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CORPORATE SOCIAL RESPONSIBILITY AND CONFLICTING STAKEHOLDER INTERESTS: USING MATCHING AND ADVOCACY APPROACHES TO ALIGN INITIATIVES WITH ISSUES

**Stephen Betts, William Paterson University
Zinaida Taran, Penn State Harrisburg**

ABSTRACT

Corporate Social Responsibility (CSR) is a topic of great interest at many levels. To society, CSR can be instrumental in moving toward sustainability and achieving other social goals. For organizations it is a way to do good while improving organizational reputation and brand equity. For an organization's various stakeholders, social responsibility may be interpreted in narrow and specific ways. It is ideal for organizational CSR activities to align with the interests and concerns of the organization's stakeholder groups. However choosing particular CSR activities and directions can be rather challenging if stakeholder groups have interests at odds with one another. In this paper we examine these conflicts and use reactive matching and proactive advocacy strategies to provide prescriptions to practitioners.

INTRODUCTION

As the new millennium progresses, organizations are escalating their commitment to “do good” by practicing Corporate Social Responsibility (CSR) (Peloza & Shang, 2011) with such things as donating money to various charities, promoting social and environmental issues, changing their business practices and products to be greener, more humane, and so on. Frequently companies consciously responding to social pressures and striving to achieve sustainability in economic, social, and environmental sense, find ways to positively include their efforts as part of an explicit competitive strategy to increase company reputation (Du, Bhattacharya & Sen, 2007). However conflicting beliefs and concerns among the key stakeholders groups can make it a challenge when choosing particular CSR activities.

In this paper we will briefly present the concept of Corporate Social Responsibility (CSR) and some of the ways in which it manifests itself in organizations. Next we will address the response of stakeholders to CSR. This is followed by the discussion of the problem of conflicting interests and objectives and interests of stakeholder groups. Finally we present some prescriptions for directing CSR activities.

AN EXAMINATION OF FINANCIAL PERFORMANCE AND RISK OF ENVIRONMENTALLY FRIENDLY 'GREEN' COMPANIES

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ABSTRACT

Research on environmental matters is interdisciplinary, involving business, history, sociology, and science. Taking care of the environment has long been an important issue, going back to ancient times. As part of corporate social responsibility, companies are expected to safeguard the physical environment. To be identified as “green” or “environmentally friendly” is important to all types of business. This study sought to answer two research questions. Regarding the first research question as to the impact of being green on financial performance, a high green ranking was found not to be significantly related to firm financial performance. At the same time, this means that being green does not negatively impact firm profitability. Regarding the second research question as to the relationship of being green to business risk, analysis of three risk measures provides mixed results, with two of the three measures showing no relation between green score and risk. These results indicate that, at best, being green is associated with lower risk, and at worse, being green does not negatively impact firm risk.

LAW AND ACCOUNTING: DID LEHMAN BROTHERS USE OF REPO 105 TRANSACTIONS VIOLATE ACCOUNTING AND LEGAL RULES?

**Bryce Jones, Truman State University
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ABSTRACT

In September 2008, Lehman Brothers filed for bankruptcy. Lehman Brothers' bankruptcy was a critical event in the financial crisis. Prior to the bankruptcy filing, Lehman Brothers was able to use repurchase (Repo 105) transactions to disguise the true condition of the company. This paper addresses the use of Repo 105 at Lehman Brothers. At that time, the repurchase agreements were allowed to be counted as a sale rather than debt under Generally Accepted Accounting Principles; thus, Lehman understated their financial difficulties. Both the accounting principles, possible violations of U.S. securities law, and the conflict that results are examined. The authors conclude that as long as the conflict exists between what is expected of auditors (under accounting standards and GAAP) and the regulators and the law, Lehman-type events will continue to be likely.

ADMINISTRATIVE LAW: DUE PROCESS OR NOT?

**By Robert B. Matthews, Sam Houston State University
Tommy J. Robertson, Sam Houston State University
Laura Sullivan, Sam Houston State University**

ABSTRACT

Administrative law consists generally of the rules, orders, and decisions of federal, state, and local government agencies established to perform a specific function. This paper reviews and evaluates the federal administrative law process, and suggests potential changes to make the process more accountable and to preserve better the rights of parties to both procedural and substantive due process.

ETHICS AND CUSTOMER SERVICE IN SMALL BUSINESS

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ABSTRACT

In this paper we examine the importance of ethics for small business management comparing results from Western Europe and North America. We find that in general ethical issues are acceptable in these two large areas however there are pockets of differences.

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ILLEGAL IMMIGRATION: WHERE DO WE GO FROM HERE?

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ABSTRACT

The problem of illegal immigration has become a large one in the United States, and there is little indication that it is about to go away. Suggested ways of handling it vary over a wide range, generally depending upon one's political persuasion. This paper reviews the legal issues involved at each point in the process of dealing with undocumented or illegal immigrants, analyzes the impacts of alternative solutions, and proposes a practical and reasonable approach to addressing the problem.

