability to fairly portray the value systems and underlying assumptions of the involved actors, ability to identify and reflect on complex and controversial questions, ability to synthesize a compromise among different views and ability to react consciously when asked to work on projects that come into conflict with the individuals' ethical orientation system.

Herkert (2005) divides engineering ethics into micro- and macroethics. Microethics is concerned with the ethical decision making by individual engineers whereas macroethics refers to the profession's collective social responsibility and societal decisions about technology. Microethical issues in engineering include such issues as designing safe products and not accepting bribes. Traditionally, the emphasis of engineering ethics has been on microethics focusing on the individual ethics. This individual focus is, however, rather limited (Bucciarelli, 2008). Feinblatt et al. (2009) are concerned that education might provide some tools to analyze the microethics questions but hardly any support is given to handling the wider macroethical questions in society. According to Conlon and Zandvoort (2009), this focus has meant that major macroethical questions such as sustainable development or product liability have been overlooked. It also gives an oversimplified image of the realities of engineering practice and enforces the idea that individuals cannot change society. Thus, both Herkert (2005) and Conlon and Zandvoort (2009) have called for broadening the focus to include macroethics to cover the social responsibilities of engineers and the engineering professions. This would imply a better understanding of the social context of engineering.

Heikkerö (2008) divides ethical competence needed by engineering graduates to an element of knowledge, skills and attitudes. The needed knowledge constitutes, as an example, social scientific information concerning the social networks within which engineering takes place and familiarity with the most central ethical theories. In addition to knowledge, engineering students need the ability to identify social and moral issues, reason about them, combine reasoning with scientific knowledge and engineering praxis, and communicate with co-workers on ethical issues. Because human action always springs from motivation, in other words, commitment is one of the key preconditions for knowledge creation (see for example Nonaka & Takeuchi ,1995), the third component contains the attitudinal component. What are the professional virtues of an engineer? Honesty, integrity, trustworthiness, reliability, conscientiousness and competence are listed by Heikkerö (2008) as virtues brought up in literature. The impediments for acting responsibly are, for example, fear, self-interest, ignorance and groupthink.

Haws (2001) argues that the most important ethical competence engineers need education in is divergent thinking. He explains that divergent thinking means that options and impacts should be considered beyond the narrow realm of engineering, there should be engagement in discussions with non-engineers, and furthermore, the ethical perspectives of virtue, rights, justice, care and utility should be considered. He argues that engineering attracts convergent thinkers ”who tend to become oblivious to wider ramifications of their work” and thus, formal training is needed to balance this natural tendency to ensure that ethical implications of engineering work receive adequate consideration (Ibid, 223).

Values and ethics are recognized as part of learning objectives in the European Accreditation Framework for Engineering Education EUR-ACE (2005). One part of the accreditation is based on the assessment of the learning outcomes. One of the six dimensions of the assessed skills are ”transferable skills”. These skills are necessary for the practice of engineering, and applicable beyond one’s own field of technical expertise. The skills needed to function effectively as an individual and as team member are defined as follows (EUR-ACE, 2005, 7);

- ”use diverse methods to communicate effectively with the engineering community and with society at large;
- demonstrate awareness of the health, safety and legal issues and responsibilities of engineering practice, the impact of engineering solutions in a societal and environmental context, and commit to professional ethics, responsibilities and norms of engineering practice;
- demonstrate an awareness of project management and business practices, such as risk and change management, and understand their limitations.”

Also the US accreditation criteria for engineering programs defines ”an understanding of professional and ethical responsibility” as an essential learning outcome of engineering programmes (ABET, 2009, 3). Colby and Sullivan (2008) also find the outcomes of the ”broad education necessary to understand the impact of engineering solutions in a global, economic, environmental, and societal context”, ”a recognition of the need for, and an ability to engage in life-long learning”, ”a knowledge of contemporary issues” (ABET, 2009, 3) to be relevant from the point of view of ethics education. According to Shuman et al. (2005) these among other ABET outcomes can be categorised as professional skills, whereas outcomes related to knowledge of mathematics and science and more technical skills are categorised as hard skills. Hard skills and professionals skills are considered equally important. As Colby and Sullivan (2008, 329) point out, ”ethical competence is inseparable from other important competencies in the actual practice of engineering”.

The accreditation criteria do not give a detailed description of what is meant by these ethical competencies. Colby and Sullivan (2008) have examined codes of engineering ethics to find elaborations of the general ABET outcomes. They recognise the weakness that reference to formal ethical codes is not typical in engineering practice, but argue that the codes reveal the kinds of ethical issues practicing engineers are likely to face and provide a working formulation of areas in which preparation in education is needed. According to Colby and Sullivan, the first provision in virtually all codes of engineering ethics is the profession’s responsibility to public. Academic Engineers and Architects in Finland TEK accepted its Code of Honour in 1996 and also this code highlights the role of engineering in increasing human welfare (TEK, 1996). Colby and Sullivan (2008, 328) argue that the ”prominent place of this provision points to the importance of engaging students in thoughtful discussions of the meaning of engineering and technology, including its social meaning and context”. This includes discussion on the place of the profession in the world, the history of technology’s impacts, its potential for human benefit and harm, and the field’s complex relationships with other social processes and institutions.

What is more, according to Colby and Sullivan (2008), a central emphasis in US engineering ethics codes is given to the overriding values of public safety and protection of the environment. Also Loui’s (2005) research results of student views on engineer’s responsibilities highlighted safety. Safety, however, is not mentioned in the Finnish code. Neither does it mention protection of the environment as such, but it is stated that requirements of sustainable development should be taken into consideration in all work (TEK 1996). It can also be seen that as the responsibility towards future generations is emphasised, this implies safety in the long term. Colby and Sullivan (2008) interpret that in order to prepare students to practice that embodies values of safety and environment, a keen awareness of the potential immediate and long-term risk of their work needs to be developed. In addition, students need to think how their responsibilities vary depending on their particular role in the workplace and they need support in developing personal qualities such as the courage needed to make and carry out difficult decisions. (Ibid, 2008, 328.)

According to Loui (2005), students think that an ideal engineer is honest, conscientious, confident, and technically competent. Colby and Sullivan (2008) also conclude that the codes of ethics generally stress the responsibility to be competent in one's work and to continue building one's competence through ongoing professional development. Other provisions of the professional codes extend to themes of honesty, confidentiality, and fairness, including respect for the intellectual property of others. The TEK Code of Honour (TEK, 1996) also raises these themes.

In the next sections the themes of sustainable development and collaborative learning are examined. As has been discussed, these themes are mentioned in professional codes of ethics but the actual competencies that they require and the implications these set for the engineering education pedagogy are rarely covered. The aim of the following sections is to try to elaborate on these themes from the point of view of values and attitudes.

Engineers for Sustainable Development

Sustainable development has been widely discussed in world politics ever since the 1980s and it can now be said to encompass all fields of life from business to education. In general, it can be said that the role of education is seen to be crucial in a transformation into a more sustainable society. The purpose of this section is to discuss sustainable development in engineering education from the point of view of values and attitudes. First of all, the central role of values and attitudes in sustainable development is based on the concept itself and this is elaborated on. Secondly, based on a Finnish research project on engineering education and sustainable development (Takala, 2009), the key competencies of sustainable development and the role attitudes and values are discussed.

Most commonly people refer to the definition by the World Commission on Environment and Development (WCED, the so-called Brundtland Commission) that states ”sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” and highlighting the ”essential needs of the world’s poor, to which overriding priority should be given” (WCED ,1987, 43). Based on this original widely-used definition, at least the intergeneration and intra-generational responsibility should be at the heart of competencies for sustainable development.

Despite this definition by the Brundtland Commission, it is extremely hard to provide a practical description of what kind of practice and behaviour would actually be sustainable. No widely-accepted practical sustainability guidelines or principles exist. The concept can be described as ambiguous, complex and dynamic (e.g. Connelly, 2007), the various meanings of which are socially constructed and reconstructed (Hajer & Versteeg, 2005, 176). It can be argued that its value lies in the fact that it escapes any exact or easy solution (see e.g. Carew & Mitchell, 2008, 106). According to Pfatteicher (2001), especially engineering students need to be exposed to and become comfortable with ambiguity, as they are by tradition inclined to assume that there exists a right answer to all problems. Sustainable development can in this sense offer a valuable tool for learning to treat complex and ambiguous issues in engineering education.

According to Carew and Mitchell (2008), sustainable development rests on both factual and ethical components. The ethical part is based on what we value and what we hold as important. Herkert (2005) argues that sustainable development brings the macroethical issues (the social responsibilities of engineers and the engineering profession) to the foreground. The factual components consist of complex ecological systems and their interrelations with human systems that cover the spheres of culture, society and economy. At the bottom line, the factual part is about the limits that the ecological systems set as the basis of all our activities.

In a research project on sustainable development and engineering education in Finland, the 66 experts interviewed mostly agreed that sustainable development in engineering education is more about the different ways of thinking and discussing values and attitudes than teaching facts. As sustainable development is such a complex and contested issue, there are no explicit contents to be taught. The factual part or the explicit contents could be knowledge of the challenges of sustainable development (cause and effect relations) and general understanding of material and energy flows. Furthermore, according to the research results, the most important sustainability competencies include holistic understanding, ability and willingness to think critically and autonomously, and creativity, innovativeness and entrepreneurship. (Takala, 2009.)

As sustainability is to cover intergenerational and intra-generational responsibility, and as it is to take into account the environment and all spheres of human life (social, cultural, economic), it requires a holistic understanding. There exist plenty of separate technical solutions that can be considered sustainable. However, the challenge is that we need more profound changes on the systems level (Ashford, 2004). Thus, one aspect of a more holistic understanding or ”seeing the bigger picture” is systems thinking. Another rather clearly-defined aspect is lifecycle thinking that is highlighted by the intergenerational responsibility. There is a need to consider also the longer-term impacts of engineering (Boyle, 2004). Systems and lifecycle thinking are based on skills and knowledge but on also values and attitudes play a central role. Flexibility and openness are needed to change mindsets from traditional narrow technology-specific ways of thinking into systems and life-cycle thinking.

Furthermore, the challenges of sustainable development are not clearly cut to be solved by any one discipline but interdisciplinary cooperation is needed. It is important to see that technology alone does not suffice. Technology and engineering are always entwined with social processes. Thus, it would be crucial to address the role of engineers and technology in society in engineering education. This would imply understanding the wider social, political, cultural, and environmental context of engineering (El-Zein et al., 2008) and discussing the macroethical questions (Conlon and Zandvoort, 2009). On the one hand, understanding the wider context is about gaining more knowledge. On the other, and more importantly, it is about attitudes. Appreciation of the limits and possibilities of one’s own expertise and appreciation of the expertise of others is needed. This appreciation is a prerequisite for viable interdisciplinary cooperation, in addition to skills such as group working, interaction, communication, and shared expertise. (Takala, 2009)

Critical or reflective thinking is considered to be central in sustainable development as it helps to uncover and openly discuss our personal and societal values and attitudes (Tilbury& Cooke, 2005). Important is to understand the significance of values in a society, to recognise the values and interests that guide our behaviour, and also to appreciate the pluralism of values. As many authors have argued, sustainable development in higher education should not be about enforcing a certain way of thinking or certain values, but to encourage people to think for themselves

(Gough & Scott, 2008,;Wals, 2006;Wals & Jickling, 2002). Thus, the ability and willingness to think critically and autonomously can be considered essential. They provide tools for students to guide personal and societal values formation, behaviour and activities, and assess their sustainability.

Another aspect related to critical thinking is the discussion on problem-solving. The traditional strength of engineers has been problem solving (Mielityinen, 2009). However, it can be argued that sustainable development necessitates that we also need to take problem definition better into account (see e.g. Downey, 2005; Pritchard & Baillie, 2006; Fenner et al., 2005; Takala 2009). For sustainable development, it is just not enough to solve problems, but what is required is a completely new way of way of looking at the problems. It can be argued that engineers should not just solve problems defined by others but they could contribute significantly by using their expertise also in problem definition. (Takala,2009). This again is not just about skills but about attitudes, there needs to be willingness to question existing structures and assume more responsibility.

As has been discussed, sustainable development requires completely new ways of thinking and fundamental changes in society. Thus, creativity, innovativeness and entrepreneurship are considered to be fundamental sustainability competencies. These competencies are very much related to values and attitudes. One problem in engineering education is the focus on single-solution problems, the idea that all problems would have one ”right” solution. This can be seen to limit creativeness by not really responding to the real-life situation, where ”right” answers rarely exist. In complex questions and questions that are related to values, a ”right” answer is less meaningful than an understanding of why ”the right” is seen differently (Haws, 2001, 226), drawing again from the competencies of critical thinking and understanding of the wider context of engineering. Creativeness and innovativeness are much about the learning environments and methods that would make students feel empowered, encouraged and inspired to come up with new solutions, and not so much about adding knowledge or focusing on specific new skills.

Especially from the point of view of higher education it is somewhat problematic to view education simply as an instrument to enhance sustainable development. Sustainable development is firmly value-based and as has been discussed, values and attitudes are central in sustainability competencies. This does not, however, imply that education for sustainable development is about indoctrination to a certain value system but about encouraging students to think and reflect. Thus, it is more about the learning methods and environments than contents. According to Sterling (2004), during the last decade a new view of education has emerged that rejects the instrumental view of education and shifts the focus from content and predetermined learning outcomes towards the nature of learning experience.

Collaborative Learning Skills

Collaborative learning skills may be defined as a set of values, attitudes, knowledge and skills needed for learning collaboratively. Korhonen-Yrjänheikki (forthcoming) claims that several factors drive up the importance of strengthening collaborative learning skills of engineering graduates:

- The competitiveness of a nation is increasingly dependent on its ability to renew through social innovations that are a result of collaborative learning processes.
- The opening innovation environment increases interaction with various stakeholders.
- The increasing emergent complexity of society that would require grasping of self-transcending knowledge through collective flow that may be regarded as a result of an optimum collaborative learning process.
- Complex transdisciplinary problems such as climate change emphasize the importance of collaborative learning.
- There is an increased need for continuing professional development during the engineering career and the socio-cultural aspect of becoming an expert and developing expertise require collaborative learning skills.
- Engineers increasingly work in expert positions requiring teamwork.

The essence of collaboration is working towards shared objectives, unlike in co-operation where the partners may have different objectives even when they are working together (See for example Collins Dictionary, 2000). Hayes (2002) defines interpersonal skills as ”goal directed behaviour used in face-to-face interaction in order to bring about a desired state of affairs.” Consequently, in the case of collaborative learning, where the desired state of affairs is collaboratively shared, the nature of the needed interpersonal competence differs from the individualistic perspective.

Groupthink – ”a mode of thinking that people engage in when they are deeply involved in a cohesive-in-group, when the members’ strivings for unanimity override their motivation to realistically appraise alternative causes of action” (Janis, 1972, 9) – is a relevant risk in collaborative knowledge creation. Suggestions presented for preventing the groupthink phenomenon in a collaborative learning situation may be classified into impacting values and attitudes of the context as well as the group process. Suggestions related to the values and attitudes characterizing the learning context of the group include fostering a culture of trust (Bunker & Alban 1997, Nahapiet & Ghoshal, 1998; Forsyth 2010), openness (Nahapiet & Ghoshal, 1998; Stangor, 2004; Forsyth, 2010), appreciation of diversity and criticism (Nahapiet & Ghoshal, 1998; Baron & Kerr, 2003; Stangor, 2004; Forsyth, 2010), courage, diplomacy, truthfulness and constructive approach to moral issues (Heikkerö, 2008). (Korhonen-Yrjänheikki, forthcoming)

Consequently, the values and attitudes dimension is at the core of the collaborative learning competence. Korhonen-Yrjänheikki (forthcoming) proposes a conceptual model for enhancing collaborative learning skills of engineering graduates. The underlying theories of the presented model are the knowledge creation theories of knowledge spiral (Nonaka & Takeuchi, 1995; Nonaka et al., 2000) and Theory-U (Scharmer, 2009). The conceptual model consists of three layers: values and attitudes, knowledge and skills, and learning process and environment.

Commitment and willingness to listen, reflect and share knowledge and skills openly form the values and attitudes layer of the conceptual model. Values embrace trust, commitment, love, openness, courage, the belief that an individual's benefit cannot be separated from the benefit of others, appreciation of deep listening and acceptance of uncertainty. Furthermore, a being passionate about whatever you do is pertinent attitude. The needed field structures of attention are I-in-you and I-in-now and the corresponding conversational field structures are dialogue and presencing, as defined by Scharmer (2009). [1)]

The second layer consists of the ability to listen, reflect and share one's own knowledge and skills. Knowing of oneself, deep listening skills without prejudice, ability to communicate in heterogenous contexts – across disciplinary borders, also in multicultural teams and virtually -, and systems understanding are essential skills. The values and attitudes describing the individual need to characterize also the context of learning described in the third layer of the conceptual model. From the learning process and its management point of view important are clear intention – defined learning objectives, prioritized learning content and systematic pedagogic management -, balance of requisite variety and redundancy in the learning community, active learning methods encouraging reflection and experiential learning combining theory and practice and allowing enough autonomy and creative chaos, as well as involving contemplative practices enhancing deep listening skills.

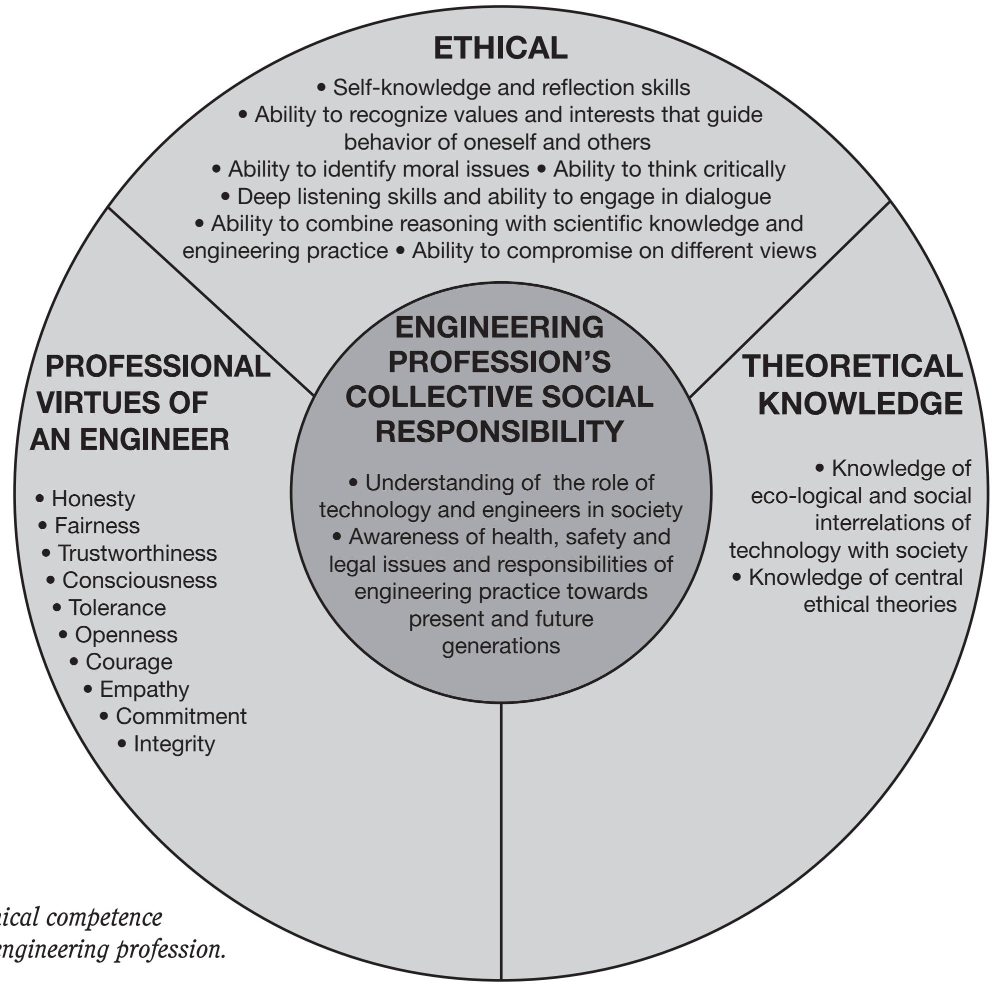
Conclusions and Discussion

In the 100 largest companies in Finland every third CEO has an engineering background (Repo, 2009). More than half of M.Sc.(Tech.) professionals work in a position, where business intelligence and skills are an essential part of core competence needed in daily work (Savolainen, 2010). Engineers play a major role in enhancing welfare of people and the environment. Despite this, engineers are regarded as a silent profession in terms of participation in societal and political discussions (Michelsen, 1999). The authors maintain that this is a serious drawback, and among the underlying reasons are deficiencies in engineering education.

One of the core challenges for engineering educators to overcome is stopping to treat engineering as an applied natural science, thus limiting engineering problems mainly to those of technical orientation aiming at value-free exact solution. Because technology is human action – more know how than know that – it is essential to note that values and attitudes play a major role in engineering competence. Consequently, the authors maintain that value-related learning objectives need to be acknowledged as an integral part of the engineering curriculum.

Most of the competencies expected from engineering graduates contain an element of knowledge, skills as well as values and attitudes. It is evident that values and attitudes cannot be separated from engineering or necessary engineering competencies. They are an elementary part of the professional competencies and identity, and should be treated accordingly in engineering education. Collaborative learning skills, lifelong learning, sustainability, risk management and ability to cope in a multicultural environment may be regarded as examples of competencies where values and attitudes form the core of the competence. The authors argue that interdisciplinarity and the appreciation of competence in other fields needs to be enhanced at an early stage of university studies when a student's professional identity begins to take shape.

This article has discussed values and attitudes as part of ethical, collaborative, and sustainability competencies. It is not possible or even desirable to try to give exact and specific definitions of values and attitudes needed in engineering education. Values can never be transferred straight via teaching, and this should not even be the goal of university education. The ability to identify one's own values and to reflect upon them form a basis for understanding and discussing engineering problems as part of the larger societal context. Understanding of macro-ethical questions revolving around the role of the engineering profession in society is absolutely essential from the point of view of ethical and sustainability competences. The ability to question and think critically lies at the core of sustainability competence. Collaborative learning skills are related to a wide array of intrapersonal and interpersonal value-related competencies. The figure below provides a summary of the different aspects of ethical competence of an individual engineer and description of the collective social responsibility of the engineering profession. The authors' definition of ethical competence is intertwined with sustainable development and collaborative learning competencies. The knowledge, skills and professional virtues of each individual engineer form the ability of collective social responsibility in engineering profession.



Ethical competence in engineering profession.

Assessment and study culture in engineering education has a strong individual ethos – assessment is based on separate assignments completed by a single student. The authors claim that the focus on individuals acting alone is one of the essential problems impacting the ethics dimension of engineering education. This is also a hindrance for enhancing learning of collaborative learning skills, skills that would be so urgently needed.

1) Scharmer (2009) argues that the three different types of intelligence – mind, heart and will – and the inflection points associated with them constitute a social grammar. And furthermore, the inflection points when moving from one field structure of attention to another are identical on all ontological levels. Opening and suspension through open mind facilitate change of field structure from I-in-me to I-in-it. Thereafter, deep dive and redirection forms through open heart forms a path way from I-in-it to I-in-you. And finally, letting go and letting come through open will paves the way for I-in-now.

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"Science is organized knowledge.

Wisdom is organized life."

– Immanuel Kant –

Part II

– Taking CSR from Preaching to Practice

Lessons Learned from Development Cooperation

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Non-profit organizations such as the Red Cross warmly welcome the emerging foci in university education on issues revolving around social and global responsibility. Lack of resources and appropriate resources and competences is a never-ending challenge in humanitarian work and therefore we receive the new, eager Aalto University participants with open arms, strongly urging also others to follow suit and join our 45,000-member team of active volunteers which tops off the 90,000 members already involved. The problem hindering the engagement of masses apparently stems from many regarding development cooperation as too overwhelming an endeavor, feeling discouraged by the magnitude of efforts required to really, truly make a change.

What we have learned since the Finnish Red Cross saw daylight in 1877 is that those involved need to be respected and supported for their efforts. Do not expect a change overnight - long-lasting and persistent impact cannot be achieved in a heartbeat. Instead, small concrete steps will eventually move you closer to the target.

And yet, despite such a humble approach, certain challenges can still be anticipated when entering the developing countries, deriving mostly from cultural differences. To promote a smooth start for the relationship between the expatriates and the local community members, here is a checklist for you upon instigating your journey:

1. Time. Perceptions of time vary depending on the location. This cultural feature can turn into a major impediment to cooperation if underestimated. We westerners have grown up believing that efficiency and effectiveness build wellbeing. Our 1-dimensional time line simplifies processes and procedures into uncomplicated, controllable progress – just do it! Unfortunately, such a philosophy contradicts severely with the multitude of action taking place in parallel on the other side of the world. It is therefore crucial to show respect to the local way of organization, things will happen when the time is ripe. Before that all you can do is be patient and wait.

2. Power. Those with the resources, knowledge and money easily gain the upper hand, but acting in a deceptive illusion of total freedom and failing to remember that development cooperation is about mutual partnership and respect will only trigger community resilience and resistance to change. Despite our efforts to promote, say, women's equality in target destinations, we cannot impose such a fundamental change. Here again, small steps helping women be heard will be the culturally sensitive thing to do. The local community has the expertise in their own life; they know better than anyone what their needs are. Instead of jeopardizing the cooperation with a patronizing attitude and superior knowledge about their development needs, stop to listen – in addition to questions, they may well have answers, too.

3. Trust. The two-way, equal relationship necessitating any positive outcome or result is founded on local involvement and cultural sensitivity, both elicitors of trust. The missionaries of aid from industrial countries need to make their interests compatible with those of the local community. Social responsibility means open-mindedness: seeing through the eyes of those in need is the only feasible way to establish fruitful collaboration.

Having said all this, I also want to highlight all the opportunities opened up at the interface between university students and the third world. Both our domestic and international operations call for expertise and qualities that the young minds of Aalto possess: efforts are needed in fundraising, in developing technology (e.g. systems for logistics and telephoning), in social innovation, just to name a few. Those in need count on us – let's not let them down.

About the author

Kristiina Kumpula is Secretary General of the Finnish Red Cross, which is one of the major actors domestically and internationally in the humanitarian work. She has 20 years of experience in the civic society organizations and voluntary work.

Risk Financing for Private Projects in Emerging Markets

Helena Arlander, Finnfund, helena.arlander@finnfund.fi

For companies willing to establish businesses in the developing markets one major constraint may be finding financing. To fill this gap, several multinational players as well as governments have established finance companies specialized in financing private projects in the developing countries. The most well-known organization of this type is probably the IFC within the World Bank Group. In addition to IFC that operates world-wide, there are also several regional development banks like the Asian Development Bank, the African Development Bank, and the Inter-American Development Bank.

Among the European players there is also a Finnish operator, with its main goal being to contribute to the social and economic development of the developing countries. Finnish Fund for Industrial Cooperation Ltd. (Finnfund) is a development finance company that provides long-term investment loans and risk capital for private projects in developing countries and Russia. Finnfund supports profitable projects in challenging markets where commercial financing is hard to obtain.

The European development finance institutions, so called DFIs, have established an association called EDFI (www.edfi.eu). EDFI's mission is to foster co-operation among its members and to strengthen links with institutions in the European Union.

The objectives of all the EDFI members constitute the provision of finance for investment in the private sector of non-mature economies and promotion of responsible corporate governance, as well as the sustenance of social and environmental standards in projects in which they are involved. Since its foundation in Brussels in 1992, EDFI has fostered financial and technical co-operation among its members. The association also strives to intensify information flow and cooperation between its members and other bilateral, multilateral and regional development finance institutions.

Projects with links to Finland

Finnfund invests mainly together with Finnish companies but it can also finance their partners such as long-term customers, suppliers, subcontractors and companies that license technology. Finnfund typically focuses on projects involving advanced but commercially proven technology that provides the clients with competitive edge while contributing to economic and social development in the target countries.

Most of Finnfund's investments are in manufacturing, but it also invests in other sectors such as telecommunications, forestry, renewable energy, and health services.

Finnfund's financing is not tied to Finnish exports but its projects should, however, promote Finnish interests. In selected cases the company can co-invest with other development finance institutions in projects that do not directly involve Finnish businesses but generate significant environmental or social benefits.

Finnfund is particularly keen on pursuing co-investment opportunities in countries that are Finland's development cooperation partners (Mozambique, Tanzania, Ethiopia, Zambia, Kenya, Nicaragua, Vietnam, Nepal, Egypt, Namibia and Peru).

Market terms and minority stake

Finnfund's financing is based on market terms. In addition to long-term investment loans, it can make equity investments and provide customers with subordinated loans or other mezzanine financing.

Regardless of the form of finance, Finnfund always participates as a financial investor with a minority stake. It expects also the sponsor to provide a considerable share of the total financing. Prior to committing funding, a detailed due diligence is carried out on the proposed project as well as on its sponsors and financiers. The basis of Finnfund's appraisal lies at the business plan and/or feasibility study provided by the project sponsor.

Not only money

Finnfund's goal is not only to finance but also to see to that sustainability is fostered in the projects. Finnfund aims to promote good environmental and social practices and work toward the improvement of environmental and social performance of the private sector in developing countries. Finnfund also wants to raise awareness among Finnfund's clients of good management in environmental and social issues and support them to achieve improvements.

Finnfund uses its best efforts to ensure that the projects and clients it finances are in compliance with the relevant legislation of the country in which the project is located and in compliance with relevant internationally-recognised environmental and social guidelines and standards. Finnfund will not finance projects or clients that cannot be expected to meet the requirements of its Environmental and Social Policy over a reasonable period of time.

In addition to the environmental and social standards, Finnfund strives to improve the corporate governance of its client companies. Together with the other development finance organizations, Finnfund fights against corruption that still is far too common in the developing countries.

Finnpartnership business partnership programme

Finnfund is responsible for the management of a business partnership programme, Finnpartnership, on behalf of the Ministry for Foreign Affairs of Finland. Finnpartnership provides advisory services and financial support for Finnish companies' projects in developing countries (www.finnpartnership.fi).

The Matchmaking services provide assistance to companies in developing countries looking for Finnish business partners in order to enhance commercial cooperation between Finland and developing countries.

Solid experience in developing markets

Finnfund's customers have access to its extensive contacts with other financial institutions and our experience in setting up subsidiaries and joint ventures in developing countries. Because Finnfund is state-owned, our participation may facilitate interaction with local authorities.

Finnfund operates not only in developing countries but also in Russia. In recent years, a large proportion of the financing has been for projects in India, China and Russia.

Examples of Finnfund's investments

Thai Biogas Energy Company TBEC – Thailand

The Thai Biogas Energy Company TBEC has built four biogas plants in Thailand that capture methane from the waste water of agricultural refineries. Companies can use the biogas in place of heavy fuel oil to produce heat. TBEC also generates electricity for sale to client companies and Thailand's national grid.

TBEC finances and constructs biogas plants on behalf of its customers and is responsible for their operation for an agreed period of time. The projects have aroused much favourable attention in Thailand. Another attractive feature is that TBEC is a participant in the Clean Development Mechanism CDM, which allows a company to sell credits obtained by reducing greenhouse gas emissions in a developing country.

In December 2009, Thailand's Greenhouse Gas Management Organization granted TBEC its "Crown Standard". The award reflects not only operational quality and greenhouse gas reductions but also benefits to the environment and local communities.

TBEC has expanded its operations from starch mills to plants that refine palm oil and natural rubber. In Thailand the main potential is in utilizing waste water from palm oil plants.

Operations are extending into the neighbouring Laos, where TBEC is establishing a biogas plant. The company's vision is to become a regional player in Southeast Asia.

TBEC's majority shareholder is Private Energy Market Fund, a Finnish private equity fund that invests in energy-sector projects. Finnfund is an investor in PEMF and has also financed TBEC directly with a loan.

Universal Corporation Ltd. – Kenya
A Finnish-Kenyan drug company, Universal Corporation, has invested in a waste-water treatment system that minimizes emissions. The example will hopefully encourage other production plants in Kenya to pay closer attention to their environmental impact.

Universal Corporation was established by a Finnish engineer, Pentti Keskitalo, and two Kenyan partners, the Dhanani brothers, and began operating at the turn of the millennium. Among its products are off-patent generic drugs for treating AIDS, malaria and tuberculosis. From producing oral liquids, tablets and capsules, the company has expanded into ointments and injectable drugs.

It took a major step forward in 2005 when Finnfund decided to invest in a production plant in Kikuyu, near Nairobi. At the same time Finnfund became a shareholder in the company with a 10 per cent stake. The company currently employs approximately 270 persons on a permanent basis. In addition, 100 people are employed temporarily depending on packaging needs. Universal Corporation's operations are profitable and there are promising growth prospects in Africa's pharmaceuticals market.

In 2008 Finnfund granted extra financing of 10 million US dollars for the development of Universal Corporation's plant and for obtaining quality certification from the World Health Organization. WHO certification will allow Universal to participate in international bidding to provide malaria, tuberculosis and AIDS drugs.

International aid organizations and donors provide billions for combating malaria, tuberculosis and AIDS in Africa, and Universal Corporation aims to be one of the first African drugs manufacturers to be accepted into these projects.

Universal Corporation's operations are profitable and there are promising growth prospects in Africa's pharmaceuticals market.

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www.finnpartnership.fi

About the author

Helena Arlander, M.Sc (Tech.) and MBA, has worked as an Investment Director at Finnfund since 2003 and is also a voluntary worker and member of Naisten Pankki.

Sustainable Solutions as Core Business at Pöyry

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Introduction

As globalisation is gaining momentum at an accelerating pace, businesses in the more economically developed nations are striving to become more knowledge-based or knowledge-intensive. Many companies seek profits from products and services where the knowledge component is high and cannot be easily reproduced.

Pöyry's vision is to become ”a thought leader in engineering balanced sustainability for a complex world” by 2020. The key message in the vision can be expressed by two words: sustainable solutions.

One frequently quoted definition of sustainability is the following: Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (the World Commission on Environment and Development, 1987).

A close relative to sustainability is risk management. Sustainable businesses have lesser risks associated with their future earnings.

Sustainability as an intellectual service

Traditionally, businesses have only one bottom line and that is the profit. The growing interest in triple bottom line (a company is said to be targeting the triple bottom line when it addresses the environmental, social and financial consequences of its own actions and the actions of its clients) has shifted corporate focus from quarters to time frames extending over years.

Today's products, manufacturing processes and supply chains have not been designed with sustainability in mind. So there is a limit to what can be accomplished with the current ”green” initiatives.

With growing public awareness of the importance of sustainability, the ”green-washing” and related oversimplification may become an issue, as illustrated by the following examples:

- Compact fluorescent lamps consume less energy than incandescent lamps, but they also contain mercury.
- Using more bio-fuels reduces our dependence on oil but may reduce food production.
- Recycling keeps materials out of landfills, but only temporarily. Chemicals often have to be added to recycled materials to restore their properties.

True sustainability will become another divide in the world. Some countries, industries, companies, and jobs will suffer and some will develop and grow. The fact is that each of us will have to pay more for energy, water, food, transportation, consumer goods etc. in the form of taxes or prices.

We have to accept that natural resources are not unlimited. For-profit organizations have to become innovative in new ways; sustainability is only possible through innovation in the longer run.

Many internal (recruiting talented people) and external (legislation like REACH chemical legislation, certification like LEED) measures will have an impact on the competitiveness of individual companies by rewarding those being forerunners in sustainability-related services. In the virtuous cycle, the economic prosperity will lead to responsible social behaviour that, in turn, protects the environment. The generation Y is very aware of this.

A single bottom-line approach will not be profit sustainable, since social and environmental factors will eventually impact the profit position. A destabilized market having increasing social and environmental issues to deal with will cost the company more to operate. What happens in one part of the world will increasingly affect other parts, too.

Pöyry’s way of working

Finding smart solutions during the design phase takes dramatically less time, money and resources compared to fixing problems after implementing what has been designed. As a consulting and engineering company, Pöyry’s expertise covers not only investment planning, consulting and design but also supervision and operational improvement, thus securing an immediate feedback to the design process. For companies like Pöyry, a real step towards sustainability is evidenced in solutions provided to customers. In our own activities, international and national travelling is the most significant element from an environmental point of view.

For decades, Pöyry has designed and executed projects that include economical, social and environmental aspects. Engineering balanced sustainability is primarily about improving resource efficiency. It involves finding solutions to improve energy, water, material and supply chain efficiencies while improving the economic return on investments. With the term ”balanced”, Pöyry emphasizes the complexity and applicability of sustainability. Today’s solutions are region dependent.

Knowledge@Pöyry is a knowledge management portal that creates de facto a virtual company where experts communicate directly on one-to-one basis. The main target of knowledge management is to promote human interaction across time zones and organizational borders in order to strongly enhance knowledge sharing and creation.

Conclusion

Sustainability is here to stay. The world is undergoing a major change and sustainability is a key factor behind new business models.

Sustainable practices go hand-in-hand with good profitability. Reducing material and energy inputs and avoiding toxic clean-ups will reduce a company’s costs. The associated brand loyalty will increase market opportunities and, as a consequence, also revenues. Success in new innovations opens up major opportunities in profits and sustainability. Brands are increasingly evaluated by companies’ impact on carbon and other related footprints. Genuinely responsible brands are appreciated and ”green washing” is fast revealed in today’s world of e.g. Wikileaks and YouTubes.

The concept of sustainability is based on knowledge that is evolving and will continue to evolve. We do not know everything that needs to be known about sustainability.

One way or another, we will become sustainable. To avoid the doomsday scenario, we have to be part of the solution. Sustainability is sustainable in for-profit organizations - it provides the vision and the framework to meet the future challenges.

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About the authors

Risto Laukkanen is developing global knowledge development and sharing in Pöyry PLC. He is a former professor of "Water and environmental engineering" in Helsinki University of Technology and a former president of "Infrastructure and environment" Business Group and member of Group Excecutive Committee in Pöyry PLC.

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Turning Social Responsibility into Action – Case Microsoft

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Despite its rather recent emergence in the industrial horizon, CSR is a coinage we at Microsoft have been gaining familiarity with for some time now. As a natural consequence, we expect all Microsoft employees to hold themselves accountable to the surrounding communities and strive eagerly to build Microsoft into a prime example of business operations that not only focus on the bottom line but also contribute to society at large. As a token, ”Our mission is to help people and businesses throughout the world realize their full potential. This drives our business and guides our corporate citizenship work.”

For us, such ideology is more than words – we are actually implementing CSR principles far beyond mere conformity to law and norms. We have articulated our corporate citizenship guidelines as follows: ”As the world’s largest software company, we help create social and economic opportunities wherever we work, live, and do business. Our technology innovations, our people, our partnerships, and our day-to-day business make a meaningful contribution to the prosperity of communities and the sustainability of the planet.”

But what does it *mean*, how do these guidelines *materialize in practice?*

In Finland we implement this ideology primarily in three areas: 1) Expertise, innovations, growth; 2) ubiquitous knowledge society; 3) Green IT. We even have concrete examples of achievements in these areas. We cooperate with Partners in Learning, BiZSpark, DreamSpark, and Tietoturvapäivä. Additionally, we have community initiatives with e.g. Invalidiliitto, Kynnys Ry, Näkövammaisten Keskusliitto and Kuurojen Liitto. We also pride ourselves in promoting the so-called Green Office, and pave the way for our employees to engage in voluntary work.

Each individual Microsoft employee is encouraged to live up to these standards by taking part in and innovating CSR endeavors. In addition, our employees are entitled to spend one working day annually in voluntary work. They take on this opportunity with varying degrees of dedication. Some like to work in groups on projects such as our IT security days in all Tampere region schools. Some prefer concrete action offering a total change from office routines e.g. in the form of forest harvesting or oil spill prevention. Others find their inspiration in IT chores allowing them to lend their expertise to organizations such as UNICEF. All this is made possible within the simple framework of rules we have established to guide this type of voluntary work.

Of course, we as a business are not being altogether unselfish with these pursuits. Goodwork also entails several benefits for our company. For one, good corporate citizenship bolsters sustainable growth. There are also other, less tangible benefits: goodwork gives us a reason to be proud of who we are and who we work for. It energizes us and naturally also enhances the employer image, attracting job applicants that find our philosophy appealing. Goodwork projects also offer a way of learning and growing as an organization as the non-governmental organizations we partner with often serve as effective feedback channels.

All in all, CSR is the road we have chosen and the road we plan to stay on. Why? Because we want to make a lasting difference in people's lives.

About the author

Max Mickelsson is the Government Affairs Lead for Microsoft Finland. Max has worked at Microsoft in Finland and in London for Microsoft EMEA. He has a Master of Political Science degree from Åbo Akademi University. Prior to Microsoft, Max worked for 12 years in the Government as a political adviser in three different governments and three different ministries as well as in the Finnish Parliament.

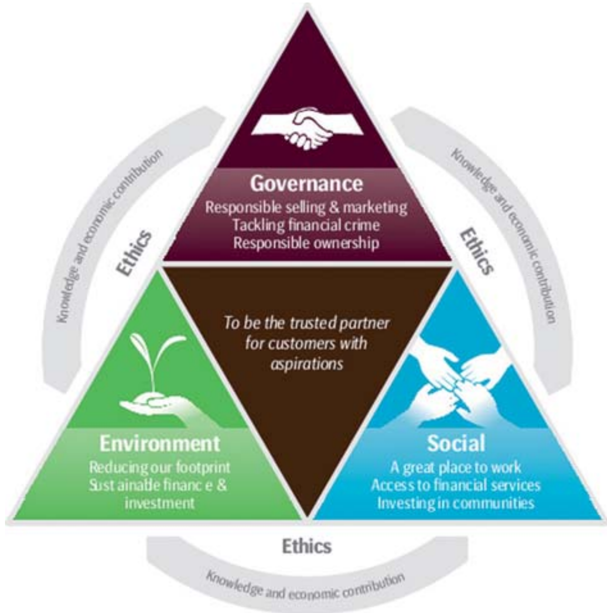
Sustainable Development – the SEB way

Cecilia Widebäck West, SEB, cs@seb.se.

Banking is a sector that may not, at first sight, seem like one to promote sustainability, but it does, in fact, provide a bank with great opportunities for advancing sustainable development. The sustainability challenges of today often involve a financial solution to be realized and that is why a bank and financial institution has the possibility to increase its positive contribution. Many banks around the globe are today actively involved in pursuing sustainable development and strive to manage their direct and indirect impacts on the surrounding environment and society at large.

Operating a long-term sustainable business is fundamental to all businesses, not least for a bank. Banks play an important role as financiers and mediators of capital in society and are dependent on the trust of the general public. The integration of non-financial aspects such as environmental and social risks and opportunities into investment decisions and asset management processes will add long-term value and reduce risks.

SEB's mission is to help people and businesses thrive by providing high-quality advice and financial resources. Our vision is to be the trusted partner for customers with aspirations and our corporate sustainability strategy has been developed to support that vision. SEB's contribution to sustainable development dates way back in history and is based on us performing our core business and upholding our role as an investor and bank. We contribute to economic growth and the development of society.



SEB's sustainable business priorities.

Operating a profitable business has been our first priority for 150 years, and will continue to be so in the future. Our first and foremost responsibility is to our customers – to service them well and to meet their expectations every single time. This is a prerequisite for all other contributions we make to the economy, society and the environment. By managing our business well and by applying high ethical standards, we can bring tangible benefits to our customers and the markets in which we operate. This enables us to pay salaries to our employees, dividends to our shareholders, payments to our suppliers and strategic business partners, and tax revenues to governments in the countries where we operate. A sustainable profit also enables us to be a force for good in society and to contribute to various community investment projects in the markets where we are present.

SEB aims to build a sustainable business for the long term: supporting our customers, continuing to value our people, contributing to the communities in which we are present and being a partner you can trust. We have a high ambition; sustainability shall be fully integrated into our business - a core competence by 2012.

Corporate sustainability will affect our long-term business results and will be an integral part of our culture and business, all our steering documents, our performance management system, and core processes. We aim to make sustainability a natural part of how we conduct our business and prioritize. This will help us make well-balanced business decisions throughout the company. Our goal is to empower our employees to find new, innovative solutions and support creative ideas for sustainability as well as promote multi-stakeholder dialogue around key issues. This is a step-by-step process and we believe it is important to move forward with adequate pace and timing.

Our goals

- Develop new and innovative solutions and offerings to assist people and businesses increase their positive contribution.
- Promote sustainable business practices and facilitate change by developing and implementing sector policies for sensitive industries and position statements in critical issues. These will govern our business decisions.
- Reduce our carbon dioxide (CO_2) emissions by 45% by 2015 (baseline 2008).
- Harmonize and strengthen our community investments and social responsibility.
- Strengthen and increase communication and dialogue with all stakeholders.

We at SEB can promote long-term sustainable growth and prosperity by providing credit and managing financial assets in ways that foster such development. Acting as a responsible corporate partner is the only way to remain successful – what benefits our stakeholders also benefits our business. In brief, we have embraced the belief that a broader responsible behavior is good for business, as well as for society.

This critical self-assessment has led us to define and engage in eight sustainable business priorities:

1) **Responsible selling and marketing** means that we assist our customers in reaching their financial objectives, while ensuring they understand the consequences of their overall dealings with us.

2) **Tackling financial crime** refers to all actions taken to prevent money laundering, fraud and financing of crime.

3) **Responsible ownership** is materialized by following good business ethics, corporate governance, and corporate citizenship.

4) **Reducing our ecological footprint** equals to management of our direct environmental impact.

5) **Sustainable finance and investments**, achieved together with our customers, provide opportunities to increasing the positive contribution to society while managing and reducing risks related to negative social and environmental impact of activities we finance and invest in.

6) We strive to strengthen SEB as an employer and to be **A great place to work** - characterized by individual engagement and development, diversity and work-life balance.

7) We aim at securing equal **Access to financial services**, regardless of customers' socio-economic standing, ethnic origin or other individual factors.

8) We support the development of society by **Investing in communities** to promote youth development and the growth of small and medium-sized enterprises and a healthy environment.

In addition to actively working with our indirect influences, SEB also aims to reduce our direct negative impact on the environment. The goal is to reduce the bank's carbon emissions by 45 percent by 2015 and to offset remaining emissions. New solutions for energy conservation in buildings, lower paper consumption, and alternative meeting formats to reduce travel are top priorities. SEB is on a positive track in reducing our direct emissions, as evidenced in October 2010, when the Carbon Disclosure Project (CDP) annual survey of how major companies in the Nordic countries work with the climate issue was presented. SEB kept its position as the best bank in the Nordic countries. SEB was also named as one of the top five Nordic companies when it comes to implementing climate-positive strategies and actions.

SEB would like to undertake this sustainability journey together with our customers and other stakeholders. We have therefore launched an online meeting place where we and others can learn more. The website ”Sustainable Perspectives” includes a Knowledge Bank and a quiz, where everyone can test their knowledge. There are also opportunities to provide comments and tips on SEB’s sustainability work.

Sustainable Perspectives is a tool to enhance the ability to engage in dialogue with customers. An open and transparent dialogue is the key, something particularly important in the area of sustainability.

SEB in Finland supports the journey through its Green Office certification, a partnership with WWF which resulted in an environmental label and certificate for the Helsinki Office. SEB Finland also supports the Baltic Sea Action Group and the Millennium Technology Prize.

Interested in learning more? Take the CS Quiz on: www.sebgroup.com/sustainableperspectives.

Join us on Facebook: www.facebook.com /togetherforthefuture.

About the author

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Millennium Technology Prize and Social Responsibility

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"Science is the endless frontier". These are the famous words of the US presidential adviser Vannevar Bush of more than 60 years ago, pronounced to motivate society to invest in education and basic research. Science enables technology, which during these 60 years has dramatically improved mankind's possibilities for wellbeing, ranging from food, shelter and healthcare to transportation, communication and leisure.

Presently, science and technology are more crucial than ever for the future of Planet Earth and its habitants. We need responsible technology to protect the environment and to harvest the necessary energy and material resources in a sustainable way. The grand challenges of energy, environment, climate and biodiversity can only be met by deepening our understanding through science and by applying advanced technology in balance with Mother Nature. This translates into a huge responsibility for the global science and technology community.

Scientists and technologists are sometimes seen as oblivious to social responsibility -fact-obsessed seekers of the truth that pay little attention to the wider societal consequences of their work. However, scientific achievements have proven that this perception no longer holds true. Apart from responding to the strong societal push to turn research into economic value, the scientific community has become acutely aware of its responsibility and politically active in searching for solutions to the many huge challenges that mankind and Planet Earth face.

It is important to celebrate those individuals who have contributed to the betterment of the human condition through discoveries and inventions. Technology Academy Finland has established the Millennium Technology Prize, given biennially to recognize life-enhancing technological innovations, with the potential to substantially benefit mankind.

The mission of the Prize is to bring technology closer to people, to steer the course of technological development to a more humane direction, and to alleviate fears towards technological change. It also seeks to encourage discussion between technology specialists and societal decision makers.

The selection criteria for the laureates (”finalists”) and the eventual winners follow from these basic values and objectives. The Prize pays recognition to the individuals whose work enables widespread and beneficial adoption of humane applications of technology. The concept of innovation addresses not only scientific discoveries but also the steps necessary for their technological breakthrough.

The first three prizes went to Tim Berners-Lee, inventor of the World Wide Web, Shuji Nakamura, inventor of the blue-green solid-state lighting, and to Robert Langer, pioneer of biomaterials for medical use. This year´s Prize was awarded to Michael Grätzel for the invention and development of dye-sensitized solar cells, which hold great promise for providing low-cost, environmentally friendly technology for distributed energy generation.

The Millennium Technology Prize winners and laureates are shining examples of individuals who have made a difference through their work, by discovering and developing life-enhancing and sometimes revolutionary technology. They set examples that impress and inspire colleagues all around the world. They provide role models that contribute to the inclusion of social responsibility issues to education and training of young scientists and engineers.

Science and technology are today seen as major drivers of economic and political power. They are also very competitive areas. However, given that the activities are governed by universal laws of nature and that the global challenges are commonly recognized, there is a collective motion for working together for a better world. This social responsibility helps to spawn innovations that the Millennium Technology Prize wants to pay tribute to.

The next Prize will be awarded in 2012, and the nomination period of candidates will begin in early 2011. The nomination and selection processes of the Millennium Technology Prize promote the general discussion of technology´s role in society, culminating in the award ceremony in June 2012. Technology Academy Finland strongly encourages such public engagement. The Academy´s actions, the Millennium Technology Prize among them, reflect the principles of social responsibility, of both the scientific community and the corporate world.

About the author

Risto Nieminen, D.Sc. (Tech) is a Distinguished Professor at the Department of Applied Physics, at Aalto University School of Science. He also acts as Chairman of the International Selection Committee of the 2010 Millennium Technology Prize.

"Nothing so much assists learning as writing down what we wish to remember."

– Marcus Tullius Cicero –

Part III

– Students Voicing the Future of CSR

Academic Social Responsibility as Seen by University Students

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Introduction

The fundamental social responsibility of a corporation is to increase its profits (Friedman, 1970). Similarly, the Finnish business guru Björn Wahlroos has stated that the sole responsibility of a firm is the one to its shareholders and their wealth. This point of view has many supporters, and undoubtedly it is right from many perspectives. In contrast, Michael Skapinker (2010), a columnist for Financial Times notes that from the times of Henry Ford, corporate social responsibility (CSR) has been a part of many success stories. As a business is seen as a responsible entity by the people around it, it is granted a 'license to operate'. People will buy its products and also benefit from the good the business does directly to their community, or more and more today, from the indirect good that comes from the environmentally sound decisions.

However, the simplified picture of CSR fits well only into corporations producing concrete products using industrial processes. As the western world has become more and more service- and information-centered, how do we see CSR as a part of these non-industrial ways of creating profit? Or as an even trickier question, how about CSR as a part of creating information? What is CSR in an academic institution?

About the concept of Academic Social Responsibility

The key task for any university is to teach science, economics, art, philosophy etc. at the highest level of the education system. By fulfilling this task, a university makes a great contribution to the community. Another traditional task for universities is to advance the knowledge of humankind through research. This further adds to the wellbeing of a society in the long run. But, these tasks are the core functions of universities and thus cannot be seen as pure social responsibility. Why? Because it is evident from the evolution of the concept of CSR (Carroll, 1999) that for an institution to be regarded as socially responsible, some extra work is required from that institution. For example, a corporation must be ready to cut its profits in the name of the greater good of the community. As the basic function of a corporation is to make profit, this socially responsible action is against its core function. For a university, though, cutting down on teaching or research would obviously not be the right solution.

Neither of the university core functions creates any concrete, instantaneous good for society in the short run, and that is alright. The results of teaching can be seen later on when the students move on to the working life and apply what they have learned. By working, former students create profit for corporations that can then be socially responsible. From the research point of view, few results are applicable straight away. Normally the results might need to be refined before being useful; or sometimes no one today even understands what a certain result means, but it might take ten years before someone finds a suitable application. These examples are to tell that the influence of a university to society is not here and now, but it is the long-term effect that matters. And even this is typically achieved through business made by its former students.

As we think about the possibilities for a university to be socially responsible, we must think about the long-term effects. In our opinion, the social responsibility of a university can be seen in the 'products' of that university: the graduated students in their work or the research results being taken into action. As such, we think that here the universities stand a great chance to make the society more socially responsible. Universities have an enormous impact on their students through their courses and curriculum. It can be said that the future success of corporate social responsibility lies in the hands of these future generations.

How does the university influence its students?

Sobczak´s (2006) study proves that there is a relationship between the type of the higher institution students and junior managers have attended, and their attitude towards CSR. The research suggests that the most important characteristic of an institution is not the content they teach but the culture of the institution. The study does not imply that adding specific optional CSR courses would not be important. However, it reveals that these courses should be embedded into both curriculum and the culture. The university itself and the student organizations should practice

CSR and behave as a role model for students. In addition, new teaching methods should be developed to help achieve the goal of integrated teaching of social responsibility.

Sobczak´s (2006) study indicates that it is as valuable to educate students about CSR as to motivate them. In France students think that CSR focuses merely on the internal responsibilities towards employees. Hence, they overlook the external responsibilities of a company or an organization, such as responsibility towards local community or NGOs. The students in France attach this type of external responsibility to legislation, owing to the fact that they do not trust in volunteer initiatives. Universities should educate students about the impacts of CSR and motivate them to practice business in a socially responsible way in their future work. All of these facts show that it is not enough to ensure that students know about CSR but also to make them aware of the positive impacts of CSR.

Poor social responsibility among academic students

A poor sense of social responsibility among students materializes in several ways. First, many students have weak self-responsibility. They do not have a plan or a vivid goal for their future. Instead, they live life on a day-to-day basis. This is apparent from the irresponsible drinking and partying; they do not care about their own health and future career plans, they just lie lazy all day. Second, responsibility for the family is weak. It is common that when young people leave their homes to go to university, they do not feel they have any responsibility for their families anymore. The connection with their families becomes estranged, and the family ties become more and more negligible. Third, some students lack the necessary social ethics, for example, towards the environment. A student can print lecture notes using hundreds of papers in a reckless way, empty bottles and cans are thrown everywhere after a party with no regard to their direct or indirect impact on the environment. Fourth, self-centering becomes the principle they believe in. Everything has to align with their own interests. Social values and benefits are easily neglected. Some cannot keep their promises and they feel no responsibility for others. It is common that many students do not regard social responsibility as an interest, or even an important or a meaningful value.

The reason for this phenomenon can be explained from the aspects of society, family and school education. Since students are humans, they are social by nature. Everything that happens in their society has a direct impact on their behavior. The fierce competition pushes students to be the best, undermining any form of cooperation with others. When the society is in turbulence, as in the latest economic crisis, the ones falling behind will have no urge or interest to do anything that is socially responsible. The family environment and education has a vital influence on the student's awareness of social responsibility. The good influence from parents, such as encouraging kids to contribute to society, can have a profound impact on a child's values and morals. Finally, the education system has an undeniable responsibility to influence the attitude of the students towards social responsibility. Our current education systems give more attention to the development of intelligence, ignoring the importance of a strong education on social responsibility. On the other hand, the delivery of knowledge takes place one way. Student creativity and sense of initiative sense are oppressed. Students lose their subjectivity, which subsequently results in the loss of interest in any sense of responsibility.

How to develop social responsibility among academics

In the area of education, the development of social responsibility among academics has become a hot topic. Different approaches and methods have been proposed from the perspective of different cultures, purpose, education levels etc. In this part, we will briefly discuss these approaches.

First, efforts can be put by the education system itself. Professors and teachers should guide the students to recognize the relationship between social values and personal values. The link between individual, group, and society should be educated during the daily study activities. It is not enough to teach only technology or knowledge to students, but also vital to teach them how to perform as a part of a group and take responsibility for society.

Second, there should be some innovative forms of education to motivate the students to take more social responsibility. Traditionally, especially for technology and science, education is just lectures, homework, and exams. And this form of education usually emphasizes the transfer of pure knowledge, but the influence of implementation of such knowledge is not taught. For example, the pollution caused by chemical products; the potential military use of some mechanical technologies; or the impact of some business ideas on vulnerable groups. Today, there are some good forms of education, though, such as group assignments, innovative courses regarding global issues etc. We think these can have a positive influence on the development of social responsibility among students. That is why those forms of education should be in a wider use.

Third, it is important to offer the students a platform to activate their ideas and get experience through practice. The sense of social responsibility cannot be built only on theory, but the students need also some real-world practice. The difference between imagination and reality is often substantial, and students cannot understand the concept of social responsibility without trying it out themselves. That is why we strongly recommend more practice to be included in the academic curriculum.

Last but not least, according to Willis et al. (1973), role models have a significant impact on students' social responsibility. This point is still debatable, at least among our group, because in some cultures people are supposed to develop themselves individually, and diversity is important in society. Thus, whether it is good to set up models for students is not self-evident for us. However, we can consider this idea on a lower level: educators' social responsibility can set an example for us students. We believe that the attitudes of professors and teachers towards social responsibility can have a positive impact on students.

Social responsibility of universities

Social responsibility starts on the individual level. A few basic requirements secure the proper functioning of society, and hence are enforced by the government. Beyond these fundamentals, all acts of social responsibility are voluntary. Donations to charity are a good example. Some make social work their full-time activity and even their life goal. Similarly, all organizations have to accomplish their share towards society, partly mandated by law and partly voluntarily. Similarly to a few dedicated social workers, a few organizations exist solely for social benefits, as non-profit organizations.

Where does University fit into in this framework? The following paragraph captures the current situation in universities. The analysis can be divided into two broad categories - student activities and university administration, the latter having a stronger and deeper influence.

Typically, university students are involved in activities that directly impact society. One good example of such a student organization is "Aalto Social Impact", which is conducting several projects concerning social welfare. Open source contribution in software development is another example, which has revolutionized the entire software industry.

The university administration plays its role in multiple ways. First, there are few courses encouraging students to participate in social work, such as the integrated English course "Goodwill Community". However, such courses are less common in technical study programs, and there is a need for introducing more such courses. Taking this idea one step further, analogous to mandatory foreign language credits, we propose 2 mandatory credits for social activities for all students.

There are also several research projects undertaken in universities, typically financed by the government, for their merit in social welfare, rather than business usefulness. Such projects tend to have low priority in industry and hence, universities have a pivotal role here.

Additionally, universities indirectly influence students' ethics and morals though admission process, exam evaluation process etc. Since the future of society depends upon students, shaping their mindset has a deeper and more lasting impact. For example, if an education system has tough policies on plagiarism and cheating, chances are that students would have stronger ethics when they move on to the corporate world. Scholarships and free education would promote charitable attitude in students. On the other hand, if the fees are formidably high and students have to take huge loans to receive education, chances are that they will become money-minded. It is said that the high education cost in US universities is part of the reason why the best and the brightest of US students choose Law and Banking over research and medicine.

Conclusion

The concept of "Academic Social Responsibility" refers to the social work universities can perform towards the society in addition to education. Universities have long-term impacts on their students and, furthermore, on society. The social responsibility among academic students, in our opinion, is still fairly poor and should be improved. Universities possess the possibility and know-how to change the attitudes and enhance the knowledge among students. Due to the fact that students will shortly move into working life, this role of universities as an educator and a motivator of CSR is extremely valuable. It can be said that the future success of corporate social responsibility lies in the hands of the students and moreover, the universities. As a result, corporate social responsibility should be considered in the academic surroundings.

We started from the viewpoint that universities can have long-term impacts on their students, which will last after graduation and benefit the society. Then we discussed the aspects of poor social responsibility among academic students, and different ways to develop it. Finally we reached the academic social responsibility at the organizational level and discussed what a university can do to enhance its social responsibility. Basically, we think universities can have a long-term impact on students' future life after graduation, and can play a vitalrole for CSR. There are enthusiastic young people, there are enough resources, and it is good for the future. So, academic social responsibility, why not?

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Corporate Social Reponsibility – Student Views

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Introduction

Our goal was to obtain an understanding of Corporate Social Responsibility, collect arguments in favor and against, and give an opinion from a student's point of view. Our knowledge and opinions are compiled into this paper to share be shared with our readers. We start by clarifying CSR methodology, impact, corporate benefits, and media impact, moving on to criticism by highlighting factors which are important from our point of view.

Methodology

There is no general definition of CSR, but various concepts are connoted into it. Juholin (2009) defines corporate social responsibility as a general term based on widely established triple bottom line principles. The results and continuity of a corporation call for operating on an economically healthy basis, minimizing or even eliminating its environmental load, and being able to respond to its interest groups' expectations. The idea is that corporations try voluntarily to do something which they are not officially expected to do, but by which they confirm their right for existence and thereby guarantee the continuity of their business. As corporations try to manifest responsibility to their interest groups, corporate citizenship is a more appropriate term. The motive for good corporate citizenship lies in its ability to enhance competitiveness. (Juholin, 2009).

According to Idowu (2009), being socially responsible on the part of corporate entities is no longer an option, it is, instead, part of their normal business obligations to all their stakeholders, regardless of whether these are primary or secondary stakeholders. Modern societies around the world expect corporate entities of all shapes and forms to be socially responsible in whatever they do. In Denmark, for example, businesses are free to choose whether or not they wish to work on CSR. However, there is a statutory requirement effective in 2009 that large businesses in Denmark must take a position on CSR in their annual reports. (Danish law, 2010)

Impact of CSR

Over the years, corporate social responsibility has been gaining weight in shaping the social face of an organization. CSR is a wonderful way for organizations to reach out to society by taking part in the development process. CSR projects not only help to bring about a positive change in society but also impact the reputation of an organization. In this section we try to analyze the impact of different facets of corporate social responsibility.

CSR impacts society on the economic, environmental and social fronts (Maas, 2009). Corporate organizations conduct philanthropic activities and often have considerable amount of funds dedicated to the activities. As part of their mission statements, organizations claim to create a profound impact on society. But unfortunately, the ambitious mission statements may not always translate into tangible transformation in society. Organizations generally provide statistics in terms of the amount of funds dedicated to philanthropy as part of CSR. There is a need to understand measurement of the CSR social impact not just in terms of the funds allocated to the CSR projects, but also on the actual transformation in society.

Although philanthropy is not really the sole purpose of a corporate organization, it is nevertheless important to analyze and bridge the gap between the mission statements and factual numbers in the annual reports. Social impact can truly be measured only when the funds allocated by the organizations translate into significant actions that bring about a positive change in society. An organization allocating funds to the improvement of education in a third-world country needs to look beyond constructing a school building in a poor locality. A school building without any teachers or without a way of recruiting teachers may not really create the right kind of impact. It is important for such an organization to work in close quarters with the local administration or active NGOs to make sure that the transformation is complete. Measures taken up by the organization could only serve as a means and may not necessarily be the ends in most scenarios. The ends that denote the transformation, which are perhaps the most essential aspect of creating impact on society, are often ignored or left incomplete.

Benefits of CSR

According to research studies, companies which engage in CSR perform better financially than companies that do not engage in CSR. The involvement will enhance the reputation of the company, which encourages the clients to invest in them. Involvement of a company in social impact endeavors will influence the investors' decisions on investing in the company, and the management will be enabled to operate in social and environment areas. Social responsibility measures taken by the company will be clearly manifested to investors.

Practical analysis

Even though there are few weaknesses related to the implementation of CSR in a company, it can strengthen the company in many ways. The weaknesses includes losing money which was earned through many hardships, losing their competitiveness with the competitors by diverting the company goals and career plans, losing time, money, effort by trying to make a useful impact on society even though some customers do not care about the efforts made by the company. On the other hand, there are valuable strengths in order to compensate for all the weakness. CSR measures help build the reputation and the public image of the company in the market place and certain key factors and issues like risk management, crisis can be dealt in a much better way. In addition, the demands and expectations of the stakeholders can be met, problems caused by the business can be corrected and conscious customers can be morally attracted.

On the other hand, there are certain opportunities that a company can attain, such as a chance for creating value for the company and society, while improving the reputation of the company. CSR will also facilitate recruitment and retention and motivation of employees. On successful implementation of CSR, the company makes a good marketing of its brand name, which is cheaper than the commercials. This will also increase the chances of investment, attracting the investors. Although CSR provides many opportunities, there are certain threats, such as less efficient utilization of resources, losing of customers who invest in the company only for shares and not on the basis of social interests.

Social Media and CSR

People, as social beings, like to connect. They like to share their experiences from all the aspects of their lives with one another. Chitchat with a neighbor, small talk on a bus stop or any kind of dialog is partially replaced by innovations of social media on the internet. Stunning news find their way to large crowds in a split second, if not drowned in to the flood of information. In any case, the on-coming generations are more and more used to consult the internet for how to think of a new topic.

According to Arnold (2009), once a consumer becomes aware of ethical issues, he is unlikely to think otherwise. These customers take into consideration, the price of course, but also what affects the manufacturing of a product will have on the environment and society. Therefore a good reputation in the eyes of stakeholders undoubtedly enables profit. But on what is a good reputation based?

One thing is certain. Reputation is not purely based on reason. We tend to be too lazy to find out whether a gossip is based on truth. Also our values direct the way we think and feel. We loudly announce what we have accomplished and stay quiet about what we are not so proud of. The same goes with companies. If a corporation has a good reputation, minor drawbacks in delivering are easily ignored. When a company is started, its values are newly defined and the very reason to exist is clear. But when real success begins, the founding values tend to fade away, leaving as the only value the making of profit for shareholders. Marketing high profits attracts only few customers, unlike minding environmental and social impacts. When the public is aware of corporate ethical dimensions, the importance of defining CSR increases. (Arnold, 2009)

Some ill-served consumers try to be noticed by channeling their feelings online. A mocking YouTube video or criticism in form of twitter message can exceed millions of views. Thus one negative opinion multiplies and begins an avalanche of dissatisfaction. For example, a YouTube video ”BP Spills Coffee” parodies the reactions of oil company BP over the oil spill in the Gulf of Mexico with over 11 million views. Bad reputation is difficult to undo (Arnold, 2009).

The values of traditional media (newspapers, television journalism, etc.) are often regarded to be neutral, which increases their credibility. As a result, companies willingly devote resources to construct favorable publicity and withhold the negative. Publicity in traditional media offers a chance to affect the attitudes and images of individuals and rise into discussion issues that seem to matter. A public blog of a company manager may comprise an important source of knowledge for media and other stakeholders. A similar channel to connect with customers would be social media, through which genuine commitment to be a part of a solution is facilitated. (Juholin, 2009)

Criticism on CSR

Corporations have created all the wealth that politicians and bureaucrats distribute in their socially responsible ways, they are the Atlases that carry the planet on their backs. To suggest that corporations, acting as traditional profit-seeking corporations are irresponsible, is an insult. (Norberg, 2003)

According to Friedman (1970), businessmen think that businesses do not only rely on profit but also on social ends. Businessmen think nowadays that businesses should take seriously their responsibilities for providing employment elimination discrimination, avoiding pollution and much more.

Discussions about ”social responsibilities of business” are characterized by a lack of depth and rigor. He questions the saying ”business have social responsibilities” and states that ”Only people can have responsibilities”.

The first step, before talking about CSR, is to clarify for whom statements within this topic count. Friedman says that just individuals - businessmen, individual proprietors or corporate executives - can be made responsible for any action taken. Even if a company is settled for eleemosynary - or similar - purpose, i.e. a school or a hospital, a manager has to guarantee a certain service. Even if the manager is responsible to the owner of a company, he or she is still a person with his ”own life” and other responsibilities and beliefs. Now it is the person’s decision which belief is more worth materializing if they are in conflict. So it is his free will to decide to stay i.e. in a company where stakeholders ask for actions he does not want to carry out, because they stay in conflict to his own - private - beliefs. So far these responsibilities are related to one’s private life and people often serve a community and act for their benefit. Friedman suggests that we may accord these actions towards social responsibilities. Because the individual spends his own money, it is a private deed and not a business activity.

So if a businessman acts - within his role as a business man - in favor of society, i.e. does not raise prices to slow down inflation, he is not acting within the best interest of his employer to increase profit. While not increasing profit, he refuses to act for his employer and wastes the opportunities in increasing the cash flow. He does not want to say whether it is good or bad to spend money on social activities. He just wants to show that the way of using the organization’s money - without legitimization of the owner, customers and employees - is an act of selfishness. He goes one step further and claims that managers, acting in accordance with their own social responsibility, do not even spend the money of shareholders, but rather they would spend costumers' and employees' money. To finance these social acts, prices have to be raised or employee wages have to be lowered in order to stabilize profit. If one of them wants to spend their own money on social topics, they are free to do it by themselves.

Friedman states that every action taken in direction of social responsibility is not in the scope of a company. Actions of social responsibility should be taken through political means and not business ones. Political methods legitimate actions through democratic processes. Jurisdiction, legislation and execution are separate dimensions, carried out by different and independent persons. So no one can act by themselves. Moreover, the legislators are elected by the people, those who set the (social) aims.

Who favor the taxes and expenditures in question have failed to persuade a majority of their fellow citizens to be of like mind and that they are seeking to attain by undemocratic procedures what they cannot attain by democratic. (Friedman, 1970).

Conclusions

CSR is seen as providing new hope to bring more social thoughts into the daily life in business. Social responsibility offers such huge potential that every company will find a target for their CSR activities and investments. Supporters see this as a new way of gaining more competitive edge.

In our point of view this is one of its problems. There is no standardized definition on this topic and so every company/person could define it for themselves. In 1970 Friedman criticized the way people go about using the concept of CSR. In his opinion it is wrong way that a company, the purpose of which is make money, is not responsible for social benefits. He claimed that CSR is suppression of the free market and of people's free will. It's not in the hands of the company to act socially but the responsibility is on the individual. Socially responsible activities should evolve through democratic processes or be accomplished by individuals out of their own interest.

We showed in this paper that most of the talk on the topic of CSR is about a company as an entity. Social responsibility when shared amongst corporations and passionate individuals might produce the right kind of impact on the society. It epitomizes the society in the past where human relations were given significant importance and sharing was truly a way of life. But unfortunately this notion is no longer applicable in today's society where individuals put the onus on the corporations. We do not claim to help, support or love the next person. In lack of feeling self-confidence, we transfer the action and responsibility to corporations, allowing ourselves not to be active in the social context. Hence we forget and ignore the homeless people on our way to work, when truly it is all just about "people with people" and loving your neighbor as much as you love yourself.

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Five Students, Five CSR Perspectives, One Goal

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Introduction

The increased visibility of Corporate Social Responsibility (CSR) and the greater attention currently given to this theme by researchers within academic and business circles is a clear testament to its importance in today's business environment. A survey carried out in 2004 by the Intelligence Unit of the Economist magazine unveiled that an overwhelming eighty-five percent of business investors and executives considered CSR to be either ”central” or ”important” to their business decision making, as opposed to only forty-four percent in the previous survey carried out five years earlier. In addition to upper management and key decision makers, the profile of CSR has steadily risen in the eyes of other stakeholders such as customers and employees. The importance of the concept to the latter group has inspired a number of studies aimed at unravelling the extent of the relationship between CSR and employee attraction and retention. One of such studies, carried out by the Massachusetts Business Roundtable (MBR) in 2009 points out that ”there is growing evidence that a company's CSR activities com¬prise an increasingly important way to attract and retain good employees from all generations”.

Whilst there is conspicuous consensus regarding the significance of CSR, opinions as to what CSR really is are as varied as the cultures and industries voicing these opinions. Thus, unsurprisingly, as our five-man team comprised of a Finn, a Chinese, a German, a Spaniard, and a Nigerian sat down to come up with a CSR-themed article, the first point we all unanimously agreed upon was that our opinions about the subject would very likely be as diverse as our backgrounds – particularly with respect to our cultures and the different disciplines or industries we represent. In our attempt to determine whether or not we were all on the same page, we decided to break the ice or get the proverbial ball rolling by providing individual answers to one key question – ”What is CSR?”

This paper is a synthesis of our individual perspectives and its aims are simple:

1) Firstly, it seeks to showcase CSR through the eyes of five students.
2) It ultimately highlights the extent of the similarities or differences inherent within our view points.

The paper follows a simple structure – after the introduction, the first aim listed above will be addressed within a total of five sub-chapters by means of essays representing our individual perspectives. Thereafter, a concluding chapter will draw the curtains on this paper by addressing the second of the two aims. In order to weave a common thread through the paper each sub-chapter or essay will try to answer some or all of the following questions:

How would you define CSR?
What is your opinion about CSR in relation to your field of study?
What is your opinion about CSR in relation to your culture or nationality?

Five essays on CSR

1. CSR in the built environment and in Nigeria by Akin Savage

CSR, in my own opinion, is a phrase that captures all the different actions and initiatives that companies embark upon or adopt in order to endear themselves to their different stakeholders and, especially in the case of companies involved in the production of tangible goods, strategies that help them utilise their factors of production in a sustainable manner. The limited nature of natural resources and the fact that all companies depend upon people, whether customers or employees, for their very existence necessitates aligning environmental and social responsibility to the profit motive that typically underpins business ventures. This concept is often referred to as the ”Triple bottom line” or the ”People, Planet, Profit” approach.

The real estate industry is saddled with fulfilling a key physiological human need – the need for shelter. In order to produce this output, the industry utilises a major input that is arguably perfectly inelastic in supply – land. The importance of shelter to people and the fixed nature of land makes socially responsible housing development inescapable. It is therefore unsurprising that such construction industry cooperatives as the European Construction Technology Platform (ECTP) and the Confederation of Finnish Construction Industries (Rakennusteollisuus RT ry) have explicitly embedded CSR-related goals into their focus areas and mission statements respectively.

The real estate industry has made a number of noticeable strides in the direction of sustainable development, and buildings are getting ”greener” by the day. Green building certification programs such as the LEED certification have also helped foster green building innovations. However, all of the above is mostly prevalent in the West and far less so in the developing world. This last statement appropriately sets the stage for my final discussion – CSR in Nigeria.

The vast majority of firms in Nigeria are expectedly indigenous and they perceive and practice CSR as little more than corporate philanthropy aimed at addressing socio-economic development challenges (Amaeshi et al, 2006). The innovative approaches to CSR prevalent in the West are almost non-existent, and this leads one to see a correlation between a nation's priorities and CSR innovation. For example, whereas the West is focused on energy efficiency, Nigeria and many developing countries are more concerned with generating adequate energy supply regardless of the methods used. This divergence in focus means rich and poor nations will continue to work at cross purposes and the sustainability-related gains made by developed nations will continue to be squandered by developing nations for some time to come.

2. Corporate social responsibility is not just charity! by Huang Wenxin
This essay is primarily based on the responses to a simple CSR survey targeted at Chinese students and professionals. Half of the respondents are still students while half have already begun their careers. Some of the questions covered by the survey are:

Do you know what CSR is?
How informed do you think Chinese university students are about CSR?
Have you been involved in any CSR project?

All of the respondents claimed to know what CSR means, but only a few of them have participated in or are currently involved with CSR-related projects. They all agreed that investing in CSR would not only increase the long-term value of companies, but would also help build a stronger and healthier society. In return, society would also be better able to patronise and support such enterprises. Most of the students indicated that CSR would influence their job selection decisions, and all of the respondents indicated that it was essential for companies to engage students whilst they are still on campus in order to groom them towards developing fresh CSR ideas well before they enter working life.

Traditionally, honesty and trustworthiness have been important values since ancient times in China, and these values have helped mould current CSR practices. More and more Chinese companies have become aware of the importance of CSR. In terms of defining CSR, it is generally believed that a socially responsible or "good" enterprise should pay the right amount of taxes, be law-abiding, produce high quality products or services, pay attention to and try to solve social problems, as well as create more wealth for the society. A good example of such a socially responsible Chinese enterprise is Alibaba. The company created a website named Taobao through which it provides thousands of work opportunities for people who have been laid off.

A good number of Chinese entrepreneurs are convinced that CSR is not just about charity but is related to investment, brand positioning, and productivity. They all go by the old saying that "it is better to teach a man how to fish than to give him fish". As a result, many companies focus more training on people development, and most have integrated CSR into their corporate strategy.

Perhaps the most contentious aspect of the CSR discussions in China regards the pursuit of a low carbon economy. Although many believe otherwise, a good fraction are of the opinion that although reducing China's emissions may slow down economy development, it would ultimately be helpful for the environment, improve the quality of life, and also promote technological development. Whereas this was not the case in the past, today more and more people in China are discussing this issue on the internet and are also monitoring the related developments keenly.

3. CSR – The way from research to responsibility by Johannes Schleiermacher
Global climate change and the huge difference between poor and rich regions in the world has made every researcher over the last 50 years more and more responsible for the social and environmental situation in the world. For me, as a German physics student, a major example of the interconnectivity between research and social responsibility can be seen from the life of Albert Einstein. In fear of the German Nazi regime, together with several other researchers he called on President Franklin D. Roosevelt to support the Manhattan Project, which had the ambition to develop the atomic bomb. During the last year of his life, he said to his old friend Linus Pauling: "I made one great mistake in my life - when I signed the letter to President Roosevelt recommending that atom bombs be made; but there was some justification - the danger that the Germans would make them". Today, many physicists have to consider these philosophical questions. For example, recently the

CERN (European Organization for Nuclear Research) had to deal with rumours that the LHC (Large Hadron Collider) could create black holes and destroy the entire world. Instances like these and many others make it clear that CSR plays a big role in today's research environment.

Over the last few years, as a result of environmental treaties, several energy conglomerates commenced the development of a number of sources of renewable energies. So far, a lot of thought has been given to environmental responsibility in natural science, but the social component cannot be provided by the research itself. It is society and Government that must build the bridge between scientific achievements and social responsibility. When this is done effectively, it is conceivable that poor regions of the world will profit a lot more from the research conducted in rich regions.

4. When CSR meets biotechnology by Kaisa Göransson

In this essay I will reflect on my feelings about CSR in my field of study, biotechnology. Biotechnology is a promising but at the same time, a very complicated business area. As new technologies which have the potential to change the world are introduced, fears and uncertainty about their full impact on society prompts strict regulation which ultimately reduces the capacity of these technologies to make change. In this sense it does appear that the influence of CSR in a high-tech field like biotechnology is more amplified compared to other business areas. Consumers are becoming more aware of the impact production has on the environment and society, and businesses have come to realise that CSR is an essential means by which they can maintain a good reputation and competitiveness. There is little or no doubt today that neglecting social issues will have a negative effect on business.

Biotechnology includes a broad range of different types of technology. However, the public discussion about CSR in biotechnology usually focuses on very few specific areas, e.g. the safety issues involved with transferring genetic material. As a consequence, the whole gamut of technologies is lumped together and judged rather unreasonably. The main aspects of social responsibility in biotechnology relate to health and safety, as well as training and education, and because the technology is often quite new, there is little knowledge about it in the public domain. There is also a great deal of difference in the understanding of issues related to biotechnology, hence decision making without good knowledge of the methods used easily leads to poor conclusions. Therefore, the training of biotech workers along with the education of customers and the general public should be seen as a key to better understanding and a perceptibly more responsible biotech industry.

5. The viewpoint of CSR by an uninformed society by Javi Martín Pérez

In Spain, like in many other European countries, there is a growing movement in favour of CSR. Many Spanish companies consider corporate reputation, competitive advantage, and keeping up with industry trends to be the major driving forces of CSR. However, these factors are also closely related to other cultural, social, and political influences. Unlike these corporations, the general Spanish populace is mostly uninformed about what goes on in the country regarding CSR issues. As such, the implementation of CSR initiatives in Spain is still rather moderate. The average Spanish consumer is indifferent to a company's compliance with social responsibility policies. These consumers are generally more interested in the reasonableness of a company's prices and not if it is implementing the right CSR ideas.

However, major initiatives from some of Spain's most respected companies augur well for CSR initiatives in the near future. Some of these major and well-known corporations such as Inditex, Repsol, and Telefonica have even gone as far as influencing other companies by demanding that their suppliers conform to certain CSR-related standards. Tracking and measuring the extent of compliance with these standards as well as showing through studies that complying companies are generally better off than their non-complying peers, will help promote CSR at a general level amongst all companies.

In 2002, the Spanish Association of Accounting and Business Administration created a CSR committee. Since its inception, this committee has worked on the study and promotion of CSR as a value differentiator for businesses and social benefit to people. Currently, their foremost and greatest challenge is as regards the little knowledge Spanish consumers have about CSR. Their second mission is to raise awareness among SMEs (Small and Medium-scale Enterprises) and the third, but no less important, is transparency and standardization of information regarding social responsibility.

Taking all of the above into account, one can conclude that, indeed, the biggest challenge to the proliferation of CSR in Spain today is the little knowledge the general population possesses about the subject. The second and relatively less challenging mission is to raise CSR awareness among SMEs. Luckily, one single solution will effectively address both these challenges – communication! Thus, much more information about the benefits of CSR has to be made available within Spain.

Conclusion

To recap, this paper aimed to present the opinions about CSR of five students who differ with respect to their study disciplines and nationalities. Moreover, it was indicated that common ground would be sought by pointing out the similarities that exist within the different opinions.

In his essay Johannes, a German physics student, opined that CSR is critical in research. This view was also shared by Kaisa, who opined that not only was CSR important, but its influence was arguably relatively more amplified within the biotechnology industry. In addition, Akin's essay expressed the opinion that the lack of technological advancement in many developing countries would cause them to negatively impact the CSR gains being made by developed nations, whilst Wexin proffered accessing Western CSR knowledge as a means by which Chinese companies could improve their own CSR credentials. The conclusion reached by Johannes, wherein he stated that the bridging of scientific achievement with social responsibility would very likely help poor nations benefit from the advancements in richer nations seemingly addresses both of the aforementioned issues. Javi and Kaisa both concluded that adequate CSR-related communication would help educate the general public better and also help reduce existing misconceptions. Finally, in one way or the other, we all concluded that governments have a vital role to play in promoting CSR.

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CSR and the Future Employee

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Introduction

Corporate social responsibility (CSR) has evolved into an intensively debated economic issue in a relatively short time. In this article we briefly review aspects which make CSR so important nowadays and present a framework to address CSR from the employee's point of view. In this framework, the CSR actions of a corporation are divided into internal and external actions depending on whether they affect employees or not. This allows us to consider the relationship between corporative CSR actions and an employee. To conclude, we use the presented framework to discuss CSR and the future employee.

Corporate social responsibility

The history associated with the definition of corporate social responsibility (CSR) runs long with plentiful definitions. One generally acknowledged and common definition for CSR is the pyramid of corporate social responsibility presented by Carroll (Carroll, 1991). In the pyramid model, CSR has been divided into four different responsibility areas: economical, legal, ethical and philanthropic.

The responsibilities of Carroll's pyramid model can be described as follows. The principle of the economical aspect is that a corporation has to provide goods and services which customers need with acceptable profits in the process. The legal function intends that a corporation is expected to comply with the national laws and regulations. The ethical viewpoint assumes that a corporation's actions also embody the ethical norms about fairness and justice. Philanthropic functions are counted on that business also conveys goodwill and contributes positively to welfare, education, art or community. (Carroll, 1991)

Another common approach to CSR is the stakeholder theory, in which the social responsibilities of a corporation are thought of as responsibilities towards stakeholders of the company. Stakeholders are people, groups or organizations inside or outside the corporation that have can be affected by the actions of the corporation (Freeman, 1984).

The development of CSR

From a non-existent concept, CSR has evolved into an intensively debated economic issue in a relatively short time. A vast amount of literature examines CSR and its implications in business world. The majority of the world's top companies address CSR issues on their websites (Esrock & Leichty, 1998) and as shown by Snider et al. (2003), communicating CSR commitment through internet is already a standard part of business practice. CSR is here to stay but is it merely because of external pressure or is there a genuine trend towards acting in a more responsible way.

It is increasingly difficult nowadays for international companies to cope with negative CSR actions. In a study of CSR's effect on consumers, Bhattacharaya et al. (2001) argue that "*all consumers react negatively to negative CSR information, whereas only those most supportive of CSR issues react positively to positive CSR information.*" A prime example of this is the case where Nike was forced to abandon the unethical use of child labor in the 1990s (Locke, 2002) because of customers boycotting their products. Even though customers are at the end of the supply chain, they impact the entire chain. This is because no retailer wants products which do not sell and the effect cascades down all the way through the chain and each unit of the chain is forced to comply. In this sense it is natural to see CSR also as a risk management tool but speaking of it only in terms of risk management does not qualify as socially responsible behavior.

CSR and financial performance

Regardless of increasing CSR hype during the last two decades, the effect of CSR on financial performance remains controversial. The risk management perspective put aside, it is not clear whether CSR actions actually improve financial performance. Numerous studies have been conducted with inconsistent results showing CSR as having a positive, neutral or negative effect on corporate financial performance. (McWilliams et al., 2000) In a recent study (Consolandi et al., 2009), it was shown that the information available about a company's ethical standards had an effect on investors and their choices, which is in conflict with the mainstream economy of maximizing one's expected profits.

Even if CSR did not directly impact a company's financial performance, it could be seen as having an indirect effect. Employees are recognized as one of the most important stakeholder groups by companies and the demand for talented workforce is all but decreasing. (Snider et al., 2003) Talented and motivated workforce is seen as one of the key competitive advantages in the future and here CSR plays a role as presented below in this paper.

Different approaches to CSR

At the moment, the approach to CSR is generally a top-down one - from companies to various stakeholders. CSR is proposed as "key driver for engaging the wider community as an important stakeholder in business activity" (Zairi & Peters, 2002). Concerning this, Ms Ann Bernstein, the head of South-African think-tank "Centre for development and enterprise" has stated: "A business that is accountable to all is in effect accountable to no-one" (The Economist, 2010). There is no arguing against the positive effects of CSR actions but there is also the flipside of the coin. Corporate operations as such have huge positive effects on the surroundings. The typical problem in the development countries is the scarcity of companies. If business opportunities come with a huge amount of obligations, it is not attractive for smaller businesses and the positive impact of running a business is lost. This might seem to be a zero-sum game at first glance but it does not necessarily have to be one.

In this paper, a bottom-up approach to CSR is presented. We look at CSR from a specific stakeholder's point of view, that of a future employee, and propose a CSR framework accordingly. It is seen critical that the company itself wants to act responsibly rather than the stakeholders and pressure groups forcing them to. With external pressure on CSR there always remains the question whether the stated values and ethics are real and lead to taking measures or is CSR seen as promotion, a cosmetic way to affect opinions about the company.

CSR – inside-outside framework

A student can observe companies and their responsibilities in a number of roles: as a customer, as a shareholder or as a future employee who is applying for a job. Since corporate CSR is examined in this article from a future employee's point of view, we will next discuss a job applicant's corporate social responsibility dilemma, stemming from the decision whether to apply for a certain job or not. In general many applicants probably take into consideration how their future employer will treat them and by doing this, consider the corporate social responsibility theme from an employee's point of view. In addition, we would like to point out that applicants are probably interested in the reputation of the company when it comes to responsibility towards other stakeholders. We find this topic interesting because we believe that the valuation of these themes in the job application process will change.

When considering corporate social responsibility from an applicant's point of view, we see that the theme can be treated as an internal or an external matter. By this division of corporate social responsibility we also try to find a way to reflect how highly the future employee values the responsibility of the company. As an applicant one can pose two questions in order to determine two dimensions of corporate social responsibility. These two dimensions will be referred to as *inside* and *outside*. To begin with, an applicant can ask what are the benefits a company offers as an employer. Alongside with a fair salary and working environment, issues such as equality and equity will surely be appreciated and increasingly even demanded. An applicant can also observe the action a company takes to serve other stakeholders. Are these acts such that they satisfy the possible moral requirements determined by the observer's values? The applicant also has to consider her own responsibility and the valuation of responsibility in the work. How big is the emphasis that one will put on the moral questions? Stated in a simplified way, one has to consider the importance of one's own interests in relation with the interests of others.

Inside and outside views

In our inside-outside framework the applicant can see herself in the receiving end, as an employee, or in the contributing end, as a member of a responsible organization. In our model we do not want to refer to the applicant as being inside or outside the company. We are aiming at illustrating an allocation of the social responsibility acts, justified by the effect they have on the applicant. The acts that are defined as *inside* have a direct effect on the utility of the applicant while the acts considered *outside* primarily affect other stakeholders.

When considering themes that are placed in the *inside dimension of the framework*, the applicant can be seen as a receiver. She should consider her expectations and demands as an applicant and evaluate whether they correspond with the company's policies and organizational culture. The applicant has to evaluate the company as an employer and decide whether the culture is such that the applicant is willing to work for the company. In addition to salary and statutory benefits, an employee might seek for a culture that promotes the wellbeing of the employees and development of their skills. These issues directly affect the applicant and she gets an immediate response if a change in the procedure takes place.

An applicant can see herself contributing to others as a member of the organization. These actions are seen in the *outside dimension* of our framework and their response does not have an immediate effect on the applicant. Instead of being a passive recipient, the applicant contributes by taking responsible CSR decisions and action. That is to say, the applicant has to approve and agree with the values and choices of her employer. These matters can be seen as long-term and secondary goals for the applicant. They are considered by the applicant if the inside requirements are fulfilled. Although determined as secondary, we believe outside matters also have a role in the job application process.

Assumptions and valuation of needs

When considering corporate social responsibility in this two-dimensional context, it is natural to start from the inside. Before further observations, three assumptions are made. First, the future employee is supposed to follow Maslow's hierarchy of needs. Furthermore, in this case only one company is seen as a possible employer at a time. This assumption means that the customer needs to consider the company as a means to fulfil the basic needs and only after this other needs are taken into account. The third assumption is that an individual is self-interested. Thus, an individual acts according to the Maslow's hierarchy of needs and is primarily interested in the matters benefitting herself. When the basic needs are satisfied, in this case by securing a certain level of income, the applicant may proceed to think whether the company's way of operating meets with her values or not. This can be seen as meeting the psychological needs and the needs of self-actualisation.

Now another interesting question can be considered. How does a future employer value her needs? If the basic needs are satisfied but the higher needs of acting morally are not, what should be done? Is it worth looking for a new work place that would possibly satisfy both of these needs levels, or is it more satisfying to avoid the costs of looking for a new place? These questions can be posed and as the public opinion transforms, the satisfaction of these needs will probably be revaluated as well. In case the relative importance of the interests of other stakeholders increases, applicants will be demanding for more specific information about the corporate social responsibility policies to support the application process. This creates more requirements for the communication of corporate social responsibility.

Discussion

As students we have so far been observing corporations mainly from the customer's point of view but this is about to change as we move to working life. As customers our values materialized in purchasing choices – whether to buy a fair trade or recyclable product by paying a higher price. Through our discussions, it was revealed that surprisingly often the purchasing decisions were not all about minimizing costs. In our opinion this can be seen as a general trend of our times; how else would cafeterias so eagerly promote fair trade products or electronic companies sell their products in recyclable wrappings. Both of these examples involve masses of people who do not care that much about recycling or buying products which support the farmers, but more importantly, a sufficiently large amount of people do care.

By moving to working life, we gain a totally different scale of purchasing power. From the customer point of view, our purchasing choices will have far more significant impact then than it does now. More importantly, however, in working life we are a small part of corporations as employees and our choices reflect the choices of the corporation. We represent, in the first place, our employers and not ourselves as individuals; still our individual actions define the actions of the corporation. The importance of this might be easily undervalued because the actions of individuals in big corporations tend to have not much significance. Nonetheless, the only way to reform and to have corporations act in a socially responsible way is by change in individuals.

We see that a reform in a way to do business in a socially more responsible way has already begun. CSR is already a ubiquitous issue in business and corporate strategies but it is seen more as a tool at the moment. This is because consumers react to CSR issues but the employees do not that much, yet. We believe that this is about to change. The change will start from the inside of companies. This we explain with the inside-outside framework presented earlier in this paper. The internal affairs of companies from the employees' point of view work like a feedback response system. Employees give feedback and they get response. This way the inner processes of companies will evolve to take into account the view of employees.

Of course it can be argued that a corporation has no incentive to react on employee wishes, especially if they require more action. With developing technology and business, the competitiveness of corporate employees, however, is going to be a more and more important factor in the future. Corporations simply cannot afford to ignore their employees' values and moral statements. As a stakeholder group, employees are going to have the most significant power over corporations, because they make the corporations function.

Corporate actions, which belong to the inside dimension when observed by the employee, are eventually going to transform the external actions. Although these actions do not have a direct response, the issuing organizations, and the employees within, acknowledge their importance. At the moment, one of the main reasons for external CSR actions seems to be the ”license to operate”. Especially smaller companies ”support initiatives that encourage stakeholder engagement, which can be seen to exemplify their attempt to secure a license to operate in the communities”

(Russo et al., 2008). Society already has a huge influence on corporate activities and this is just going to increase. Ignoring this could be fatal, as proved by the Tata case (Ritch, 2009), in which a huge Indian company Tata motors had to relocate a plant because of local resistance, resulting in huge monetary losses.

Summary

In this paper corporate social responsibility (CSR) was looked at from a specific stakeholder's point of view, that of the future employee. From an employee's point of view, CSR can be treated as an internal or external matter. The internal approach defines how the company acts as an employer and the external governs how a company serves other stakeholders. In the subsequent inside-outside framework the applicant can see herself in the receiving end, as an employee, or in the contributing end, as a member of a responsible organization. This framework is applicable when considering the effect of CSR on companies' overall performance, including financial and human resources aspects. A short discussion was presented in which the authors' divulged more their own opinions about future employees and CSR.

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Globally and Socially Responsible Employers

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Introduction

As organizations and corporations grow bigger, the world grows smaller. It is impossible to make decisions without looking out the window or without acts promoting inequality. It has to be considered that there cannot be major differences between equal groups or individuals when speaking of workforce. The same applies to the environment and resources valuable for every one of us. The global social network can be an enormous advantage for employers, because they have a lot to choose from. Development, production and marketing can be accomplished in places and with people that are most suitable for the job. However, with a freedom like this, there will also be responsibilities, and what often destroys this idealistic episode is greed. It is essential for a company to be profitable, but often it is said that ”The only reason that a company exists is because it is to make profit for its owners”, when the situation really is not so black and white. For a company to exist, there must be profit, but to be profitable you do not really have to be a cunning enslaver.

Organizations develop strategies in view of their future growth, their organizational values and the objectives; however, having the right growth strategy in alignment with the market situation, organizational goals and objectives along with plans for efficient execution and governance is extremely critical for business success. The most profitable companies are often the ones with the highest wellbeing amongst the workers and where employees feel that sustainable development is enforced. Improving the working conditions improves the company, its values and products or services.

With the increasing trends in globalization, the transformations of small multinationals into larger multinationals and further into transnational organizations have immensely increased the competition in the global market. Moreover, today with most organizations investing in emerging markets, it becomes imperative that they comply with the local legislation and are accountable for their actions. Park et al.

(2007) suggested that multinational firms operating in developing countries like China should master the art of local operation but their behavior must match their global standards.

The modern concept of Corporate Social Responsibility (CSR) began to emerge in the Unites States of America (USA) in the late 1960's. Initially CSR is understood as a combination of little more than obeying the law and committing to human rights, even though not codified in the national law. Later CSR efforts involved some oligopolistic U.S. corporations that sold products such as cigarettes and gasoline, faced activist critics with intrusive government regulations and high taxes. To deflect the critics, the companies called upon public relations campaigns to highlight their good deeds. This scenario evolved over the years, broadening the concept into health care, education or even infrastructure construction in poorer countries.

Due to increase of CSR adoption by the companies across the globe, multi-national companies started relocating to more business-friendly countries where they have more freedom and resources. This enabled an international campaign against multinational corporations in 1974, with creation of the United Nations Centre on Transnational Corporations (UN-CTC), which was not successfully implemented. In 1987, Heritage Foundation analyst Juliana Geran Pilon noted, "What is most serious is that the policies and actions of CTC, as of those of many other U.N. organs, impede economic growth in developing countries. The CTC penalized those nations and societies that are the globe's poorest". Later on, in early 1990's CTC folded into U.N. conference on Trade and Development (UNTAD), which eventually turned into U.N. Global Compact in 1999, raising dissatisfaction among the activists in CSR due to Global Compact's voluntary nature and pushed to make the CSR standards compulsory. The ISO 26000 standard for corporate social responsibility was formulated and provides harmonized, globally relevant guidance for private and public sector organizations of all types based on international consensus among expert representatives of the main stakeholder groups, and so encourages the implementation of best practice in social responsibility worldwide.

Social responsibility may be defined as corporations paying their employees a decent living wage relative to local costs of living or we might define socially responsible behavior as an activity which does not ruin the local environment and jeopardize the community's health as measured against internationally accepted standards of environmental quality or health. It may also include behavior that does not have a negative impact on the local environment and jeopardize the community's health as measured against internationally accepted standards of environmental quality or health. (Campbell, 2007)

The European commission defines corporate social responsibility as ”A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (as cited in Campbell, 2007). According to another definition, corporate social responsibility can also be defined as ”operating business in such a manner that it complies with the legal, social, ethical expectations of the society in which it operates as well as the international laws set up by a common regulatory authority.” (as cited in Seung et al., 2007)

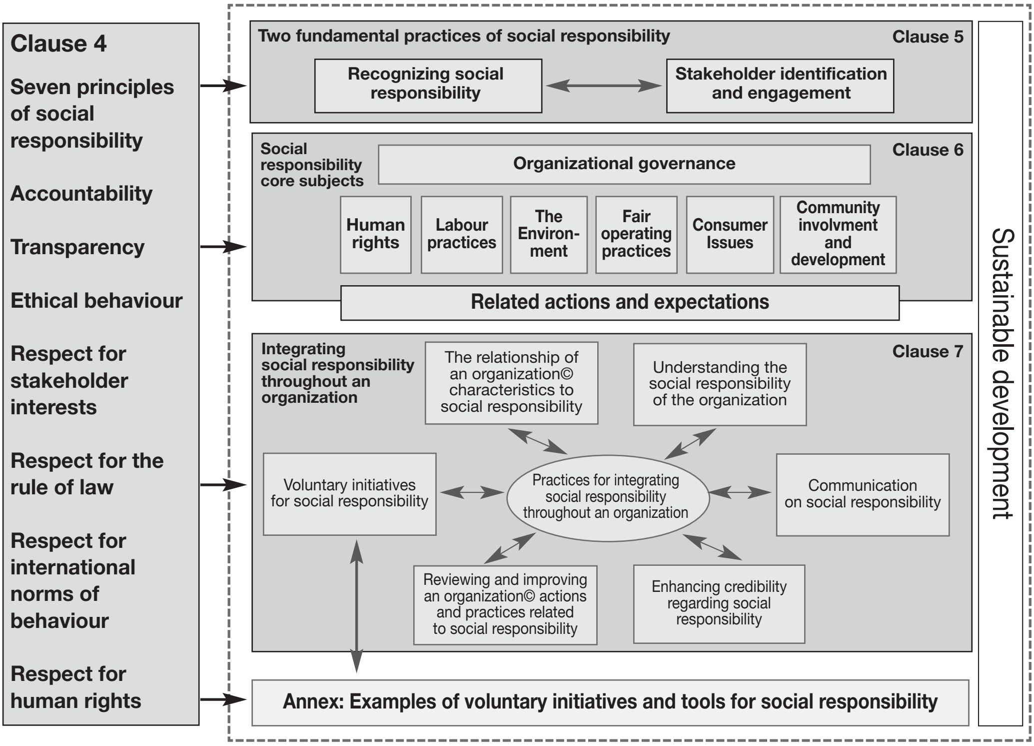
Based on these definitions, corporate social responsibilities can be split into multiple dimensions:

- It measures how a corporation treats its employees with respect to wages, benefits, and levels of workplace safety.
- How it treats its customers with respect to product quality, truth in advertising, and pricing.
- How it treats its suppliers with respect to its willingness to uphold contracts and honor more informal commitments.
- How it treats the government with respect to operating with compliance to the law.
- How it treats the community with respect to making charitable contributions, ensuring not to foul e.g. the environment.

Principles of CSR

Because of the ambiguous nature of the CSR concept, it is important to define certain principles and activities that comprise all CSR activities. According to ISO 26000, there are seven principles of social responsibility:

- Accountability
- Transparency
- Ethical behavior
- Respect for stakeholder interests
- Respect for the rule of law
- Respect for international norms of behavior
- Respect for human rights



Relations between the diverse clauses of CSR according to ISO 26000 standard.

Sustainability is concerned with the effect which action taken in the present has upon the options available in the future. Hence, when approaching and practicing social responsibility, the overarching goal of an organization is to maximize its contribution to sustainable development. Viewing an organization as part of a wider social and economic system implies that the effects stemming from the over-exploitation of resources must be taken into account, not just for the measurement of cost and value created in the present but also in the longer term.

The ISO 26000 standard crystallizes social responsibility principles as follows:

Accountability: Accountability implies that an organization is answerable to those affected by its decisions and activities, as well as to society in general, for the overall impact on society of its decisions and activities. It also imposes an obligation on the management of the organizations to be answerable to the controlling interests of the organizations and on the organizations to be answerable to legal authorities with respect to laws and regulations.

Transparency: An organization should disclose in a clear, accurate and complete manner and to a reasonable and sufficient degree, the policies, decisions and activities for which it is responsible, including the known and likely impacts on society and the environment. This information should be readily available, directly accessible, and understandable to those who have been, or may be affected in significant ways by the organization. It should be timely and factual and presented in a clear and objective manner so as to enable stakeholders to accurately assess the impact that the organization's decisions and activities have on their respective interests.

Ethical behavior: An organization's behavior should be based on the ethics of honesty, equity and integrity. These ethics imply a concern for people, animals and the environment and a commitment to address stakeholder interests.

Respect to stakeholder's interests: Although an organization's objectives may be limited to the interests of its respective owners, members, customers or constituents, other individuals or groups may also have rights, claims or specific interests that should be taken into account. Collectively, these individuals or groups comprise the organization's stakeholders.

Respect for the rule of law: The rule of law refers to the supremacy of law and, in particular, to the idea that no individual or organization stands above the law and that government is also subject to the law. It is generally implicit in the rule of law that laws and regulations are written, publicly disclosed, and fairly enforced according to established procedures. In the context of social responsibility, respect for the rule of law means that an organization complies with all applicable laws and regulations. This implies that it should take steps to be aware of applicable laws and regulations, to inform those within the organization of their obligation to observe, and to implement measures so that they are observed.

Respect for international norms of behavior: An organization should respect and follow the international norms of behavior, while adhering to the principle of respect for the rule of law.

Respect for human rights: States have a duty and responsibility to respect, protect, fulfill and realize human rights. An organization should respect human rights within its sphere of influence. Recognition and respect for human rights are widely regarded as essential to the rule of law and to concepts of social justice and fairness and as the basic underpinning of the most essential institutions of society such as the judicial system.

Difference views of CSR

Although scholarly literature and best practices often treat CSR as a singular concept with universal meaning, the reality is that it is a complex quilt cut from different fabrics. Companies that claim to have CSR at the core of their strategy will have their own view and expectations over CSR. A company which brands itself as doing good by supporting a specific non-profit activity use the brand to associate the theme of the activity with its marketing or branding effects and strategic polishing of its reputation in the market or society. These kinds of companies assume that customers like to do business with companies that support communities where they operate. There are other companies, which raises its operating standards to address complaints and help solve some social issues such as environmental pollution. These effects might be relatively involuntary, the result of activist pressure or the outcome of litigation or regulations or it might be reluctantly reactive or genuinely proactive. But it might be different in practice whether a company is focusing on CSR as a marketing theme or more specific to community relations; they are not inherently separate in purpose.

Corporate behavior

When trying to gain a competitive edge in the global market, the most important factor can be the reputation of the organization. The corporate brand is often built on top of the corporate reputation which is determined by the corporate behavior. The advantages are apparent: a good reputation increases confidence among investors, helps gain shareholder value, increases customer loyalty as it extends the positive value to customer products and also promotes high employee morale and commitment.

Responsible Competitiveness

Responsible competitiveness can easily but mistakenly be seen as a distraction or merely a cost of doing business. Here we have a situation where the process is forced to meet the requirements of corporate responsibility and it is seen as a burden. It costs, it is done because it is a must, and nothing new is added to the process. The possibility to gain advantage in competition is lost in all these acts when the social and global impacts are not seen as profit. This is a stage in the corporate responsibility and organizational learning process: to deny practices, outcomes and responsibilities and it is done to defend their short-term effect on sales, productivity, recruitment and brand value.

For a corporation to compete at present it must see responsibility as a necessity. The social and competitive pressure drives the corporation to accept a policy-based compliance approach as a cost of doing business. This is the stage of compliance where the corporation reduces the erosion of economic value in the medium term because of litigation and reputation risks.

During the learning process the corporation will see the results of its actions: the political and social reactions and the change within the corporation as well. It starts to see responsible competitiveness and pursuing its objectives in a sustainable way as an opportunity. To achieve long-term gains and to increase economic value, the corporation integrates responsible business practices into their daily operations by merging the issue into their core management processes.

Social and global responsibility has become a part of everyday decision making and an advantage in competition. It can be used in marketing and as a source of innovation in their strategies. Using it as bond between the organizations can tighten up the structural cooperation within the entity. To increase economic value and to gain first-mover advantage, the corporation integrates the societal dimension into their core business strategies.

When you have done everything by the book and developed functioning strategies and processes, why would you not make some noise about it? By promoting broad industry participation in corporate responsibility the corporation overcomes any first-mover disadvantages and realizes gains through collective action. This also helps the corporation itself to stay alert. Social and political reactions always include criticism, which helps the corporation to evaluate itself and develop and grow even more.

One aspect of social responsibility for an employer is the wellbeing of employees and the safety of the workspace, equal and worthy treatment. All these things can mean different things depending on where you work. As corporate responsibility is much about ethics and values, it is evident that the way corporate responsibility is carried out is dependent on the culture and regional norms. When freedom of speech might be obvious to employees in some region, it might be exceptional to others and implementing it can be an enormous act of trust.

Conclusion

Business organizations have woken up to the need of being committed towards corporate social responsibility (CSR). CSR is not about charity, but it belongs to the core business of a company and has been in the forefront of corporate strategies for several decades. Nurturing a strong corporate culture which emphasizes CSR values and competencies is required to achieve the synergetic benefits. Organizations occupy a central role in developing a culture which promotes CSR values and competencies.

With increasing demand for CSR, it is important to take a mean balanced approach for organizations to address economic, social and environmental issues in a way that benefits people, communities and society, in alignment with ISO's (International Standard Organization) Organizational Social Responsibility (OSR) standard ISO 26000.

Successful programs on social responsibility rely heavily on enlightened people management practices. In this context ISO 26000 is assumed to strongly impact CSR activities in fostering a healthy employment relationship. This is a precondition for establishing effective relationships with external stakeholders and thus orientating the employees and then the organization towards responsible conduct.

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Glossary of CSR terms

Brundtland Commission	Formally the World Commission on Environment and Development (WCED), created to address concerns about the accelerating deterioration of the human environment and natural resources and the consequences of that deterioration for economic and social development.
Carbon footprint	The total amount of greenhouse gas emissions caused by an organization, event, product or person; often expressed in terms of the amount of carbon dioxide emitted. The concept is a subset of the ecological footprint notion.
Corporate governance	The set of processes, cultural norms, policies, laws and institutions impacting the way an organization is directed, administered or controlled to ensure the accountability of its individuals.
CSR	Corporate Social Responsibility. Measures promoting social, environmental and financial accountability.
DAC categorization	(by OECD) Development Aid Category.
Diversity	Acceptance of, respect for, and understanding of individual differences in race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.
Ecological footprint	A measure of human demand on the Earth's ecosystems. It compares human demand with planet Earth's ecological capacity to regenerate. It represents the amount of biologically productive land and sea area needed to regenerate the resources a human population consumes and to absorb and render harmless the corresponding waste.
Emerging market	Economies with social or business activity characterized by rapid growth and industrialization, e.g. China, India, Brazil.
Equator principles	A voluntary set of standards for determining, assessing and managing social and environmental risk in financing.
Greenwashing	The deceptive use of PR or marketing measures to promote a misleading perception that a company's policies, goods or services are environmentally friendly.
GRI	Global Responsibility Index.
LOHAS	Lifestyle of Health and Sustainability.
NBRIC technology	Nanotechnology, Biotechnology, Robotics, Information and Communication technology, and cognitive science.
Social footprint	A measurement quantifying the impacts of an individual's or organization's performance in terms of ecological, sustainability and social effects on the surroundings.
Sustainable development	The efforts to meet human needs for natural resources, industrial products, energy, food, transportation, shelter, and effective waste management while conserving and protecting environmental quality and the natural resource base essential for future development. Development that meets the needs of the present without compromising the ability of future generations to meet their own needs and highlighting the essential needs of the world's poor.
Transition economy, transitional economy	An economy which is transforming from a centrally-planned economy to a free market through economic liberalization, privatization or government-owned enterprises and facilitation of the movement of free capital.

Epilogue

Imagine a world where no-one cares
days like night hiding heartless stares.
The key to humanity so terminally lost,
hearts of greed the ultimate cost.

Imagine a life without hope for tomorrow
mournful faces reflecting but sorrow.
Only ourselves to trust and rely on,
compassion trapped inside hearts of iron.

Imagine a day without smile or joy,
moments of bitterness, grief and annoy.
What could be good, what could be ours,
we ravaged with our destructive powers.

What have I done, what have we done?
Why can we not just be as one?
I want to change, tell me where to start!
The time is now, I've opened my heart.

Now --- imagine a world where everyone cares,
where the limit to goodness is in what one dares.
And imagine a life in concord with others,
***people with people**, like friends and lovers.*

That's where I'll find fulfillment and joy,
from now on it's kindness that I deploy,
in all my dealings and actions to come,
piece by piece, I add to the sum.

– Pia Lappalainen –

Have you ever wondered about the size of your social footprint? Or its shape, depth or endurance?

If you are holding this book in your hands, you most probably have. Perhaps you have also become concerned about such global-scale themes as human inequality, ecological degradation, sustainability demands, or diversity dilemmas?

Discussion revolving around these responsibility themes is plentiful but if not taken from preaching to practice, the impact of responsible deeds will turn transient and no progress will ever be made.

This book is an effort to open our eyes to see how economic, societal and environmental demands can be reconciled by taking small, private or public steps every single day through diversity management, cross-cultural work, education, sustainability efforts, and socially responsible business operations.

On a long journey there is always that first step – let us take it together and leave a long-lasting, socially and ecologically positive footprint wherever we set our foot on.

Aalto-C 1/2011

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ISBN 978-952-60-0036-7
ISBN 978-952-60-0037-4 (pdf)
ISSN 1799-4977
ISSN 1799-4985 (pdf)

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