Editorial

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In September 2008, the 7th International Conference on Corporate Social Responsibility was held at the University of Durham, UK. The conferences are held annually and organised by the Social Responsibility Research Network (SRRNet) (www.socialresponsibility.biz) and are held in different locations around the world. The rationale for the conferences is based on the fact that over the last decade the question of the relationship between organisations and society has been subject to much debate, often of a critical nature. The decade has seen protests concerning the actions of organisations, exposures of corporate exploitation and unfolding accounting scandals. Such concerns have only been heightened by the current financial crisis. At the same time ethical behaviour and a concern for the environment have been shown to have a positive correlation with corporate performance. The nature of corporate social responsibility is therefore a topical one for business and academics. The conferences are designed to act as a forum for the debate and analysis of contemporary issues in this broad area. In doing so they attracted people from a wide variety of disciplines and geographic regions for an exchange of views.

The conferences are intended to be interdisciplinary and welcome contributions from anyone who has a perspective on this important issue. This includes academics, researchers, business people, government officials, consultants and scholars – and all groups have been represented at previous conferences. Contributions are always welcome on any topic related to the broad issue of Corporate Social Responsibility. The broad range of topics which are of concern in the area of Corporate Social Responsibility are reflected not just in the conferences which we hold but also in this issue, although the focus of this issue is upon banking, accounting and finance – very central to many discussions of corporate social responsibility. The worldwide interest in, and concern for, the subject matter is also reflected by the range of backgrounds from which participants at the conference hail from – not just in terms of areas of expertise but also in terms of geographical locations. We hope that reading this issue creates an interest which will encourage you to participate in a future conference.

The first paper in this issue is concerned with ethical issues in financial services and Obalola investigates managers' perceptions in the insurance industry in Nigeria. The vulnerability of insurance sales persons and practitioners to ethical abuse has grievous implications for insurance industry worldwide, and calls for examination of corporate ethical values and individual moral beliefs, and what explanations they suggest for current practice. His research shows that the popular public opinion of a lack of ethical principles is shared by managers in the industry he therefore ends by calling for immediate attention to ethical training of work force in the industry and exemplary behaviour on the part of top management. His argument is that it also call for conscious effort on the part of the regulatory agency to ensure that the industry show high level of ethical responsibility to the insuring public and sanctions organisation that erred in this regard.

One of the major themes of the 2008 conference was a concern with small and medium enterprises (SMEs) which are often neglected by researchers who tend to focus upon large and often multinational corporations. In the second paper Aluchna and Koładkiewicz focus upon SMEs and are concerned with corporate governance – an important issue in CSR research, particularly in the current environment – in Poland. They argue that, although governance codes tend to be aimed at large companies, the theoretical and practical framework of corporate governance can also be successfully applied to small and medium companies as it allows for its deeper understanding and help tracing the entrepreneurial development. These are the small and medium companies characterised with their own specificity of corporate governance structure which in longer perspective may develop in big and global markets expanding their activities. The analysis of SME may deliver interesting insights and prove to be valuable in improving the understanding of control mechanisms in the whole economy.

Another important aspect of corporate social responsibility is of course the effect of the activity of corporations upon the geophysical environment and this is the concern of the next paper in this issue. In this paper Kasum investigates the effectiveness of taxation as a way of preventing environmental degradation through corporate activity as opposed to the effectiveness of inculcating a socially responsible ethic into those corporations. The research underpinning his study reveals stakeholders' support for a change in the current system and imposition of tax for degradation problems. Consequently, the introduction of a special tax for organisations that cause damages to the ecosystem is recommended as a way forward towards conserving the environment.

Performance indicators are an essential management tool for any organisation and in the next paper David et al. consider the relevance and use of performance indicators in higher education institutions (HEIs) in Portugal. They are particularly concerned with whether or not the performance indicators in use in HEIs promote socially responsible behaviour toward stakeholders because they encourage an impartial equilibrium of interests. Their analysis exposes limitations in the performance indicators in use, despite their being founded in an application of the balance scorecard and they therefore propose a different and more complete set of indicators which are more relevant to the encouragement of socially responsible behaviour.

Decker is also concerned with SMEs and in her case it is small credit unions in the UK. As she states, over the last decade, there has been renewed interest in British credit unions from government, the financial services industry and academics. While large financial institutions are becoming increasingly sophisticated and strategic in their approach to CSR and more vocal in their CSR reporting, little is known about small financial cooperatives engagement with CSR, even though they collectively have significant impacts on society in developed as well as developing countries. By means of case studies of exemplar British credit unions, her paper seeks to explore the approach that is adopted financial cooperatives to address the social issues in their industry and make positive contributions to their communities and society

When financial analysis of corporate reporting is undertaken among large corporations it is normal to eliminate financial companies from the analysis on the basis that their activities and balance sheets are sufficiently different to invalidate the analysis undertaken. It seems to have become the norm to also eliminate them from any analysis of CSR activity on the same basis, but presumably because the same arguments have been carried over into different analysis of corporate activity. Aras and Crowther, in the final paper question why this should be and investigate whether it is in fact necessary. Although this is primarily an initial exploratory paper, by focusing upon the key features of CSR activity they call this assumption into question and set the agenda for further analysis in this area.

Initially it might seem that the papers in this special issue are quite diverse and united only by their being presented at the same CSR conference. They are of course all concerned with an aspect of CSR and the range of topics – even within finance and accounting – shows the range of issues which are incorporated within this subject area. Further consideration however shows an underlying commonality with them. They are all, although focused upon quite diverse organisations, concerned with the effects of those organisations upon their external environment and the stakeholders involved. None of the papers privilege financial performance at the expense of the other dimensions of performance. Neither do they, as is common with CSR research, ignore financial performance as being incompatible with socially responsible performance. Instead they recognise that organisational performance must include all dimensions of that performance – financial and other – and they therefore point towards the direction of development of CSR research and its integration into all general analysis of corporate performance alongside financial performance.