

Corporate responsibility and the common good: Reporting, accountability, and stakeholder action.

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Abstract

Corporate responsibility (CR) reporting is a tool that provides information to a wide range of stakeholders about business performance beyond financial results. This type of public reporting is valuable because it has the potential to move the business sector in a direction that more directly provides for the common good. CR reporting directly identifies and evaluates business performance in outcomes that are important to society as a whole. Business decision-making is viewed as a process of striving to achieve goals subject to constraints and demands. To the extent that business managers, leaders, and organizations are not held accountable for or evaluated on all important aspects of their activities, such as labor practices, these decision-makers are not constrained by or rewarded for outcomes that affect aspects of the common good. Further, without methods that establish accountability for more than financial returns, managers and decision-makers do not have clear direction toward or ways to support decisions that directly benefit the common good.

This paper builds on previous work that addresses the alignment of corporate responsibility standards with normative perspectives, such as Catholic social teaching or the UN Global Compact. This paper will present information about the current state of corporate responsibility reporting; it will address potential shortcomings in this reporting; and it will make recommendations for stakeholder action. Establishing accountability for outcomes that affect all aspects of society can encourage business institutions to define success in areas beyond the bottom line. This type of reporting is a tool to help guide business institutions to work for the common good within a modern market economy.