2009 Number 1 ISSN 1759-5886

The Newsletter

From the Social Responsibility Research Network

www.socialresponsibility.biz

Welcome to the first Newsletter of the new year. It is now an established publications and is issued 3 times per year. To signal this we have now acquired an ISSN for the Newsletter which will give enhanced value to the contents. We have also decided to include in each issue one or more opinion pieces about a topical – but relevant – issue in order to stimulate debate among members. As editors we have written the first of these about the financial crisis and a consideration of responsibility for this. It is a topical issue and we are sure that it will recur in future issues, within the pages of Social Responsibility Journal, and at the conference. There are also other pieces so please read and respond to the authors with your opinion. If you would like to write an opinion piece for the next – or any future issue – then please contact the editors.

Another development which the Network has made is to introduce a series of Discussion papers in Social responsibility. You will find details later in the Newsletter. Please consider contributing as it is a good way to get an early publication and some feedback prior to seeking publication in a refereed journal. These, as well as the Newsletter, will also be published on our website and will therefore give maximum publicity to your work

And of course plans for the 2009 Conference – to be held in Cape Town, South Africa in September and hosted by the University of South Africa are well advanced. Full details of this too can be found later in this Newsletter and you will note that the deadline for submission of abstracts is approaching. The website will continue to give the latest information concerning the conference, as well as details of all past and future conferences.

In the Newsletter we also of course continue to publish news items, research profiles and short articles of general interest to members. Please send anything which you would like to be published in a future issue. The Newsletter is of course one of the voices of the Network and the main reason for the existence of the Network is to enable all of us, as scholars concerned with various aspects of social responsibility, to communicate with each other, share information, join together in research projects, develop courses and course material and various other activities. Hence it is important for us to share news and opportunities. This is the purpose of the email list of members. This too is the purpose of this newsletter – which will promote our interests and activities to a wider body of people than the 500 members of the Network who receive emails.

The strength and vibrancy of the Network is of course only the same as that of its members. So we are inviting you to share news and opportunities both through the email communication system and through this Newsletter by sending contributions.

Chair of the Network: Professor Dr. David Crowther, De Montfort University, Leicester Business School, The Gateway, Leicester LE1 9BH, UK davideacrowther@aol.com
Vice Chair: Professor Dr. Güler Aras, Yildiz Technical University, Institute of Social Science, Yildiz Besiktas 34349, Istanbul, TURKEY guleraras@aol.com

The Social Responsibility Research Network Constitution

For each Newsletter it is considered to be appropriate to print the constitution of the Network. This was agreed at an open meeting during the 2005 conference in London. But note that no Board has ever been elected. So volunteers are welcome…

The Social Responsibility Research Network (SRRNet) is a body of scholars who are concerned with the Social Contract between all stakeholders in global society and consequently with the socially responsible behaviour of organisations.

1. Mission
The mission of the SRRNet is to promote collaborative, cross-cultural and international research on any aspect of its social responsibility agenda, to improve knowledge by such research and to disseminate such research globally.

2. Strategy:
The strategy to accomplish the mission will be based on:
- The exchange of research through of its website;
- The promotion and organisation of a series of international research conferences, ideally in various parts of the world and each under the leadership of a named individual;
- The production and dissemination of an academic journal;
- The production of such other publications as are deemed appropriate and for which sufficient funds exist:
- The promotion and organisation of a series of international visits and collaborations (depending upon funding) to work on special projects.

3. Organization
Membership of the network is open to anyone. It is a formally constituted organisation governed by this constitution and managed by an elected / nominated board. The management of the network will be delegated to this board, which will be supplemented by a general meeting, open to all members, which will take place at each conference organised. Membership of the board will consist of:
- One member elected at each general meeting, who will serve for 3 years;
- Each conference organiser, who will serve for 2 years prior to and 2 years subsequent to the conference organised;
- The journal editor.

The board may also appoint additional members as deemed necessary, and from its membership shall nominate a chair and a treasurer.

4. Financing
To achieve the mission, the SRRNet (via its board) will seek sources of funding and sponsorship. Additionally it will receive funding via the conferences and the sale of published material.

The Financial Crisis: who is responsible?

Güler Aras, Yildiz Technical University, Turkey & David Crowther, De Montfort University, UK

One of the most newsworthy and therefore important issues of the present is the financial crisis which we are witnessing and which is at present threatening – at least according to the doom-mongering pundits so prevalent in the press – to instigate a global economic recession. If that recession does manifest itself then many people will be severely affected, both in developed and developing countries, despite the situation that they have never had any involvement in financial market speculation and would be economically unable to do so even if they wished to. Such is the power of finance that it causes this contagious effect which can devastate lives at a distance, much as a butterfly flapping its wings in the Amazon can cause a hurricane in Wall Street – to paraphrase a basic principle of chaos theory. Although it is generally accepted that the crisis was instigated by the sub-prime lending debacle which was one of the features of the deregulation of the US financial economy, the effects of the global financial crisis have been felt around the world. Indeed there is a general expectation that the effects will become more severe as confidence in financial institutions and in the principles of lending has been severely shaken if not actually shattered.

With such powerful effects it is naturally a newsworthy topic – and certainly one which we social responsibility researchers should be concerned with. More specifically we should strive to understand the causes in order to develop mechanisms which will alleviate its effects and more importantly prevent its reoccurrence. This article is a small contribution to the debate. First of course we need to recognise that this is not the first such crisis – and that it is not very long since the last one. It seems therefore that the memories of the people buying and selling in financial markets is very short. This can be explained as a feature of the quick turnover of these people coupled with the enormous bonuses which they receive, which gives a very short term focus to their decision making – surely a very significant factor in the cause of the crisis and recognised as such be most people even though no-one is willing to take action

Many people have commented upon the current financial crisis, its causes and consequences and there have been many attempts to theorise the problem in terms of market failure or governance failure. For some it is even the failure of capitalism. These people tend to advocate a change to the system – generally to another of their personal preference. Others have been more concerned to allocate blame – to the banks, the financial markets, the regulators or to governments – again according to their personal prejudices. Still others would say that it is an inevitable consequence of greed, ignorance and irresponsibility. And the solutions all seem to involve government rescue, sometimes coupled with penalties for those in the financial sector who are deemed to be responsible. And an important aspect seems to be the need to apportion blame rather than consider remedies for the future.

One thing which is apparent however is that the current financial crisis, much as previous ones, has highlighted failures in governance and failures in regulation. Indeed some writers, in their desire for scapegoating, have argued that the regulators are more guilty even than the perpetrators and should be sanctioned accordingly. There is of course one flaw in this argument and one problem with managing the prevention of future financial crisis and this is concerned with the recognition of and regulation of a truly global financial market. The liberalisation of financial markets instigated by the Washington consensus has made the free movement of funds a fact of financial life and has encouraged the parcelling together of doubtful debts into mystery parcels to be sold around the world. And of course the operators in all financial markets, always ready to accept a gamble in the hope of ever larger profits and bonuses have been quick to respond.

Regulators inevitably, according to their requirements, must focus upon local market while finance escapes them through its ability to migrate around the world. Effectively this means that any realistic form of regulation does not and cannot exist. One consequence of this regulatory failure of course is that contamination spreads and the dubious practices developed in one financial market become the norm in other markets. When the inevitable crisis appears this too spreads from one country to another as all economies are affected by both the consequences of dubious lending practices and by the ensuing crisis of confidence.

For us the answer is apparent. The current crisis is not the first such crisis affecting economies and cause within the financial sector. Such crises have been a recurrent feature of economic life for at least the last century. It is our view that one of the most significant contributory factors is concerned with the amorality of the operation of the market in an era of de-regulation. It is our belief that future crisis and their contagious effects will only be prevented if morality is reintroduced into the markets. Regulation – the currently favoured approach – does not have the same effect.

Comments invited. Contact guleraras@aol.com and / or davideacrowther@aol.com

Questioning the Current Economic Crisis.

Humberto Ribeiro, Polytechnic Institute of Braganca, Portugal

The return of Marx?

Certainly not. Despite the current turmoil, the basic foundations of capitalism – private ownership and accumulation of capital as a mean of economic growth – will continue sound. The Marxist economic experience under the form of Communism resulted catastrophic as proved by the Berlin's Wall fall and by the collapse of the USSR. The current crisis, which is not merely economic, will reinforce the meaning of Hegel's dialectic, but will not end in the ultimate destruction of capitalism as a result of internal convulsions, as predicted by Marx (1848, 1867 ed.). Indeed, while capitalism faced several crises and prevailed, the lifetime of Communism was considerably short in historical terms, only seven decades. Marx will remain buried, while Lenin will probably be hoping to continue to rest in peace in the everlasting and fashionable Red Square mausoleum, as many capitalism-converted Russians keep arguing that the leader of the Russian revolution should be simply buried, ending any kind of morbid worship.

The return of Keynes?

Hopefully not. At least in a radical fashion. Digging holes or building holes as a mean to contain unemployment is not certainly the best policy to stimulate a sustainable economy. Resources are scarce and the human activity effects on the planet are becoming increasingly problematic. Nevertheless, socialism is not dead and Roosevelt's New Deal was critical in the 1930's to save the USA from the Great Depression, in a time when unemployment reached unimaginable levels. Keynesianism became the economic paradigm of social welfare, but failed to ensure sustainability, as proved by the 1970's turbulence. Indeed, the increasing role of the government in the economy resulted in significant inefficiencies, which became more visible with the 1973 oil crisis and the subsequent inflationary process.

Neo-Liberalism: scapegoat for the current economic crisis?

Neo-Liberalism has its routes in early optimistic economic theories, such as in Adam Smith's classical Invisible Hand, although the *laissez faire laissez passer* origins can be traced even earlier. In opposition to Keynesians, neoliberals argue that governments underperform the private sector when running businesses, with governmental intervention being regarded as undesirable, since it is believed that private activity is more efficient in its absence. As theorised by Friedman and his disciples, monetary policy, i.e. the control of money supply, should be used in order to balance the economic activity with the economic cycles; a view in opposition to Keynesianism which relies primarily in the budgetary policy, namely in the use of governmental deficits to tackle economic downturns and in the use of taxes to ensure social welfare.

The current financial crisis revealed the consequences of the lack of adequate regulation, proving the inability of economic agents and markets to self-regulate (is not self-regulation an utopia anyway?). Market participants are regarded as *homo* *economicus*, but their essence can never be something other than the one of a typical human being. This means that under specific circumstances the market's rationality is likely to be overruled by basic extreme emotions, such as panic or euphoria. Under a severe crisis, even a sophisticated economic agent can be found lost as a child in the forest looking for protection, provided there is a deep involvement in the business.

Therefore, recent events suggest that liberalism failed also, as the private sector did not perform as well as expected, and the benefits from the Invisible Hand to individual societies in Western Countries seemed to be suddenly diluted by several factors, such as the delocalisation incentivised by globalization. The current actions to tackle the crisis also suggest a return to socialism. However, they are diffuse as they intend to stop the bleeding, and not to cure the patient. Indeed, the governmental interventions on the financial system, which included nationalisations, capital purchases and other bailout schemes, were simply critical measures to avoid the collapse of the financial system, due to systemic risk. In fact, the whole system was on the edge of collapsing in September. Following Freddie Mac, Fannie Mae, and AIG's bailouts, the bankruptcy of Lehman Brothers was a milestone for the credit markets. It was the biggest ever bankruptcy in the USA, more than $600 billion in assets, ten times Enron's size. Credit, the blood of the system, simply stopped to flow.

The actions taken so far can be labelled as *socialism for the wealthiest*, as they will benefit society indirectly only. However, due to extremely low confidence in the financial industry, credit continues to defrost very slowly and such *benefits* are still to be felt. No substantial changes in the status quo are therefore foreseen. It is simply a question of capital conservation, by the means of limitation of wealth losses, with the purpose to maintain capitalism alive, with little impact on the *real* economy.

If the banking industry and neoliberal views played a major role in the occurrence of this crisis it is therefore appropriate to make them the ultimate scapegoats? Certainly so, particularly for politicians. It is important to recall that the current financial crisis - made in the USA, just like the Great Depression - was preceded by the subprime crisis, which is still to be fixed, and by massive governmental budget deficits, often resulting from substantially failed policies, namely the ones related to international affairs. But there are other reasons, including globalization itself. It is true that the banking industry was conceivably one of the most powerful lobbies in recent years, influencing politicians in charge, which commonly lack economic education. Easy and cheap credit favoured nominal profits to financial institutions, but enhanced also the wellbeing of families providing incentives to buy more houses, and new cars, even if they could not afford to. This has benefited politicians, since easing monetary policy meant a faster recovery from the early 2000's economic crisis and a faster economic growth afterwards, resulting in more income, more taxes and additional governmental spending possibilities, i.e. more happy voters, and additional *bonus* to politicians, CEO's and partners. The result: an almost complete collapse of a model and a huge bill that needs to be partially paid immediately, for the sake of future generations which are already so much in debt.

As politicians and bankers become deeply linked, the question of the scapegoat could be regarded as a Columbus' egg. However, if we remember that the president of the US Federal Reserve and the Secretary of the Treasury are nominated by the Administration, perhaps some conclusions can be drawn. Similarly for the allegations of deficient supervision and insufficient regulation: the Administration can replace the SEC president anytime, and the regulatory process is responsibility of the Congress.

Who to blame after all? Politicians' propaganda, or business advertising and dreams financiers? And what about individuals' responsibility? Is economic illiteracy so high that even families have lost the ability to prepare some basic household budget for expenses? Obviously, individuals are the weakest link in the equation, but if everybody lives in society, than probably everybody has their individual share of responsibility in this crisis. Even if unaware. Even if victims. Indeed, the current crisis is not only economic, but it is also a crisis of values, of the political system, and even of the society, which became more sophisticated, but also very much materialistic-dependent, unsustainable. Socialism is not an almighty solution, and liberalism is not the source of all evil. A new US Administration is about to take charge suggesting the beginning of a new era of charismatic leadership. However, the challenges posed by the economic depression and by several global issues, from climate changes to foreign policy, cast some doubts about the effectiveness of a *New Deal*, which is needed for the economy and for the international community. Hopefully, the current economic crisis will bring substantial changes far beyond a witch hunt, far beyond the simple consequence of the fact that "men will sooner forget the death of their father than the loss of their patrimony**"** (Machiavelli, 1513).

Comments invited. Contact hn2rpt@gmail.com

Is making profit the solution to solve development problems?

Ahmed T. Rashid, McMaster University, Canada & Mizan Rahman, University of Lincoln, U.K.

Until recently, the business sector has not been considered as a central player in solving development challenges facing the developing world. There has been a gradual shift in thought regarding the role of business in poverty reduction and similar socially motivated goals. In July 2000, businesses, government, civil society and the United Nations (UN) joined together in an unprecedented partnership to create the Global Compact. As policy platform and practical framework for companies, one of the objectives of Global Compact is to catalyze actions in support of UN's Millennium Development Goals. The proposition of business having a role in poverty alleviation also gained currency among major donors such as the World Bank and UNDP.

The idea of using market forces to tackle developmental challenges is, arguably, nothing new. What is new is the strong interest of business in this domain. A group of scholars, led by C.K. Prahalad, have forcefully articulated the case of business in tackling world poverty. Prahalad, a management professor at the Ross School of Business, Michigan, presented his ideas in a book published in 2005 titled *The Fortune at the Bottom at the Pyramid*. The central thrust of the ideas of Prahalad and his collaborators can be captured in the subtitle of the book- *Eradicating Poverty through Profits*. Prahalad's core proposition can be summarized as follows:

1. There is an untapped market for large Multi-national Corporations (MNC) at the bottom of the pyramid (BOP) (around 4 billion people in the world that live on less than $2 a day),
2. By focusing on the BOP market, MNCs can make profit, in contrast to conventional wisdom, and,
3. While gaining profit by selling to the poor, MNCs can bring prosperity for them.

Prahalad is skeptical about the role of both non-governmental organizations (NGOs) and government organizations in the amelioration of poverty. Prahalad also does not believe in the social welfare role of MNCs such as Corporate Social Responsibility (CSR) activities. He believes the businesses should not change their strategies to be socially responsible but rather sees social responsibility and profit-generation as fully compatible. Therefore, MNCs should focus on what they do best: make profit. Among other things, this argument is based on the assumption that due to the significant number of population at BOP, the units of sale is higher despite low profit margins. Moreover, Prahalad gives a lot of emphasis on the purchasing power and conscious decision-making ability of BOP consumers, which he argues have been ignored by MNCs.

Prahalad's ideas raise a key question: can corporations solve the development problems in poor countries? Most of the analysis appears to suggest that the BOP argument offered by Prahalad is fundamentally flawed.[1] Some have argued that the BOP market is significantly smaller than what is proposed by Prahalad. Similarly, Prahalad tend to exclude the extremely poor, those living on less than $1 a day, from the BOP. Prahalad's ideas also faced some criticism from the perspectives of business. Investing in BOP entails significant costs for MNCs given the poor physical and communication infrastructures in the developing world. There is also doubt about the purchasing power of the poor as they struggle to make ends meet just to survive and have very limited disposable incomes. This might explain, to some extent, the reasons why MNCs have not seized the "opportunities" at the BOP. Available research indicates that MNC inroads at the BOP have been limited to only certain sectors, such as information technology.[2]

While these criticisms are relevant, a bigger question confronting us is: how can MNCs eradicate poverty by serving the BOP market? Can low-income groups bring themselves out of poverty by simply buying goods sold by MNCs, i.e. - as consumers? Indeed, there is a broad consensus that it is necessary to *engage the poor as the producer*, rather than passive consumers.[3] Economic and social value created when businesses invest in the productive capacity of the poor is greater than what may be achieved by merely selling goods and services to the poor. The poor need capital to invest in skills training or business ventures, and social safety nets to prevent falling deep into poverty. We also know that while income is central it is not adequate. Eminent scholars like Amartya Sen have persuasively argued that development is all about individuals' *capability* to do things that improves their social and economic positions than merely increasing income levels. These issues raise some critical questions about the extent to which MNCs can bring about socio-economic development.

One often cited alternative is social entrepreneurship- undertaking entrepreneurial activities that contribute to positive social change. Social entrepreneurs such as NGOs with a mission of social transformation may have significant comparative advantage in engaging the poor in productive processes. There is ample evidence of how many non-for-profit organizations have undertaken commercial activities for sustainability or linking its beneficiaries to the market. Many nonprofit organizations are working to improve the lives of the poor by generating financial resources by innovating, experimenting and adapting according to new realities. In 2006, Mohammed Yunus and the Grameen Bank, a non-profit organization engaged in giving micro-loans to rural poor women in Bangladesh, were awarded the Nobel Peace Prize. Yunus is probably the most famous proponent of what he calls *social business enterprises* -- enterprises that are based on market principles but dedicated to improving the lives of the poor.

---

[1] See among others, Karnani, A. (2007). The mirage of marketing to the bottom of the pyramid. *California Management Review*, 49(4): 90-111.

[2] Anderson, J. (2006). A structured approach for bringing the mobile telecommunications to the world's poor. *Electronic Journal of Information Systems in Developing Countries*, 27(2): 1-9.

[3] Karnani (2007); Marwaha et al (2007). Creating strong business by developing and leveraging the productive capacity of the poor, in *Business solutions for the global poor: creating social and economic value*. V.K. Rangan et al (eds.). pp. 167-172. San Francisco: Jossey-Bass.

One analyst commented "major corporations *may have* a role to play in addressing social issues, including poverty, but they are not a substitute for social entrepreneurs."[4] In fact, some of the case studies of organizations penetrating the BOP market forwarded by Prahalad are actually non-profit organizations. Small-scale community-based organizations, while by no means without problems and contradictions of their own, are in a better position to understand and cater for local needs. Furthermore, social entrepreneurs often serve as the catalysts for engaging larger firms. For example, major banks are getting involved in microcredit only now whereas many non-profit organizations have been engaged in the micro-credit market for decades.

Businesses or large MNCs are no longer considered marginal or disinterested players in the global endeavours of fighting poverty and stimulating development, either through CSR activities or tapping into BOP markets. But there is a need to examine how these corporations might get involved in the "business" of poverty reduction. Social entrepreneurs- such as NGOs or non-profits that include the poor in the value chain may be a more viable option to solve development problems. There is also a need to consider collaboration between large MNCs and social entrepreneurs because without the presence of social entrepreneurs, it is debatable the extent to which large corporations would be able to bring about sustainable development for the world's poor. This collaboration gives rise to possible partnerships or strategic alliances among private and non-profit organizations. Finally, it is important to ensure that all these efforts are not at the expense of public sector, but in addition to what the governments can do on its own.

Comments invited. Contact tareq.rashid@gmail.com or mrahman@lincoln.ac.uk

[4] Dees, J. G. (2007). *Philanthropy and Enterprise: Harnessing the Power of Business and Entrepreneurship for Social Change*. Brookings Institute, Washington, D.C.

Human Resource Issues (Skills and Competencies) in the Mergers and Acquisitions

S. C. Das, Banaras Hindu University, India

Mergers and acquisitions have become a major phenomenon in recent times. Firms, in order to strengthen and maintain their position in the market place are increasingly using mergers and acquisitions. The deals between many of the largest and the most successful global firms such as Daimler-Chrysler, Chase-J.P. Morgan, McKinsey-Envision, UBS-Paine Webber, UPS-Paine Webber, SKB-Glaxo, Nations Bank-Bank of America, Nestle-Purina, GE-Honeywell and Deutsche Telecom-Voice Stream subscribe to this belief. The stage appears to have been set for future for a continuation of the trend for annual increases in mergers and acquisitions activity (Schuler & Jackson, 2001). In India, buoyant economy, extra cash with Indian corporates, government policies and newly found dynamism in Indian businessmen have all contributed to this new acquisition trend. Indian companies are now aggressively looking at North American and European markets to spread their wings and become the global players. The Indian IT and ITES companies already have a strong presence in foreign markets, however, other sectors are also now growing rapidly. The increasing engagement of the Indian companies in the world markets, and particularly in the US, is not only an indication of the maturity reached by Indian industry but also the extent of their participation in the overall globalization process. Indian outbound deals, which were valued at US$ 0.7billion in 2000-01, increased to US$ 4.3 billion in 2005 and further crossed US$ 15 billion mark in 2006 (Take in Figure No.1). As per available data the total M&A deals for the year during January-May 2007 have been 287 with a value of US$ 47.37 billion. Of these, the total outbound cross border deals have been 102 with a value of US$28.19 billion, representing 59.5 percent of the total M&A activity in India.

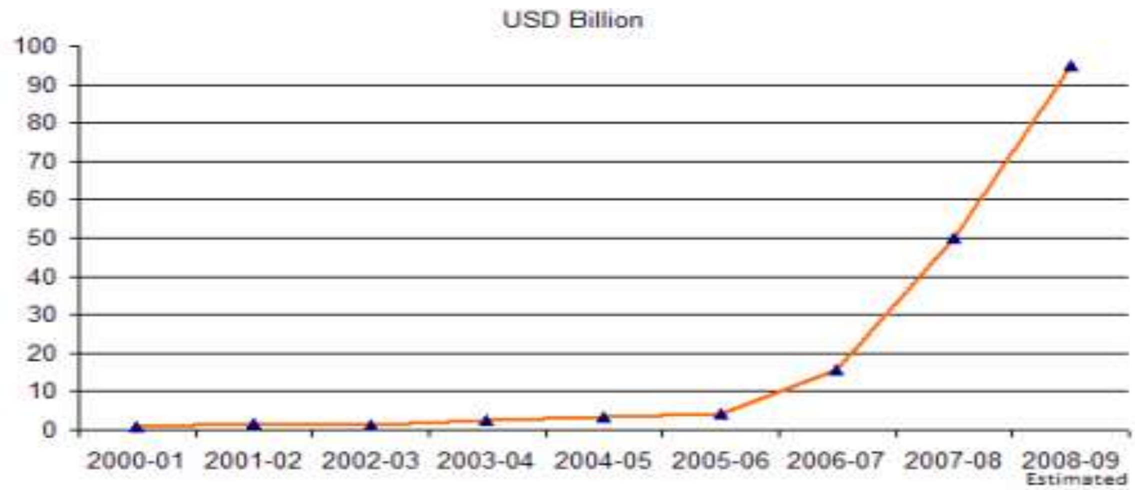

Figure 1: Indian Mergers and Acquisitions

Source: Centre for Monitoring Indian Economy (CMIE) India

The human resource issues in the mergers and acquisition can be classified in two phases the pre-merger phase and the post-merger phase. Literature provides ample evidence of difference in between the human resource activities in the two stages. Due diligence is important in the first phase while integration issues take the front seat in the later. Although the merging entities give a great deal of importance to financial matters and the outcomes, HR issues are the most neglected ones. The uncertainty brought out by poorly managed issues in mergers acquisition has been the major reasons for these failures. Deliberate initiatives have been taken by the researchers to understand and identify the major reasons of failures in M&As as quoted by Schuler & Jackson (2001) include: expectations are unrealistic, hastily constructed strategy, poor planning, unskilled execution, failure/inability to unify behind a single macro message, talent is lost or mismanaged, culture clashes between the two entities go unchecked, the underestimation of transition costs, financial drain, defensive motivation, cultural differences and ill-conceived human resource integration strategy.

Out of these reasons, the most important reasons are cultures clashes, gaps or incompatibility and loss of key talents. The brightest example of cultural clash in India set up is the clash between Proctor & Gamble and Godrej. The cultural difference in both the companies' results in negative thinking and emotions, coupled with employees experiencing difficulty with reconciling their beliefs with the changes bought about by the merger process. This culture shock compels many talents to quit (Pattanayak, 2008). Although the HR professional generally be responsible for managing the HR issues associated with a merger and acquisition, it is prudent for organizations to create a special position for managing process of merger for fixing responsibility and accountability for the successful management and integration of the process. The responsibility should include the management of people processes and integration of the merger or acquisition process. The article projects the skill and competencies, which each HR person involved in M&A activities, should posses:

I. ***Good strategic knowledge to develop and implement the strategic plan of M&A;***
II. ***Effective communication skills;***
III. ***Motivating skill to motivate self and others;***
IV. ***Analytical ability to understand and assess people dynamics;***
V. ***Thorough knowledge of assessing work culture and bring about the changes;***
VI. ***Planning, monitoring and bringing changes effectively; and***
VII. ***Good mediator having sound negotiation skills;***
VIII. ***Effective in selecting and retraining people;***
IX. ***Effective trainer and facilitator; and***
X. ***Visionary, dreamer and good leader who identifies and embraces new roles.***

Further, the employee relations' issue gains more importance in the acquisitions of manufacturing units in India. The power equation between management and trade unions is bound to change with the acquisition. The acquiring management also needs to keep track of number of unions in the workplace and equations between them as many Indian manufacturing units have multiple unions. Hence comprehensive analysis of trade unions operating in the plant should be done. Thus

HR professionals will require studying of management-union equation, employee contracts, political linkages of the unions, compensation related causes, number of trade union and dynamics between the unions. Satyam Computer Services (fourth largest software exporter's of India) hostile bid failure another example of poor corporate governance in India. As a result the company faces commitment building of 52,000 works force software giant since almost all of employees were unknown about the deal. Under relentless assault for poor governance Satyam Computer announced on 17th December 2008 morning, well before the market opened, that it was calling off controversial $1.6billion deal to buy two firms-Maytas Properties and Maytas Infrastructure-founded by the family of its promoter and Chairman Ramalinga Raju. (The Economic Times, December, 2008). The dramatic developments since the deal was announced and the 30% slide in the Satyam stock. The market capitalization of Satyam felt by $1billion to $2.23billion from &$3.2billion. The company has a cash pile of around $1.2billion. The company now attempting to reassure angry investors and jittery employees, telling the markets that its board would consider a share buyback and communicating with staff to reassure them of the company's commitment to the IT service business. The above story and its impact on the employees can be divided into categories of psychological trauma and stress. The reaction of the employees can vary from anger to dejection and depression. There is also fall in the morale, commitment and loyalty. The HR department should therefore play a proactive role to anchor the whole process, providing with systematic approach, and dedicated initiatives of human resource professionals to minimize the reasons of failures.

References

Cartwright, S. and C.L. Cooper (1992), Mergers and Acquisitions: The Human factor, *Butterworth Heinemann, Oxford.*

Centre for Monitoring Indian Economy, "Indian Mergers and Acquisitions", available at www.cmie.org (accessed 25 May 2008).

Pattanayak, B. (2008) Human Resource Management*, Eastern Economy Edition, New Delhi, pp 400-411.*

The Economic Times *(2008), "Satyam faces hostile bid threat after Volte-face", 18 December, p1*

The Economic Times *(2008), "Satyam goes all out to calm investors", 19 December, p.1*

Schuler, R. and S. Jackson (2001), "HR Issues and Activities in Mergers and Acquisitions", European Management Journal, *Vol.19, 3, 239-253.*

Comments invited. Contact scdas@sify.com

8th International Conference on Corporate Social Responsibility

8-10 September 2009
Cape Town, UNISA, South Africa

For the 8th conference in this series we will be visiting South Africa where the conference will be held in Cape Town and hosted by the University of South Africa (UNISA). It will be organised by UNISA in conjunction with the Social Responsibility Research Network.

Call for Papers

As usual the conference is intended to be interdisciplinary and welcomes contributions from anyone who has a perspective on this important issue. This time there will be a focus on the theme of

NGOs and CSR

Although much work has focused upon corporations there is a growing interest in the relationship between business and NGOs and how this relates to CSR. We therefore consider that it is timely to look in greater detail at this relationship, although papers addressing other areas of CSR are welcome. Thus papers are welcome on any topic related to this broad issue and suggested themes for papers include:

- Social and Environmental Accounting
- Corporate Accountability
- Social and Environmental Auditing
- Social and Environmental marketing
- Globalisation and Corporate Activity
- Protests Concerning Corporate Activity
- Regulation of Corporate Social and Environmental Behaviour
- Governmental Influences on Corporate Accountability
- CSR and Corporate Governance
- CSR and Stakeholders
- CSR and Corporate Risk
- Corporate Responsibility and Triple Bottom Line
- Socially Responsible Investment
- Social Entrepreneurship
- Business, NGOs and CSR
- Case Studies and Practical Experiences
- Microfinance

Offers to run workshops, symposia, poster sessions, themed tracks or alternative events are especially welcome. Please contact Professor Dr Stella Vettori (admin@cotswoldinn.co.za) with suggestions.

Abstracts of 200-500 words should be sent by 31st May 2009 by email to Professor Dr David Crowther, davideacrowther@aol.com.

The conference will publish proceedings and selected papers will be collected for publication. Full details will be provided at the conference.

Doctoral Colloquium

This year we will again be running a doctoral colloquium on the final day of the conference. The aim will be to give detailed feedback to doctoral researchers concerning their papers. Feedback will be specific to each person and their research, and will be given by an experienced academic in the field. The colloquium will be an integral part of the conference and all delegates will be expected to participate fully in the conference but the sessions will give extra time to presenters – to allow for discussion and formal feedback. This colloquium will be organised by Professor Dr Güler Aras and abstracts of 200-500 words should be sent by 31st May 2009 to guleraras@aol.com. In order to allow detailed feedback full papers will be required in advance of the conference – full details will be given to participants upon acceptance.

Following on from the precedent set at previous conferences, a Young Academician award will be made during this colloquium.

Venue of the Conference

The conference will be held in Cape Town. The conference fee will be announced soon and will include meals, conference materials and two excursions (extra for accompanying persons) but excluding accommodation. We will suggest accommodation in due course. We look forward to welcoming you to Cape Town in 2009 for the 8th conference in the series.

Full and updated details can be found at the conference website
www.davideacrowther.com/8csrhome.html

We hope to see you there

Professor Dr Stella Vettori, Conference Chair, UNISA, South Africa

Professor Dr David Crowther, Chair of the Social Responsibility Research Network & Professor of CSR, De Montfort University, UK

Professor Dr Güler Aras, Vice Chair of the Social Responsibility Research Network & Professor of Finance & Accounting, Yildiz Technical University, Turkey

SRRNet
Social Responsibility
Research Network
www.socialresponsibility.biz

UNISA university of south africa

New from the Network

A periodic publication:

Discussion Papers in Social Responsibility
ISSN 1759-5894

These are refereed publications and are issues when available. There is a very quick publication timescale after acceptance and this is an opportunity for early publication of your research. Copyright continues to be held by the author so subsequent publication in an academic journal is not a problem. It is an opportunity to get feedback prior to submission to a journal as well as to boost your Cv with an early publication. When published it will be emailed to all members and also put on our website – guaranteeing worldwide exposure of your research.

The first two publications have already been issued:

No 0901
Towards truly global markets
Güler Aras & David Crowther

No 0902
CSR in Universities Around the World
R. Seminur Topal

You can find a copy on our website – www.socialresponsibility.biz

If you would like your work published like this then send a copy of your paper to davideacrowther@aol.com stating that you would like it to be considered for the Discussion Paper Series.

Culture and Corporate Governance

Edited by GÜLER ARAS & DAVID CROWTHER

Published by Social Responsibility Research Network
www.socialresponsibility.biz
ISBN: 978-0-9551577-1-4

Research Series: Issues in Corporate Behaviour and Sustainability

Series Editors: Güler Aras & David Crowther

Contents:

Published 2008

Price: €15.00 or £12.50 or $22.00
Order from Professor David Crowther – davideacrowther@aol.com

SRRNet
Social Responsibility
Research Network
www.socialresponsibility.biz

Order Form

Please supply ___ copies of Culture and Corporate Governance @ €15.00 or £12.50 or $22.00 (delete as appropriate) (including postage) to

____

I enclose a cheque payable to Social Responsibility Research Network for

____

I will pay by bank transfer ☐

If paying by transfer:
Account name: Triodos Bank Account number: 10000856
Sort code: 16-00-34 Swift code: RBOSGB2LCBB
IBAN number:GB11RBOS16003410000856 BIC number: RBOSGB2L
Reference: 20044577SocialResponsibilityResearchNetwork

Address for correspondence and delivery:

(Please use block capitals or typing)

Name: ___________________________________

Address: ____

____

____

Country: ____

Please send the completed form with your payment to:

Professor David Crowther, Social Responsibility Research Network, De Montfort University, Leicester Business School, The Gateway, Leicester LE1 9BH, UK.

Or email to davideacrowther@aol.com

From our members

Conferences

From Bob Anderson:

Hi members of the Social Responsibility Research Network. I enjoyed meeting some of you at the conference in Durham this year and am looking forward to attending next year's conference if I am able. I'd like to extend you an early invitation to a conference we are hosting in 2010 in Regina, Saskatchewan, Canada. You can find early information about the conference at http://asac2010.uregina.ca/. Over the next months, we will be adding more information to the site. For now I have included an excerpt from the conference description below.
The conference theme is: Enterprising Our World, Sustainable Business in Action. Its French translation is Un mode entrepreneurial, Development durable en action. What's in the theme?
The first part, Enterprising Our World sets a vision. It contains two key concepts. First, Canada and Canadian business must be relevant to the global society, and Canadian business schools have a role to play in this focus. Enterprising refers to business as a powerful mechanism to transform regions and countries into stronger societies.
The theme's second part, Sustainable Business in Action, is how the vision gets implemented. A theme of business sustainability is increasingly a key focus in Canadian business schools. The theme builds on the role of corporate social responsibility and ethics that is increasingly being incorporated within business schools and appearing in business research.
If you have questions, I'd be pleased to provide addition information.
Bob

Robert Anderson Ph.D., CMA, Professor
Faculty of Business Administration
University of Regina
Regina, SK
Canada S4S 0A2
robert.anderson@uregina

APROS 13
Monterrey, Mexico
December 6 – 9, 2009

Times, they are a changing: Understanding organizations in complex, emergent and uncertain environments

Track Theme:
Sustaining sustainability: maintaining balance

Convenors:
Güler Aras, Yildiz Technical University, Turkey & David Crowther, De Montfort University, UK

All corporations are becoming concerned about their own sustainability and what the term really means. Such sustainability means more than environmental sustainability. As far as corporate sustainability is concerned then the confusion is exacerbated by the fact that the term sustainable has been used in the management literature over the last 30 years to merely imply continuity. Sustainability is of course fundamental to a business and its continuing existence. It is equally fundamental to the continuing existence not just of current economic activity but also of the planet itself – at least in a way which we currently understand. It is a complex process, which must recognise not just the decision being made in the operational activity of the organisation but also the distributional decisions which are made.

There are a number of strands which are necessary in order to ensure sustainability but to also enable sustainable development. Moreover it is the balance between them which is crucial. These strands can be described as[5]:

- Maintaining economic activity, which must be the central raison d'etre of corporate activity and the principle reason for organising corporate activity.
- Conservation of the environment, which is essential for maintaining the options available to future generations.
- Ensuring social justice, which will include such activities as the elimination of poverty, the ensuring of human rights, the promotion of universal education and the facilitation of world peace.
- Developing spiritual and cultural values, which is where corporate and societal values align in the individual and where all of the other elements are promoted or negated; sadly at present they are mostly negated

[5] See Aras G & Crowther D (2007); Is the global economy sustainable?; in S Barber (ed), *The Geopolitics of the City*; London; Forum Press; pp 165-194

Although maintaining balance is essential, there are many ways in which this can be achieved. Papers are welcome for this stream which address any aspect of sustaining sustainability through maintaining balance. Possible topics include:

- Sustainability and Corporate Governance
- Relationships with and between Stakeholders
- Balancing Corporate Risk and other issues
- Sustainability and the Triple Bottom Line
- Socially Responsible Investment
- Social Entrepreneurship
- Balances or relationships between Businesses and NGOs
- Case Studies and Practical Experiences
- Microfinance

Abstracts should be submitted (by email) to the conference organisers specifying the track.

Either track organiser is available to discuss ideas before final submission. Contact emails:
guleraras@aol.com or davideacrowther@aol.com

Publications

From:
Álvaro J. de Regil
Executive Director
The Jus Semper Global Alliance
The Living Wages North and South Initiative

Below are the URLs to a paper I recently published, which is an assessment on the latest report from John Ruggie, UN's Special Representative on Business and Human Rights. I am including both the English as well as the Spanish language versions in case your mailing list includes people who prefer to read in Spanish.

- http://www.jussemper.org/Resources/Corporate%20Activity/Resources/BHRRUpholding_Mkts_Darwinis.pdf
- http://www.jussemper.org/Inicio/Recursos/Actividad%20Corporativa/Resources/DDHHE_loa_darwinismo_mrcdo.pdf

Corporate and White Collar Crime

Edited by John Minkes Swansea University and Leonard Minkes University of Birmingham

Corporate and White Collar Crime is an essential overview of this diverse subject area and encourages students to develop a broad understanding of the topic. Aimed primarily at undergraduate and postgraduate students in Criminology, Criminal Justice and Business and Management Studies, the book will cross-over into many other disciplines including Law and Social Policy.
June 2008 · 224 pages
Paperback (978-1-4129-3458-9) Price £20.99
Hardback (978-1-4129-3457-2) Price £65.00
www.sagepub.co.uk

Contents

A NEW Textbook on CSR

If you are involved in teaching CSR then you might be interested in a new textbook:

Corporate Social Responsibility by Guler Aras & David Crowther.

The most important thing about this book is that it is **FREE**. You just need to download a copy from
http://bookboon.co.uk/student/organisation/defining-corporate-social-responsibility.

So have a look at the book - and more importantly tell your students that there is a book on CSR which is **FREE** for them.