



# **Crisis as a platform for dialogue – Towards a new understanding between society and economy**

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# Responsibility and Accountability

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**UBS** and the financial crisis ...

**Responsibility = Compliance**

A managers' duty to comply with rules and regulations

**Accountability = Commitment**

A manager's contribution to enhance the „common good“

# Responsibility and Accountability: A framework in line with Peter Drucker's thinking

	<b>Designing the business</b>	<b>Running the business</b>	<b>Developing the business</b>
<b>Responsibility</b>	Comply with rules and regulations	Analyze, command & control	Organize systemic stability
<b>Accountability</b>	Enhance the "common good"	Contribute, empower & take charge	Orchestrate constant change

# Empirical evidence on societal value creation: Interviews

## Private Sector

- Bank Julius Bär
- Gegenbauer Holding
- Hamburger Hochbahn
- Berliner Flughäfen
- Madsack Verlags GmbH
- Ombudsstelle Telekommunikation Schweiz
- SwissLife
- SIX Group (Schweizer Börse)
- Telegate
- Daimler Chrysler
- Deutsche Telekom
- Metaplan
- Holcim
- Beratung Schweizer Landkrankenhäuser
- Commerzbank
- Morgan Stanley
- VfB Stuttgart

## Public Sector

- Berliner Wasser Holding AG
- Berliner Wasserbetriebe
- Bundesagentur für Arbeit
- Goethe-Institut
- Landratsamt Sigmaringen
- Internationale Filmfestspiele Berlin
- Bundesinstitut für Arzneimittel und Medizinprodukte
- Landratsamt Pinneberg
- Fern-Universität Hagen
- Uni Lüneburg
- Uni St. Gallen
- Investitionsbank Berlin
- Berliner Stadtreinigungsbetriebe BSR

## Social Sector

- Schweizerisches Rotes Kreuz
- Parkinson Schweiz
- Spitex Verband Schweiz
- Johanniter GmbH

**To be continued**

# Three main results of the empirical study

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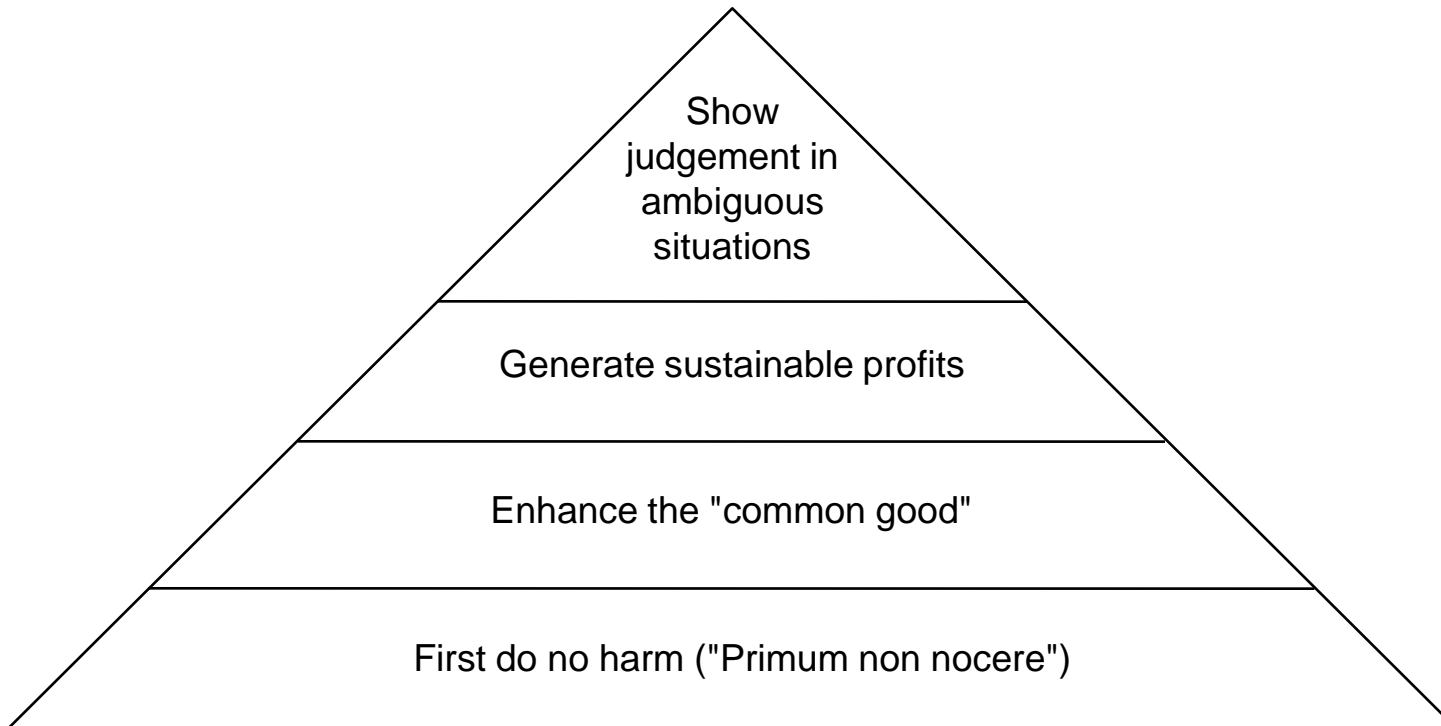
- Clear differences in the three sectors according to distinct „hierarchies of values“
- 9 out of 10 leaders and managers see themselves in full agreement with the opinion of the broad public
- External pressure accounts for a differentiated reflection of own values

# Dominant value measures

	Shareholder Value	Stakeholder Value	Corporate Social Responsibility	Customer Value
Justified Focus	Value for owners	Claims of interest	Coping with side effects	Customer orientation
Risk	Dominance of financial performance	Unmanageable integration of heterogeneous expectations	No relevance for core business	Too much focus on "satisfaction"
Consequences	Single-minded quantitative approach	Paralysis by conflicting expectations	Loss of credibility: "Alibi"	Unbalanced view of societal consequences
Primary value orientation	Instrumental- utilitarian	Political- social	Ethical- moral	Hedonistic- aesthetical

# Public Value: The „Accountability Pyramide“

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# The Pyramids' layers as stated by Peter Drucker I

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## First do no harm („primum non nocere“)

„The first responsibility of a professional was spelled out clearly, 2500 years ago, in the Hippocratic oath of the Greek physician: Primum non nocere“, above all, not knowingly to do harm“

„No ... manager can promise that she will indeed do good for her client. All she can do is try. But she can promise that she will not knowingly do harm.“



# The Pyramids' layers as stated by Peter Drucker II

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## Enhance the „common good“

„Economic performance is not the only responsibility of a business ... every organization must assume responsibility for its impact on employees, the environment, customers, and whomever and whatever it touches. That is social responsibility.“

„It is irresponsible for an organization to accept ... responsibilities that would impede its capacity to perform its main task and mission or to act where it has no competence“.

# The Pyramids' layers as stated by Peter Drucker III

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## Generate sustainable profit

„ A business that does not show a profit at least equal to its cost of capital is irresponsible; it wastes society's resources“.

# The Pyramids' layers as stated by Peter Drucker IV

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## Show judgement in ambiguous situations

„Do not separate personal values of what is right and wrong from the values you put into practice at work“

„The people with whom a person works, and especially the subordinates, know in a few weeks whether he or she has integrity or not“

# The „Accountability Pyramide" in Action: The "Swiss Dialogue"

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A representative group of committed leaders in Swiss politics, business and academia enters into an intensive dialogue with the broad public.

They offer a firm commitment in line with the „accountability pyramide“, aiming to be judged by the broad public as to the fulfillment of these principles.

On a public website and in open panels they put their commitment to the test in an open dialogue with the public, concentrating on the following burning issues:

- Executive compensation
- Employment security and employability
- Fairness among generations
- Economy and ecology (in a later stage)