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SUSTAINABILITY REPORTING FOR THE COMMON GOOD

Case: Camphill Special School

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Sustainability reporting for the common good

Case: Camphill Special School

Bachelor's Thesis in International Business 101 pages, 16 pages of appendices

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ABSTRACT

This thesis examines disconnects in the current economic paradigm, which result in emerging alternative economic movements as well as increasing usage of non-financial reporting. Based on a new economic theory, Economy for the Common Good, the author constructs a sustainability report for the case organization Camphill Special School as a part of his internship. The Common Good sustainability report draws a holistic picture of the organizational performance in relation to the stakeholders of the organization. Constructing the sustainability report requires profound analysis of the values, resources and processes at Camphill Special School. The study also includes a review on this process and discusses implications for its use with similar nonprofit organizations.

Currently the Common Welfare Economy is a rapidly growing grass root movement in Europe with thousands of supporting companies and individuals. The author constructs the first Common Good Report in North America, which places Camphill Special School as a forerunner of the movement in the United States.

The research method applied in this study is qualitative. Data is collected through primary and secondary sources. Primary sources consist of interviews, participant observation and a review of organizational documents whereas secondary sources include published literature.

The key findings from the Common Good Report indicate that Camphill Special School performs well especially in terms of employee wellbeing, solidarity and co-determination. The key challenges of the organization are related financial constraints in improving the energy efficiency of the main campus. The total score of the sustainability report indicates that Camphill Special School is among the best performing organizations measured with the Common Good tool.

Key words: Alternative economic movements, Common Good Report, corporate social responsibility, sustainability, non-financial reporting

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TIIVISTELMÄ

Tämä opinnäytetyö tutkii nykyisen taloudellisen ajatusmallin heikkouksia, joiden seurauksena syntyy uusia vaihtoehtoisia talousmalleja sekä taloudellisen menestyksen mittareita. Uuden talouden teorian, yhteishyvän talouden, pohjalta tutkimus luo kestävän kehityksen raportin Camphill Special School –organisaatiolle työharjoitteluprojektina. Yhteishyvälaskelma rakentaa kokonaisvaltaisen kuvan organisaation menestyksestä suhteessa sitä ympäröiviin sidosryhmiin. Yhteishyvälaskelman suorittaminen edellyttää perusteellista analyysiä Camphill Special School –organisaation arvoista, resursseista sekä prosesseista. Tutkimus sisältää myös katsauksen prosessin kulusta sekä raportin käytettävyydestä voittoa tavoittelemattomissa organisaatioissa.

Yhteishyvän talousmalli on ruohonjuuritasolla nopeasti leviävä liike, jota kannattavat tuhannet yksilöt sekä yritykset ympäri Eurooppaa. Prosessin aikana luodaan myös ensimmäisen yhteishyvälaskelma Pohjois-Amerikassa, minkä seurauksena Camphill Special School –organisaatio toimii liikkeen edelläkävijänä Yhdysvalloissa.

Tämä opinnäytetyön tutkimusmenetelmä on laadullinen. Tutkimuksen data kerätään omien havaintojen sekä haastatteluiden kautta. Lisäksi lähteet sisältävät aiheeseen liittyvää julkaistua kirjallisuutta, internetsivustoja sekä organisaation sisäisiä dokumentteja.

Yhteishyvälaskelman tulokset viittaavat siihen, että Camphill Special School suoriutuu erityisen hyvin työntekijöiden hyvinvointia, solidaarisuutta sekä päätöksentekoa arvioivissa mittareissa. Laskelman perusteella suurimmat haasteet liittyvät taloudellisiin rajoitteisiin ympäristötehokkuuden parantamisessa. Yhteishyvälaskelman kokonaistulos viittaa kuitenkin siihen, että Camphill Special School on yksi parhaiten suoristuvista yrityksistä yhteishyvälaskelmalla mitattuna.

Asiasanat: Vaihtoehtoiset talousmallit, yhteishyvälaskelma, yhteiskuntavastuu (CSR), kestävä kehitys, vaihtoehtoinen tuloslaskelma

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Gerd Hofielen provided valuable consultancy regarding the construction of the Common Good Report. Despite the time difference between Pennsylvania and Germany he was always willing to discuss the indicators even late at night and he provided me with various new insights. Gus Hagelberg provided me consultancy from England and participated actively in the construction of the sustainability report.

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TABLE OF CONTENTS

1 INTRODUCTION 9
1.1 Background 9
1.2 Thesis Objectives and Research Questions 10
1.3 Research Methodology 12
1.4 Research Ethics 16
1.5 Research Limitations 17
1.6 Thesis Structure 18
2 FROM THE INVISIBLE HAND TO THE VISIBLE HAND 20
2.1 Systemic Disconnects in the Modern Capitalist Economy 21
2.1.1 Real Economy Versus Financial Economy 23
2.1.2 Economic Inequality 25
2.1.3 Gross Domestic Product as an Indicator of Wellbeing 28
2.2 Emerging Alternative Economic Movements 31
2.2.1 From Ego-System to Eco-System Economies 32
2.2.2 Prosperity Without Growth 35
2.2.3 Economy for the Common Good 37
3 INTRODUCTION OF NONFINANCIAL REPORTING 41
3.1 Nonfinancial Reporting 41
3.2 Definition of Nonfinancial Information 42
3.3 Nonfinancial Measurement Tools 44
3.4 Corporate Social Responsibility 49
3.5 Environmental, Social and Governance Reporting 52
3.6 Sustainability 53
3.7 Sustainability Reporting 56
3.8 The Common Good Report 58
4 CASE STUDY: CAMPHILL SPECIAL SCHOOL 62
4.1 Nonprofit Organization 62
4.2 Introduction of Camphill Special School 63
4.3 Organizational Structure 63
4.4 Aims, Objectives and Values 65
4.4.1 Camphill Movement 66
4.4.2 Services of Camphill Special School 67

5 EMPIRICAL RESEARCH & ANALYSIS 70
5.1 Data Collection Process and Interview Design 70
5.2 Common Good Report Results 73
5.3 Analysis & Conclusions of the CGR Feedback 82
6 DISCUSSION 85
7 CONCLUSIONS AND SUGGESTIONS FOR FURTHER RESEARCH 88
7.1 Conclusions 88
7.2 Suggestions for Further Research 91
7.3 Reliability and Validity 91
8 SUMMARY 93
9 REFERENCES 96
10 APPENDICES 103

LIST OF FIGURES

FIGURE 1. Deductive Research Approach (Gummesson, 2000)..... 9
FIGURE 2. Inductive Research Approach (Gummesson, 2000)..... 9
FIGURE 3. Data analysis process by Yin (2011) (Laisi, 2013)..... 12
FIGURE 4. Thesis structure and chapters..... 14
FIGURE 5. Structural disconnects in the economy (Scharmer & Kaufer, 2013). 18
FIGURE 6. The growth of Word Population 1700-2012 (Piketty, 2014)..... 20
FIGURE 7. Which financial and nonfinancial information on intangible is value relevant by Anne Wyatt (Eccles & Krzus, 2010)..... 39
FIGURE 8. The Balanced Scorecard by Robert S. Kaplan and David P. Norton. (Niven, 2008) 41
FIGURE 9: A strategy map with four key factors. (Balanced Scorecard Institute, 2015)..... 43
FIGURE 10. The key questions for the Common Good Report (Felber, 2013)... 46
FIGURE 11. Five most important constitutional values in the CGR (Felber, 2013)..... 47
FIGURE 12. Three factors of sustainability measurement (Bennett & Peter, 1999)..... 49
FIGURE 13. The three main decision-making groups at Camphill Special School (Camphill Special School, 2004)..... 54
FIGURE 14. The organizational structure of Camphill Special School..... 55
FIGURE 15. Data collection process with a timeframe..... 62
FIGURE 16. The stakeholders of Camphill Special School with a division of interviewees 63
FIGURE 17. Value star indicating the performance of Camphill Special School in relation to its key stakeholders..... 84
FIGURE 18. Value star indicating the performance of Camphill Special School in relation to its key stakeholders..... 85
FIGURE 19. The relationship between economic growth and life expectancy. Derived from the United Nations Human Development Report 2006 (Scharmer & Kaufer, 2013).....103

LIST OF TABLES

TABLE 1. Typical triple bottom line measures for economic, environmental and social spheres (Savitz & Weber, 2014)..... 44
TABLE 2. Stakeholder groups for the common good matrix with interviewees.. 64
TABLE 3. Answer for the main and sub-research questions..... 71
TABLE 4. Characteristics of different CSR discourses (Brejning, 2012).....104
TABLE 5. The CGR Matrix illustrating the stakeholders of Camphill Special School, the five most important constitutional values and the 17 nonfinancial indicators. (Ecogood, 2015 a) 116

ABBREVIATIONS

AWSNA	Association of Waldorf Schools of North America
BRC	Beaver Run Circle
BOD	Board of Directors
CDO	Collateralized Debt Obligation
CGR	Common Good Report
CSR	Corporate Social Responsibility
CSS	Camphill Special School
ECG	Economy for the Common Good
ESG	Environmental, Social and Governance Reporting
FED	The United States Federal Reserve
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
GDI	Gross Domestic Income
GDP	Gross Domestic Product
GRI	The Global Reporting Initiative
ICGN	International Corporate Governance Network
IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicators
MIT	Massachusetts Institution of Technology
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
TBL	Triple Bottom Line
UN	United Nations
WBCSD	World Business Council for Sustainable Development
WWF	Word Wildlife Fund

1 INTRODUCTION

The focus of this chapter is to provide a clear framework for the research. Firstly, the background of the thesis process is discussed in general terms. After that, the objectives, delimitations and research questions are formulated to narrow down the focus of this thesis.

1.1 Background

The recent economic global crisis has proved a clear disconnect between the financial and the real economy. Ultimately, this disconnect caused the American debt crisis in the 1980s, the Asian financial crisis in 1997, the Internet bubble in 2000 and the U.S. housing crisis in 2006-2007, which led to a global recession from 2007-2009 (Scharmer & Kaufer, 2013). The euro crisis started in 2010 and is still ongoing. Financial markets are perhaps the most closely examined aspect of the economy and still, these crises have proved their fragility. Thus, the question arises whether the dominant modern economic theory is capable of managing the future challenges in the twenty-first century, including global issues connected with the economy, such as climate change, resource scarcity, increasing income divergence and environmental degradation. (Nobbs, 2013)

The main motivator behind this thesis is the author's interest in alternative economic models and sustainable business operations. Current financial turmoil, unemployment and increasing inequality all indicate that, in order to build a sustainable future, the modern capitalist system needs fundamental changes. Firstly, this requires analyzing the current economic paradigm and identifying the shortcomings underlying the current global instabilities and challenges. (Eccles & Krzus, 2010)

Rising awareness of the underlying problems in the current capitalist system has raised questions on how to operate in the globalized markets in a socially, environmentally and economically sustainable manner. In order to make steps towards a new economic paradigm, numerous companies have adopted various forms of sustainability reporting into the core of their operations. One example is the Danish multinational pharmaceutical company Novo Nordisk that implements

the Triple Bottom Line (TBL) and a report named One Report, which consists of both financial and nonfinancial data. (Eccles & Krzus, 2010). The triple bottom line is a nonfinancial tool, which assesses the environmental, economic and social factors of the company's performance, and thus complements the traditional corporate financial performance measurement (Savitz & Weber, 2014).

Christian Felber, an Austrian economist, suggests that the main cause of these problems is created by the core values of capitalism itself: competition and profit maximization. Competition and profit maximization enhance selfish values and threaten the social and ecological equilibrium. (Felber, 2013) Christian Felber's theory, Economy for the Common Good (ECG), seeks to change the current dominant values in economy. Thus, he proposes that striving to increase economic profits, as the ultimate measure of economic success, should be replaced with the goal of increasing the common good and the wellbeing of the entire society. The ECG theory proposes an economic system based on constitutional values that underpin this new orientation: the promotion of human dignity, cooperation and solidarity, ecological sustainability, social justice and democratic co-determination. This study will introduce the background and rationale of Felber's ECG model and present a case study application and review of the corporate performance assessment tool included in this model, the Common Good Report. (Watson, 2014)

1.2 Thesis Objectives and Research Questions

The main objective of this thesis is to apply the ECG theory in a case study commissioned by a non-profit organization, Camphill Special School (CSS), located in the outskirts of Philadelphia, in the United States. Camphill Special School is an intentional community, offering day and residential education, as well as holistic therapeutic support to children and adolescents with intellectual and developmental disabilities. The aim is to construct a Common Good Report (CGR) for the organization – an internal scorecard that measures Camphill Special School's sustainability in relation to its surrounding stakeholders. The study will also include a review of this process, its usefulness and shortcomings, with the organization's management.

ECG has become a rapidly growing social movement in Europe and currently has thousands of supporting companies, municipalities, non-governmental organizations and businesses. However, Felber's theory is relatively unknown outside Europe. By applying the ECG process, the case organization, Camphill Special School, becomes a forerunner for the movement in the United States. The availability of earlier studies concerning the ECG theory has revealed itself to be extremely limited, especially in English. The present study is particularly significant as it represents the first construction of a Common Good Report (CGR) in the United States. The final results have been reviewed and verified by a German Common Good consultant, Gerd Hofielen. After the review Camphill Special School initiated an official audit process, which allowed the certification of the results.

The case organization, Camphill Special School, already implements an alternative economic philosophy, associative economics, in its operations in the field of special education for children and youth with developmental and intellectual disabilities (Lamb & Hearn, 2014). This illustrates that the organization is well aligned with alternative grassroots movements, such as the ECG, which seek for far-reaching change in the economic system. The author felt it natural to complete his internship at Camphill Special School, due to the shared values and visions concerning the economy. The internship allowed the author to pursue his own interest, support Camphill Special School in organizational development and widen the reach of the CGR in the United States. In addition, the author has prior work experience with children and youth with special needs, which was also one of the major reasons he chose to complete his internship with an organization in the social care and education sector.

The research questions are stated in order to narrow down the research topic to a clear focus point. The research questions are descriptive and seek to find answers to the characteristics of the case organization through the application of the Common Good Report. Hence, the main research question seeks to find answers for the performance of the organization – the key function of the sustainability report. The first and main research question is stated as follows:

1. *How does the case organization Camphill Special School perform in the Common Good sustainability report?*

The sub-research questions support the main question and are essential in understanding the findings of the thesis. Thus, the main research question is followed by four sub-research questions:

2. *Who are the stakeholders of Camphill Special School in the Common Good Report context?*
3. *What does sustainability mean for the case organization in the Common Good Report context?*
4. *How can the case organization, Camphill Special School, enhance its sustainability in relation to its stakeholders by implementing the Common Good Report?*
5. *What are the strengths and weaknesses of the Common Good Report in terms of its usefulness as a nonfinancial reporting tool for Camphill Special School?*

1.3 Research Methodology

This chapter describes step-by-step the research methodology and data collection applied in the thesis. The research process is divided into the steps illustrated below.

The central focus of the thesis is to construct a Common Good Report (CGR) for the nonprofit case organization Camphill Special School. The theoretical framework for the CGR is derived from Christian Felber's theory, Economy for the Common Good. As background to this, the thesis includes a review of literature that discusses the different disconnects in the current economic system that motivate the development of alternative models, such as ECG, and sets the development of ECG within its broader theoretical context.

There are two different research approaches widely used in empirical research: inductive and deductive. Induction starts with empirical data, whereas deduction begins with the formulation of hypotheses through logical reasoning. (Ghauri &

Gronhaug, 2010) The main differences between these research approaches thus lies in the relationship between theory and data. Deductive approaches begin with existing theories and concepts, which are subsequently tested against data (Gummesson, 2000). The figure below summarizes this process. Thus, a predictive hypothesis is developed from an existing theory. Then, the hypothesis is tested, leading to revisions of the theory if necessary, and eventually confirmation (Gummesson, 2000).

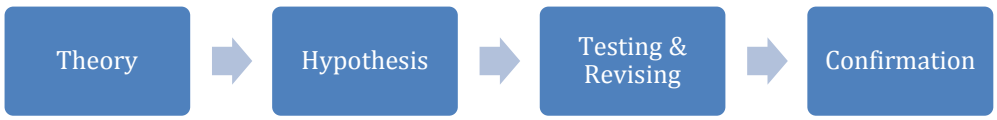

FIGURE 1. Deductive Research Approach (Gummesson, 2000)

Inductive research approaches begin with real-world data. It then develops categories, concepts, and models from an examination and analysis of this data after which theories are built from this process. Induction generates primarily new findings, which are then incorporated into existing literature, whereas deduction tests already existing theories. The figure below illustrates the inductive research process. (Gummesson, 2000)

FIGURE 2: Inductive Research Approach (Ghauri & Gronhaug, 2010)

Induction is commonly applied in qualitative research, whereas deduction is often used as the basis for quantitative studies (Ghauri & Gronhaug, 2010). However, both research approaches have their weaknesses; inductive research is often criticized for creating theories that already exist, whereas deduction may merely create more of already accepted knowledge (Gummesson, 2000). Moreover, inductive conclusions are drawn from empirical observations and thus tend to remain provisional and open-ended. The most feasible research approach for this

this thesis is inductive data approach. However, the research includes characteristics from deductive approach as well – due to testing of an existing theory. (Ghauri & Gronhaug, 2010) Other types of research approaches, such as abductive research, are all iteration between induction and deduction. In addition, it is crucial to acknowledge that hypothesis formation often reflects the biases of the researcher. Thus the research may reflect the bias build in the hypothesis. (Gummesson, 2000)

Conducting a study requires the researcher to make a distinction between qualitative or quantitative research. The decision between the methods depends on the characteristics of the research questions. (Ghauri & Gronhaug, 2010) Hence, qualitative research is more commonly applied in social sciences whereas quantitative research was originally developed in the natural sciences. The main distinctions between qualitative and quantitative methods lie in their focus. Qualitative research was developed in order to understand people and their actions, while quantitative research examines statistical or other mathematical relationships between measurable variables. (Gummesson, 2000)

The research questions of this thesis require a qualitative research method. Even though it uses numerical scores to indicate results, the Common Good Report is primarily a qualitative tool. The additional research questions are also stated in qualitative terms, including clarification of concepts and values. Thus, data is collected through interviews, questionnaires, participant observation, review of organizational documents and fieldwork, within a case study context. (Gummesson, 2000)

A case study method is applied in this thesis due to its feasibility in organizational process assessment. The main advantage of case study research, in relation to other methods, is the opportunity to build a holistic view of the research project. In other words, case study research takes into consideration different aspects of the object of study, which are then examined in relation with each other. Nonetheless, the case study method also has its weaknesses. Firstly among these is the lack of statistical reliability and validity. Secondly, case studies can be used to generate hypotheses, which however cannot be tested with the method itself.

Finally, case studies cannot be used as a basis for generalization, due to limited number of cases. (Gummesson, 2000)

Within the case study design, the data collection techniques applied in this thesis includes semi-structured interviews, participant observation and a review of organizational documents. Semi-structured interviews consist of a list of themes, which the researcher covers during the interview. Hence, the semi-structured interview can be considered as non-standardized. (Gummesson, 2000) According to King (2004), semi-structured interviews are considered a type of qualitative research interview in which the researcher may change, remove or add questions flexibly, depending on the flow of the interview. (Saunders & Lewis, 2009)

Participant observation refers to the author's own participation in the daily life and work of the case organization, Camphill Special School, during his internship. Thus, the author systematically observes and experiences the daily routines of the case organization. In comparison to questionnaires, participant observation allows the researcher to discover finer nuances of meaning and get an insider's understanding of the culture and values of the organization. Participant observation captures the social behavior at Camphill Special School, making it an essential addition to interviews in data collection. (Saunders & Lewis, 2009)

Finally, constructing the Common Good Report, which is derived from the ECG theory, requires analyzing the case company's internal documentation. Hence, a systematic and analytic review of organizational documents is an important part of the data collection process. (Gummesson, 2000)

The figure below illustrates the five-step data analysis process, as outlined by Yin (2011) (Laisi, 2013).

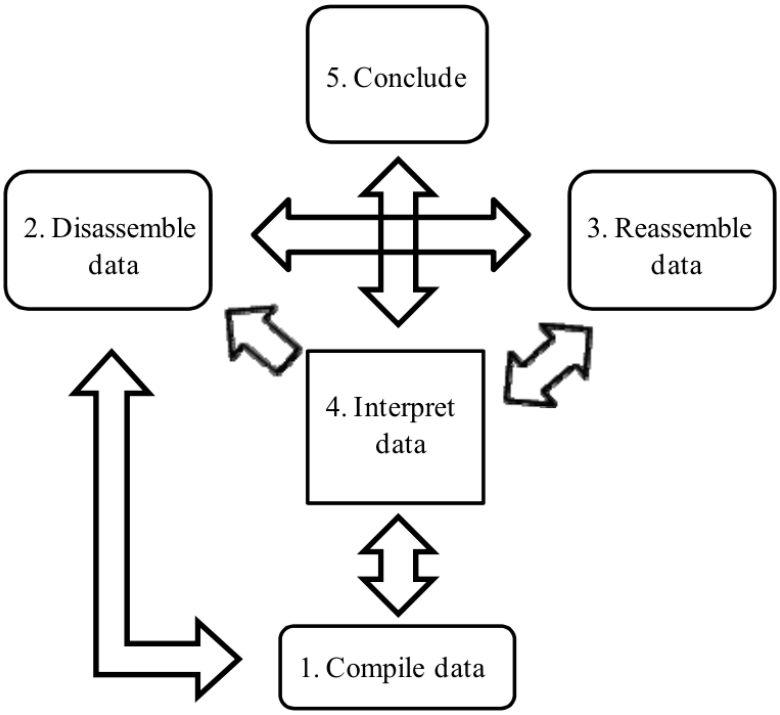

FIGURE 3. Data analysis process by Yin (2011) (Laisi, 2013)

The data acquired in this thesis are analyzed and conclusions are drawn, based on the author's interpretation. According to Hirsijärvi et al. (2009) and Strauss and Corbin (1998), the data analysis process includes the verification, augmenting and arranging of data. (Laisi, 2013) Verification of data confirms the legitimacy of the discovered information and shows whether important data is missing. Data augmentation can be applied in order to add further information, given that existing data is insufficient. Finally, before the analysis, the qualitative data arranging process is carried out. Yin's data analysis process can be repeated as many times as necessary by following the arrow figures. When the data saturation point is reached, the data analysis can finally be concluded. (Laisi, 2013)

1.4 Research Ethics

The author of this thesis acknowledged the ethical issues related to the research activities. Thus, the research was conducted in a morally sound manner and answers for the research questions were sought responsibly. Author's responsibility applies to researcher-participant relationship, confidentiality and honesty in reporting among other ethical guidelines. (Ghauri & Gronhaug, 2010)

The author provides the participant a clear definition of the study including the purpose and objectives. In addition, the author assures confidentiality and alterations are carried out based on participants' requests. Interviewees are provided with interview memos and thus the reliability of information is verified. Hence, potential misunderstandings are discussed before the thesis is published. The research is conducted objectively and no harm is caused to any of the participants. (Ghauri & Gronhaug, 2010) Ethics in this research process refer to the appropriateness of the author's behavior in relation to the rights of the people who are subject to the study. In other words this includes maintaining the privacy or participants, ensuring voluntary nature of participation, avoiding deception and leading of participants to the way in which the author seeks to collect data. (Saunders & Lewis, 2009)

1.5 Research Limitations

The goal of this research project is to construct a Common Good Report (CGR), which is a tool derived from the ECG theory and developed by Felber (2010). Due to the lack of previous research in academic publications, the author may have to rely solely on Felber's own publications, which ultimately may affect the objectiveness of the study. Moreover, only few Common Good balance sheets have been constructed in English, which poses limitations in terms of English reference material. The main share of reference material is in German, and the author is obliged to rely on his own translation skills, which potentially increases the risk of misinterpretations. Other limitations maybe connected with differences in the economic systems between the United States and Europe, which are not explicitly addressed. (Saunders & Lewis, 2009)

A fundamental limitation of the case study method is related to the fact that the author assesses only one nonprofit organization. This raises issues for the reliability and validity of the data collected in this study. Reliability of the data relates to the possibility of replicating the study – two or more researchers should reach the same conclusions if they study the same phenomenon. (Gummesson, 2000) While the primary sources themselves can be considered reliable, the author's interpretations of the interviews and materials reviewed pose a challenge

to the reliability of the data (Saunders & Lewis, 2009). Validity refers to how theories and concepts describe the reality. In other words the quality of the data ought to be both logically and actually sound (Oxford Dictionaries, 2014). The validity challenge in this research process relates to discovering whether the findings are really about what they appear to be about. The lack of validity can be minimized by a feasible research design. Generalizability or in other words external validity refers to the generalization of the findings. The main validity challenge of this thesis relates to the fact that the case study was conducted for only one nonprofit organization in the special education sector. Thus, the aim of the research is not to generalize the results for the whole population, but to point out the settings in this particular research project. (Saunders & Lewis, 2009)

1.6 Thesis Structure

The structure of this thesis is focusing on finding consistent and reliable answers to its main and sub-research questions. The structure of the chapters can be seen in the figure below.

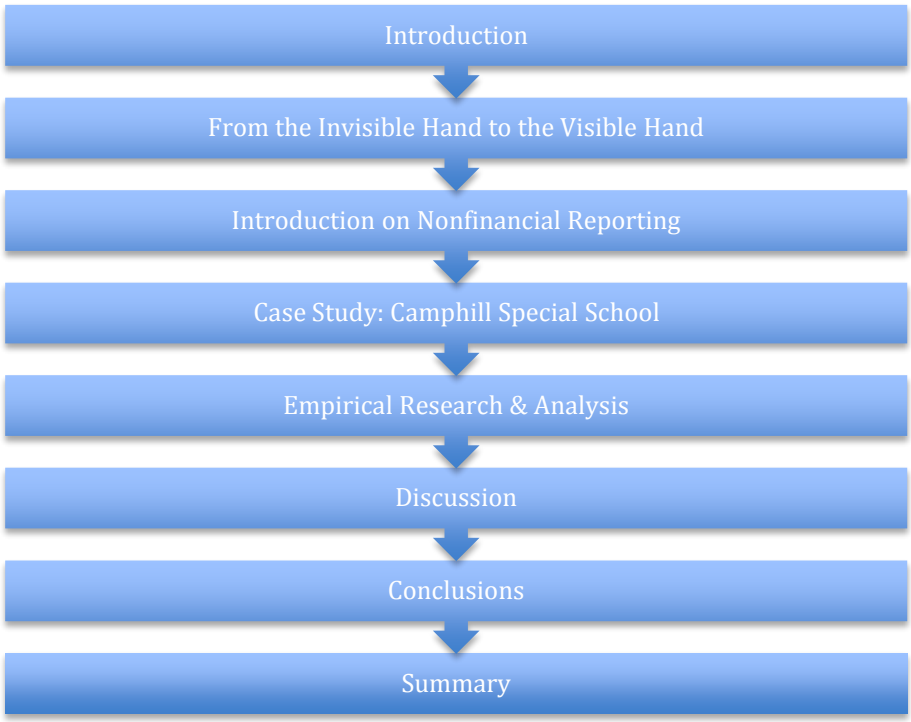

FIGURE 4. Thesis structure and chapters

This thesis is divided into a literature review and an empirical part, which consists of eight chapters together. The first chapter introduces the background and motivation behind the thesis, as well as the research methodology. The following chapters two and three discuss theoretical background related to the disconnects in the current economic system, the emergence of alternative economic approaches and the introduction of nonfinancial data into corporate performance measurement. The Economy for the Common Good theory and the Common Good Report are introduced in chapter three. Chapters four and five concentrate on describing the case study at Camphill Special School and the core findings of the semi-structured interviews, participant observation and review of organizational documents. This empirical part introduces the case organization and portrays the results of a Common Good Report constructed for the case organization Camphill Special School. Chapters six and seven consist of the discussion and conclusions, which discuss the performance of the case organization in the Common Good Report as well as the strengths and weaknesses of the reporting tool. Finally chapter eight finalizes the thesis by summarizing the different phases of the whole research process.

2 FROM THE INVISIBLE HAND TO THE VISIBLE HAND

This chapter, as a background for nonfinancial reporting, focuses on building a picture of the limitations of the current economic paradigm, which clearly creates both environmental and social constraints. Due to the issues in the current economic system, alternative economic views emerge and seek to find answers for a sustainable development in the future.

In 1776 the Scottish economist Adam Smith published his magnum opus, The Wealth of Nations – a revolutionary economic philosophy in favor of free trade. Smith's theory was that an economic system allowing people to pursue their self-interests under the conditions of "natural liberty" and competition would lead to a highly prosperous and self-regulating economy. In other words, Adam Smith identified the three core values of a self-regulating economy: freedom, competition and justice. Freedom refers to the right of people to produce and exchange labor, capital and products as they see beneficial. Competition refers to the rights of individuals to compete in both production and exchange of products and services. Finally, justice indicates the requirement for just and honest actions of individuals – following the rules of the society. (Skousen, 2007) Adam Smith incorporates these three core principles in The Wealth of Nations (1776):

> *Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interests his own way, and to bring both his industry and capital into competition with those of any other man, or order of men*. (Skousen, 2007, p.18)

According to Adam Smith these three principles lead to natural harmony of interest between capitalists, workers and landlords. Through this voluntary self-interest, the whole of society would create a wealthy and stable commonwealth without the need for central intervention by the state. The concept of self-interest is called the "invisible hand" – a metaphor for market capitalism. As stated in The Wealth of Nations (1776): "By pursuing his own self interest, every individual is led by an invisible hand to promote the public interest" (Skousen, 2007, p.19). The by-products of the invisible hand have, however, created increasing social

issues. The feasibility of a self-interest driven economy has increasingly come into question as a tool for building a safe and sustainable society. (Skousen, 2007)

2.1 Systemic Disconnects in the Modern Capitalist Economy

The world has changed tremendously since Adam Smith published his opus The Wealth of Nations in 1776. The concept of the invisible hand – self interest as the guiding principle of economic activity – can no longer be considered as working reliably for the social good and facing the challenges of the twenty-first century. This chapter points out the most prominent problems regarding the reliance on the invisible hand on the macro level, which include environmental constraints, increasing income disparity and deepening social divide. (Scharmer & Kaufer, 2013) Major issues in the modern capitalist paradigm relate to the fact that it speeds up the climate change through the exploitation of scarce natural resources leading to environmental and social issues especially in the developing world. (Heesterman & Heesterman, 2013).

The global financial crisis and collapse of the financial system in 2009 can be seen as a wakeup call for the failing world (Eccles & Krzus, 2010). In other words, the current free market economy is self-interest driven and altruistic values are not met. Hence, the main economic drivers are based on competitive self-interest - a destructive concept from both an environmental and social perspectives. (Lamb & Hearn, 2014) According to Scharmer and Kaufer, the transition from a self-centered economy, guided by the invisible hand, towards a more altruistic economy can be described as the transition from an ego-system to an eco-system society. The underlying symptoms of an ill economic system are described below. (Scharmer & Kaufer, 2013)

1. The Ecological Divide

   The first diagnosed symptom is related to the consumption of finite natural resources. According to the Word Wildlife Fund (WWF), the current raw material consumption exceeds the planet Earth's resources by 1.5 times (Scharmer & Kaufer, 2013). With the current natural resource usage trend, the total natural resource need will exceed three times the actual resources of the

planet by year 2050. The continuously urbanizing population demands more resources to consume and it simultaneously increases the total greenhouse gas emissions. In addition, in the coming 40 years, the demand for food will double due to population growth (Benn & Andrew, 2014). However, during the past 40 years, approximately one third of the world's arable land has become unproductive due to soil erosion. The message is clear: fundamental changes are needed both in the mindset and consumption culture. (Scharmer & Kaufer, 2013)

2. The Social Divide

The second symptom relates to social problems, which emerge from continuously increasing income disparities. Currently, the top richest one percent of population own more than the bottom 90 percent of the total population. Thus, extreme wealth is concentrated in few hands, whereas approximately 2.5 billion people currently live below the poverty line. If this unequal trend continues in the long run, questions concerning the stability of the economic playground have to be asked. Income disparity is one of the major negative by-products of the current economic paradigm and illustrates how fundamentally self-interest driven values deepen the social divide. (Scharmer & Kaufer, 2013)

3. The Spiritual-Cultural Divide

Scharmer and Kaufer (2013) describe the spiritual cultural divide as disconnect between one's current state and emerging future potential. In other words, this refers to the surrounding social problems: recent studies show that the number of people suffering from depression and burnout has increased rapidly. On broader terms, the spiritual-cultural divide refers to dissatisfaction in the current state of work life, which is largely driven by high performance expectations. (Scharmer & Kaufer, 2013)

These three divides can be described as the visible tip of the iceberg or the symptoms of the ill economic system. After distinguishing the visible part of the iceberg, the three divides, the underlying and more detailed economic issues can

be identified. Distinguishing the underlying issues is vital for initiating a successful development process in the future. (Scharmer & Kaufer, 2013)

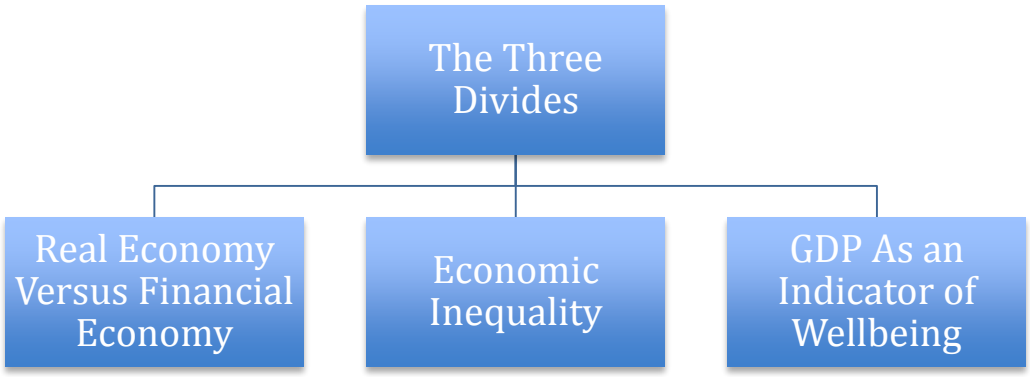

FIGURE 5. Structural disconnects in the economy (Scharmer & Kaufer, 2013).

The figure above illustrates three prominent issues from the economic viewpoint. Hence, the underlying casting defects of the current economic system are visible through the three areas pointed out by Scharmer and Kaufer: the ecological, social and spiritual-cultural divides. In other words, a society faces the underlying economic problems either through ecological, social or cultural issues. The next chapter addresses these disconnects more in depth. (Scharmer & Kaufer, 2013)

2.1.1 Real Economy Versus Financial Economy

The first underlying economic issue identified by Scharmer and Kaufer in the previous chapter focuses on the divide between the real economy and the financial economy. In 2010, the total value of the global foreign exchange transactions reached $1,500 trillion US dollars, whereas the total international trade value amounted to $20 trillion US dollars. In other words, international trade consisted only of 1.4 percent of the total foreign exchange transactions. Hence, the remaining 98.6 percent of foreign exchange transactions consist of financial speculation. According to Lawrence Lau, Stanford University emeritus, these transactions do not serve any useful social purposes. (Scharmer & Kaufer, 2013)

The housing crisis in the United States from 2006-2007 can be used as an example of a speculative financial bubble. Traditionally the High Street banks make loans, funded by deposits, to consumers and the mortgage is held as a security until the loan is redeemed. However, the roots of the crisis lie in the 1980s, when banks and financial institutions first introduced collateralized debt obligations (CDO) to the market. Thus, a large number of mortgages were pooled, reassembled and split into a number of tranches, allowing investment banks to market the mortgages as securities in the form of bonds. In 2004, the total volume of CDOs outstanding reached almost 1 trillion USD and the credit rating agencies gave the securities the highest AAA credit ratings. However, the lightly regulated Wall Street banks marketed the CDOs and borrowed against them as collateral. This cycle continued on a global scale, since the subsidiaries of the investment banks sold the CDOs to new clients all around the world. In addition, other investment banks replicated the Wall Street model of marketing securities on a global scale. This speculation led to the growth of financial wealth through the expansion of credit, which ultimately skyrocketed the share prices in the New York stock exchange. (Nobbs, 2013)

Nonetheless, when the housing prices started declining in 2005, mortgage defaults appeared. This lead to uncertainty related to the rapid expansion in the stock exchange and companies holding CDOs became nervous about the fair value of these securities, causing plummeting prices. Thus companies that borrowed money with CDOs as collateral faced a situation where they were unable to pay their debts due to plummeting value of the securities, leading to numerous bankruptcies. This lead consequently to tightening credit terms, higher interest rates and shorter loan periods, as well as decreasing investments on the markets. (Nobbs, 2013)

The housing markets continued declining in 2007, as the subprime mortgage industry collapsed, leading to multibillion-dollar losses and nationalization of the home lending institutions Fannie Mae and Freddie Mac[1]. Lehman Brothers, the

[1] Fannie Mae refers to the Federal National Mortgage Association (FNMA) (The New York Times, 2015a). Freddie Mac refers to the Federal Home Loan Mortgage Corporation (FHLMC) (The New York Times, 2015b).

major investment bank, filed for bankruptcy in 2008, holding over $600 billion dollars in debt. The collapse of Lehman Brothers shook to the financial markets leading to plummeting stock prices and gradually to a global financial crisis since September 2008. The collapse of the housing markets in the United States illustrates the consequences of financial speculation and portrays the severity of disparity between the financial and the real economy. (Nobbs, 2013)

2.1.2 Economic Inequality

The second economic issue identified by Scharmer and Kaufer focuses on describing increasing economic inequality and its implications on the social level. (Scharmer & Kaufer, 2013) According to Thomas Piketty, Professor at the Paris School of Economics, the average annual population growth rate was approximately 0.8 percent between years 1700 and 2012. A population growth rate of 0.8 percent seems very small over a short period of time, but by expanding the time scope to a generation, the effects of cumulative growth are substantial. Hence, during the past three centuries, the world population has grown from roughly 600 million inhabitants to over 7 billion people in 2012. This means that the world population has increased tenfold in the past 300 years. If this trend, cumulative growth, continues for the next 300 years, world's population will reach 70 billion people by the year 2300. (Piketty, 2014) The figure below illustrates the world population growth from year 1700 to 2012.

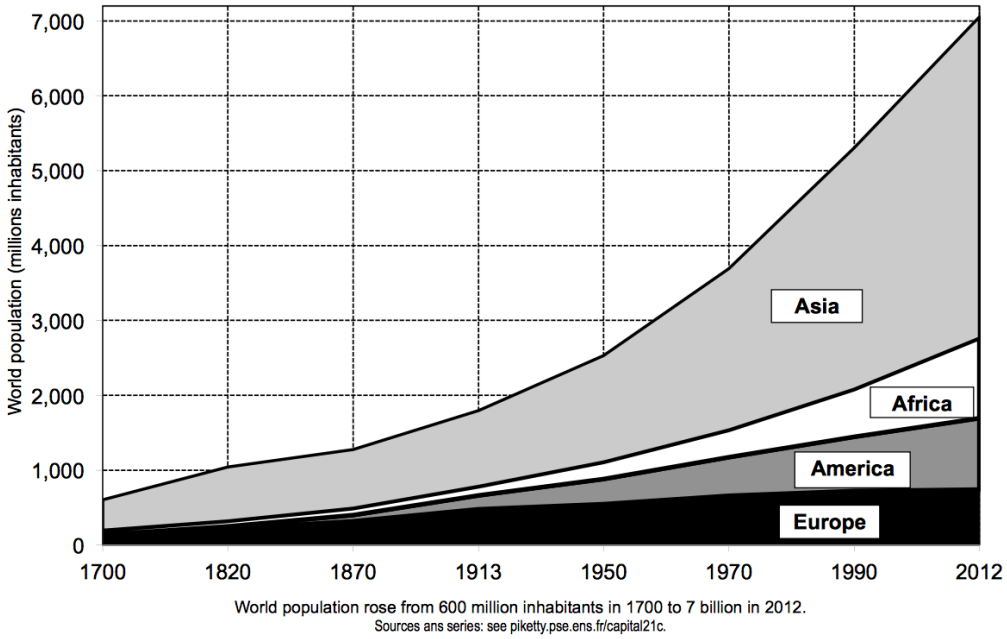

FIGURE 6. The growth of World Population 1700-2012. (Piketty, 2014)

Continuous population growth poses various environmental and social challenges, including the accelerating climate change and rapidly increasing demand for finite raw materials. Nevertheless from the economic viewpoint strong demographic growth also has positive side effects – it plays an equalizing role in wealth distribution, due to the fact that it reduces the effects of inherited wealth. If a couple has several children, it means that the inherited wealth is divided into several parts from generation to generation. Thus, in a society with rapid population growth, the influence of inherited wealth diminishes and people rely more on savings and labor income. (Piketty, 2014) Low economic growth rates or stagnant population growth increase the influence of inherited wealth from previous generations – the characteristics of the current situation in Europe. In the long run, the effects of inherited wealth will grow, not only in Europe but also across the world, if economic growth and population growth stagnate. When economic growth is slow or stagnant, the risk of wealth divergence is substantial, due to higher return on capital. In other words, wealth from the past grows faster than output and income, leading to increasing economic inequality. (Piketty, 2014)

Economic inequality can be divided into three aspects: inequality in income through labor, inequality in the ownership of capital and the income to which it gives rise, and finally the combination of both elements. Both World Wars led to public policies that led to decreasing income inequality in the Twentieth Century. The decades after World War II reduced the importance of inherited wealth significantly, and for perhaps the first time, work and study became the surest ways to economic success. However, since the 1970s and 1980s, inequalities have begun to increase sharply. (Piketty, 2014)

Inequality as a phenomenon is always more striking in terms of capital income. In general, the upper 10 percent of labor income distribution receives approximately 25-30 percent of total labor income, whereas the top 10 percent of capital income distribution always owns over 50 percent of the total wealth. The capital income distribution of the top 10 percent, in some societies, exceeds 90 percent of the total wealth. The wage distribution of the bottom 50 percent amounts approximately to 25-30 percent of the total labor income, whereas the bottom 50 percent always owns less than 10 percent of the total capital. In other words, the bottom 50 percent of people own one-tenth as much as the wealthiest 10 percent. Currently, the most egalitarian countries are in Scandinavia, whereas highest income inequalities appear in the United States. (Piketty, 2014)

In his new book, The Great Divide: Unequal Societies and What We Can Do About Them, Nobel Prize winning economist Joseph Stiglitz identifies three steps to solve the income inequality issue in the United States. According to Stiglitz (2015), the key driver behind the increasing economic divide was Ronald Reagan's Administration in the 1980s. During the Reagan presidency, taxes were lowered for the top class. The theory was that income equality increases due to these policies, but the fruits of economic growth would flow to all income classes. Nevertheless, this regressive economic policy created wealth only for the high-income class, leading to rapidly increasing income divergence. Regressive taxation refers to lower taxes for the high-income individuals, whereas the middle-class pays more taxes in terms of percentages. This has led to the current stage, where the inflation-adjusted median income of middle-income employees is as low as 40 years ago. In other words, the middle and lower class have become

poorer, whereas the wealth of the upper class has skyrocketed in the United States. (Yahoo Finance, 2015)

According to Stiglitz, the first step in solving the inequality issue in the United States is to reform the tax and transfer system, so that the people in the top income classes pay at least as much taxes as the lower income classes. The second step is to reform the economic law and regulation system. Currently, the economic system is ineffective and consists of structures that increase income divergence. The current anti-trust laws and corporate governance laws allow the top class to seize growing shares of corporate income. This outward flow of money leaves less income for further investment and wages of the corporation. The final factor Stiglitz identifies is the access to education. Public schools invest more in the children of wealthier parents than in those from poor backgrounds, creating unequal future opportunities. These advantages and disadvantages are transmitted from generation to generation through the education system leading to a deepening social divide. According to Stiglitz, the poor are currently unable to commute to workplaces due to the poor public transportation system in the United States. On a broad spectrum, also politics are becoming more unequal in the United States and the financial support of the higher class ensures that inequality is preserved into the future as well. Nevertheless, income equality is one of the most prominent issues, not only on national scale, but on a global scale as well. The data concerning increasing inequality is striking and illustrates the casting defects of the current capitalist paradigm. (Yahoo Finance, 2015)

2.1.3 Gross Domestic Product as an Indicator of Wellbeing

The third structural issue identified by Scharmer and Kaufer leads to the measurement wealth, which in fact, has a long history. Already in the 1600s, the British economist William Petty tried to survey the national wealth by creating an account system estimating the value of labor and property. Likewise, Adam Smith argued in the Wealth of Nations that in fact wealth is not only limited to land, but the total national income is generated by the whole annual product of labor and land. (Fioramonti, 2013)

Development of the Gross Domestic Product (GDP) measure began in the United States during the financially turbulent 1930s, and a system for calculating GDP was introduced in 1934 by American Russian economist Simon Kuznets, when he introduced the national accounts to Congress with the first general definition of Gross Domestic Product. Hence, since the 1930s, GDP has been closely connected to politics and the policies of international financial institutions, such as the International Monetary Fund (IMF) and the World Bank. In fact, Gross Domestic Product was a means of rivalry between the United States and the Soviet Union during the Cold War. (Fioramonti, 2013)

Gross Domestic Product (GDP) measures the value of goods and services produced in a given time period, usually every three months. GDP is a numeric measure for estimating the wealth of a nation, as well as its economic growth rate. It estimates the production output in terms of market prices. The official formula for calculating Gross Domestic Product is:

> *GDP = consumption + investments + government spending + exports – imports* (Fioramonti, 2013, p.6)

GDP has been a dominant measure in the media and public debate for several decades. As a consequence, GDP has become the symbol for power and countries are ranked based on their Gross Domestic Product growth, dividing the earth into two worlds: the developed and the developing countries with the emerging BRICS (Brazil, Russia, India, China and South Africa). (Fioramonti, 2013)

Currently on a global scale, many countries resist the efforts to limit greenhouse gas emissions in order to avoid potential negative impacts on GDP growth. In fact, throughout the origins of the capitalist system, economic growth has created both positive impacts as well as negative externalities. (Fioramonti, 2013) In economics, externalities, either positive or negative, refer to unintended side effects on third parties. However, in current modern societies, positive externalities of economic activity tend to flow to the top and negative externalities to the bottom of the socioeconomic pyramid – the poor. For centuries, on a global scale, raw materials have flown from the global South to the global North, whereas toxic waste has flown the other way. (Scharmer & Kaufer, 2013)

Nevertheless, the GDP approach sees consumption as the key driver for prosperity, which has lead to economic policies encouraging consumerism – a global consumption society, with incentives to businesses and nations to externalize negative consequences of economic growth. (Fioramonti, 2013)

With increasing awareness of the damaging side effects of policies focused exclusively on GDP growth, GDP has come under increasing criticism as a measure of economic wellbeing. According to The Economist (2010), "the Gross Domestic Product (GDP) is a poor measure of improving living standards". Similarly, the Organization for Economic Co-operation and Development (OECD), defender of economic conservatism, has acknowledged the limitations of Gross Domestic Product:

> *For a good portion of the 20th century there was an implicit assumption that economic growth was synonymous with progress: an assumption that a growing GDP meant life must be getting better. But now the world recognizes that it is not quite as simple as that. Despite high levels of economic growth in many countries, we are no more satisfied with our life than we were 50 years ago and increased income has come at the expense of increased insecurity, longer working hours and greater complexity in our lives*. (Fioramonti, 2013, p.3)

The main criticism against GDP is related to its internal inconsistencies and its limitations in measuring welfare. Other economists question the whole concept of infinite economic growth due to the finite availability of natural resources. In fact, countries with increasing economic inequality may perform very well in terms of GDP growth. Thus, since the 1980s, GDP growth of developed countries has been phenomenal, whereas recent OECD (2011) research data illustrates that, in the meantime, economic inequality has become even higher than in mid-1985. Interestingly, after the global financial crisis in 2007-2008, and with the realization of data inconsistencies affecting GDP calculations, United States Federal Reserve (FED) researchers suggested a replacement of GDP with a new measure, Gross Domestic Income (GDI). From a political viewpoint, GDI was

relevant due to the fact that it better illustrated the financial recovery in comparison to the GDP. (Fioramonti, 2013)

Nevertheless, according to Stanford University economist Moses Abramovitz (1959), additional income may provide additional satisfaction on an individual level, but the community as a whole will never accomplish the same results, due to the fact that the satisfaction of some will be the cause of the dissatisfaction of others. As a consequence, the relation between welfare and additional income diminishes as industrialization proceeds. (Fioramonti, 2013) In fact, the relation between life expectancy and wellbeing diminishes after reaching 5,000 to 8,000 US dollars annual income per capita. (The complete graph can be seen in appendix 1) Hence, material output measured by GDP does not reflect a longer life expectancy and increased wellbeing in the developed countries. However, a major factor leveraging national wellbeing is, a reduction in economic inequality, which consequently reduces health and social issues. Thus, questions about the necessity of continuous GDP growth may be asked, if in fact the reduction of economic inequality provides more wellbeing for the society as a whole. (Fioramonti, 2013)

This chapter focused on describing the prominent economic issues on the macro level. After diagnosing the three underlying economic issues, emerging economic movements, will be introduced in the next chapter. The alternative economic paradigms seek to fix the current economic system, including the challenges related to the Gross Domestic Product. (Scharmer & Kaufer, 2013)

2.2 Emerging Alternative Economic Movements

Alternative economic movements emerge due to the dissatisfaction in the current economic system, which does not contribute to sustainable development. The focus of this chapter is to introduce three prominent alternative economic approaches on the macro-level, which address the economic disconnects introduced in the previous chapter and seek to create a socially and ecologically sustainable economic paradigm. The next chapter focuses on describing the common building blocks of alternative economic movements on the micro-level,

which includes nonfinancial reporting, performance measurement and corporate social responsibility.

2.2.1 From Ego-System to Eco-System Economies

Otto Scharmer and Katrin Kaufer describe a four-step economic evolution from traditional ego-system awareness to eco-system awareness – the shift from self-centered economy towards a shared and altruistic economy. According to Scharmer and Kaufer, different capitalist societies can be divided to four stages illustrated below. (Scharmer & Kaufer, 2013)

1. Society 1.0 – Organizing around hierarchy
2. Society 2.0 – Organizing around competition
3. Society 3.0 – Organizing around interest groups
4. Society 4.0 – Organizing around the emerging whole

Society 1.0 is an unstable, state planned society that faces the challenge of stability, which is maintained through a strong central actor, a strong leader who holds the decision-making power of the whole. After a society has overcome the challenge of stability the focus often transfers towards economic growth and greater individual freedom through market competition. As a response of the lack of stability in society 1.0, society 2.0 includes the creation of a new set of institutional innovations such as property rights, markets and the access to capital through a banking system. Examples of society 2.0 include Europe during the era of industrialization and massive economic growth as well as the currently emerging economies such as India and China. According to Scharmer and Kaufer, society 2.0 can be described as an awakening ego-system. This ego-system refers to increasing self-interest as the driving force of the economy. The development from society 1.0 to society 2.0 has both positive and negative consequences. Increased economic freedom in a society 2.0 allows people to pursue their interest through entrepreneurship, but through this negative externalities, such as socioeconomic inequality and environmental constraints, are created. The main benefits of a “laissez faire” free market economy thus lies in the rapid growth and

dynamism whereas the downside is related to unsustainable production and stock market bubbles. (Scharmer & Kaufer, 2013)

The society 3.0 is the further developed version of the society 2.0, including the introduction of social security, environmental protection, improved labor rights and Federal Reserve banks protecting the national currency. Typically societies in stage 3.0 combine a set of core beliefs integrating both markets and the government – the current stage in the Nordic countries. The main function of these regulations is to complement the existing market mechanism through limitations in those areas where the negative externalities are unacceptable. A society 3.0 can be called stakeholder capitalism, which deals relatively well with negative externalities through environmental regulations, social security and wealth distribution. Yet, the society 3.0 is unable to effectively address the global externalities such as extreme poverty or climate change through domestic mechanisms. Finally the society 4.0 can be referred as a co-creative ecosystem economy, which innovates at the scale of the whole system. Currently for example the movement of socially responsible investing includes the concern for others in the economic process – a small-scale forerunner for the 4.0 state economies. (Scharmer & Kaufer, 2013)

A major factor separating the societies 1.0 to 4.0 is the different state of awareness. In the stage 1.0, the economy operates through prevailing mindsets and rules whereas in economies 2.0 the main awareness is based on self-interest. Adam Smith famously captured the ego-system awareness: “it is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner, but from their regard to their own interest”. (Scharmer & Kaufer, 2013, p.56) In an economy 3.0, the self-interest is mitigated through the self-interest of other stakeholders such as the government, non-governmental organizations (NGO) and labor unions. Consequently the economy 4.0 further expands the spectrum of stakeholders to a global scale and in comparison to the previous state, the decision-making processes not only limited to a single nation, but the global economy as a whole. (Scharmer & Kaufer, 2013)

The development of an economy from 1.0 to 4.0 requires a profound shift in the current economic paradigm and a change in the consciousness from an ego-system to eco-system awareness. Eco-system awareness refers to the surrounding elements such as the spiritual, ecological, intellectual and social context. Scharmer and Kaufer (2013) have identified eight key points for the systemic change in the economy. The summary below illustrates the final 4.0 stages of all of the eight economic factors. Through understanding the changes in each element not only the current economic reality is acknowledged, but furthermore the potential for future development can be identified. (Scharmer & Kaufer, 2013)

1. Nature - Relinking economy with nature
2. Labor - Relinking work with purpose
3. Capital - Relinking financial with real capital
4. Technology - Relinking technology with collective creativity
5. Leadership - Relinking leadership with the emerging future
6. Consumption - Relinking the economy with wellbeing
7. Coordination - Relinking the parts with the whole
8. Ownership - Relinking ownership with the best societal use

In addition to Scharmer's and Kaufer's economy 4.0, Christian Felber's theory of the Economy for the Common Good addresses similar development areas in the next chapter. According to Scharmer and Kaufer, relinking nature with economy is essential. The whole economy relies on the eco-systems of the nature, yet nature is currently considered merely as a commodity. Concrete actions in relinking the economy with nature include minimizing waste flows and investments in solar energy for efficient energy production. Ensuring the wellbeing also in the future requires either substantial improvement in the resource productivity or an eightfold reduction in the current resource consumption. A part of the economy 4.0 is to link work with purpose through flexible social entrepreneurship. This includes creating new infrastructures enabling people to co-develop and co-create their entrepreneurial capacities. The current economic paradigm is focused on generating short-term financial profits, which lead to unprecedented negative consequences including social and ecological issues and deepening divides between the real and financial economy. New tools have to be created for

monitoring and measuring comprehensive economic and social impact and to increase transparency in terms of financial speculation, purchasing, lending and gifting. (Scharmer & Kaufer, 2013)

According to Scharmer and Kaufer, all economic value involves technology and knowledge. In the economy 4.0, system-centric technologies are replaced by life-centric technologies that support creativity, co-creating and co-using. Leadership mechanisms of the future economy include changes in the mindset from the individual level towards meeting the needs of the whole. In other words this shift can be called as the transformation from ego-system to eco-system economics. The current economic stage relies on consumerism, whereas the stage 4.0 is based on post consumerism economy and collaboratively conscious consumption. Conscious consumption is driven by opportunities in technology, which support consumers in environmentally efficient consumption choices as well as increasing awareness regarding healthy and sustainable lifestyles. The seventh improvement area, coordination, includes relinking of the parts with the whole and giving rise to an intentional market economy. According to Scharmer and Kaufer, the final element concerns ownership, which in the economy 4.0 is increasingly shared. In comparison to the currently emerging sharing trends, such as community-owned urban agriculture, the economy 4.0 is not limited to the level of production or resources, but includes also industrial capital. Scharmer's and Kaufer's eight elements form the backbone for the future economy, which consider the current economic problems which were addressed in the previous chapter. (Scharmer & Kaufer, 2013)

2.2.2 Prosperity Without Growth

Tim Jackson created the second alternative economic paradigm in 2010. In his book, Prosperity Without Growth (2010), Jackson asks the question of how to create an economy providing a good life within the limits of a finite planet. The current market economy is focused solely in Gross Domestic Product growth (GDP), and the question arises whether the needs of the future generations can be met in a situation where we already consume Earth's resources faster than the nature replenishes them. In fact, a natural dynamics of capitalism lead towards

either expansion or collapse. The question arises, whether a lasting prosperity can be achieved, especially with the current dilemma of growth. (Jackson, 2011)

1. Growth is unsustainable in the current form. The environmental costs and resource consumption compound substantial disparities in the social wellbeing.
2. De-growth is unstable under the current conditions. In other words, declining consumer demands leads to increasing unemployment, decreasing competitiveness and ultimately recession.

The conventional response for the growth dilemma is to appeal for a concept named decoupling – doing more with less resource input. Decoupling refers to reconfiguring production processes, redesigning products and services efficiently. Through decoupling economic output becomes progressively less dependent on material throughput. In other words, it is assumed that the economy can keep growing without breaching the ecological limits. According to Intergovernmental Panel on Climate Change (IPCC), the global carbon emissions have to be reduced by 50-85 percent by 2050 in order to meet the critical 450-PPM stabilization target. In fact, decoupling does not offer an escape route from the dilemma of growth, but it is necessary for meeting the ecological targets. (Jackson, 2011)

Decoupling can be divided to two parts: relative and absolute decoupling. Relative decoupling refers to the producing the same goods with less environmental damage. The modern society is excellent in efficiencies – resource inputs incur costs and higher costs lead to decreasing profits that creates an incentive to increase efficiencies. In fact, since the 1970s the global energy intensity has fallen by 33 percent and in the United States and United Kingdom the energy intensity is approximately 40 percent lower than in the 1980s. These statistics illustrate that the amount of primary energy needed per unit has fallen for almost a half a century. Despite the declining energy intensities the consumption of fossil fuels has increased by 80 percent since the 1970s. In addition, the consumption of finite iron ores has skyrocketed, especially due to the growth of China and other emerging economies. (Jackson, 2011)

According to Jackson (2011) a different macro-economic structure is needed – a model not relying on continuous consumption growth. In fact, statistical evidence concerning the high price of materialism exists. Psychologist Tim Kasser has recently conducted research on the impact of materialistic values in comparison to intrinsic values. In his study, values such as popularity, financial success and status are psychologically opposed to intrinsic values such as the feeling of belonging to the community and self-acceptance. The results of the study indicate that those people with higher intrinsic values are happier and more environmentally responsible in comparison to those with materialistic values. Thus, psychological evidence supports the viewpoint that in fact consumerism is not a prerequisite for flourishing and wellbeing. (Jackson, 2011) According to Jackson, an economy providing capabilities for flourishing within ecological limits is a possible vision, but only through a change in social behavior and structural incentives. Concretely, Jackson has identified three steps, which need to be taken in order to build a sustainable economy. Firstly, the ecological limits have to be identified and controlled through resource and emission caps. Furthermore, the developing countries are to be supported in the ecological transition and ensure that the future development is sustainable. The second step is to create and implement an ecologically literate macroeconomic model placing the economic activity within ecological limits. In the beginning ecological macroeconomics would be a process of understanding how economies behave under strict emission and resource consumption limits. Other key factors of the economic model include changing of the preconception of labor and capital productivity as well as ecological investment. The final step is to change the social logic of consumerism firstly through addressing the limited lifecycle of products and secondly by offering other viable alternatives not promoting consumption growth. (Jackson, 2011)

2.2.3 Economy for the Common Good

Economy for the Common Good is the final alternative economic paradigm introduced in this thesis on the macro-level, which seeks to answer the prominent economic issues introduced in the previous chapters.

Economy for the Common Good (ECG) is a new economic model created by an Austrian economist Christian Felber as an alternative for the current capitalist system. Although the current economic system creates prosperity to a certain extent it also creates negative impacts in the form of increasing inequality, environmental degradation and climate change. According to Christian Felber the time is ripe for a new economic order, where constitutional values are embedded to the economy. These constitutional values are human dignity, cooperation, sustainability, social justice and transparency. (Felber, 2013) One of the main drivers behind Felber's ECG theory is the fact that 80-90 percent of Germans and Austrians want a new economic order. The ECG theory is based on scientific and empirical research: game theory, neurobiology, social psychology, and sociology among other disciplines, with an aim to embed social values to economy. According to Felber, the ECG model can be divided to ten guiding principles illustrated below. (Economy for the Common Good, 2013)

1. The ECG strives towards an ethical market economy. The main goals include increasing the quality of life of the whole – not the wealth of a few.
2. The ECG embeds human dignity, ecological responsibility and human rights to the center of the daily economic activity.
3. The Common Good Matrix (CGR), derived from the ECG theory, illustrates the extent to which the values are put into practice within an organization. The development of the CGR is based on an open and democratic process.
4. The CGR describes how the organization implements the constitutional values, such as solidarity and human rights, after which areas for further development are sought. After the construction of the common good balance internally, the organization may initiate an external auditing and publishing process. Publishing the CGR allows companies to reveal their contributions to the common good and enhance transparency in terms of stakeholders and the public.
5. The main benefit for publishing the CGR are related to consumer choice and cooperation with for example lending institutions engaged in the economy for the common good movement.

6. The higher costs incurring from the socially, ethically and ecologically sound activities are compensated to Common Good companies through advantages in taxation, public grants and contracts.
7. A key element of the ECG is that profits serve as a means for stabilizing companies and ensuring the income of its employees and owners. However, profits are not serving the interest of external investors, which releases the pressure of profit maximization.
8. Abolishing external dividend payments liberates companies from the pressure of continuous growth and opens a myriad of opportunities in terms of life quality and environmental sustainability.
9. A key structure of the ECG is the reduction of income inequality ensuring equality in both political and economic spheres.
10. Economy for the Common Good is an openly democratic process and encourages people to participate in the further development of the model. (Ecogood, 2015b)

According to Felber, companies have currently two goals: profit maximization and competition. These two factors are the connecting pieces of companies in the free market economy. Nevertheless neither of those core values enhances flourishing of either people or the surrounding nature. Based on research conducted on a global scale, people perceive values such as trust, honesty, respect, solidarity, caring and sharing as the prerequisites for flourishing human relationship. Interestingly, the values of the current market economy are perceived as egoistic, selfish and irresponsible. The ECG theory suggests the changing of the dominant values of economy and thus replacing profit orientation and competition with cooperation and common welfare. Firstly this includes changing the goal of enterprises to strive for the common welfare and redefining the current success measurement. Currently two key indicators are used in assessing economic success. On the macro economical level Gross Domestic Product (GDP) determines the economical success of a country. On the micro level, or in other words the company level, the balance sheet bottom line illustrates the success in form of profit or loss. Both GDP and balance sheet are monetary indicators and provide limited information of surrounding wellbeing. According to Felber, the GDP does not reveal any information of the life quality and wellbeing in the

society. Furthermore, Felber suggests that on the macro level a Common Good Report, which measures directly the values that people perceive as a prerequisite for wellbeing, should replace the GDP. The Common Good Report will be introduced in detail in the next chapter after which the tool will be applied in a case study context in the empirical part of the thesis. (Felber, 2013)

3 INTRODUCTION OF NONFINANCIAL REPORTING

The previous chapter described the diagnosed economic issues and alternative economic models on the macro-level. The main focus of this chapter is to describe nonfinancial reporting as a complement to traditional financial reporting on the meso and micro levels. In addition, the Common Good Report – a nonfinancial performance measurement tool is introduced in this chapter. Consequently the Common Good Report is applied for assessing the performance of the case organization Camphill Special School.

3.1 Nonfinancial Reporting

Listed companies use the regulatory financial reports as communication tools with investors and financial analysts. However, the current reporting view is both too narrow and simplistic due to the fact that both investors and financial analysts receive financial information from external data vendors. Thus, financial analysts supplement the information from the annual report through various additional data sources, such as studies conducted by consulting companies, and interviews with the company board. However, the annual report has a wider audience than investors and financial analysts including the stakeholders such as the existing and potential future employees, regulators and nongovernmental organizations (NGO). These surrounding stakeholders are neglected by the organization during the process of constructing the financial reports. Thus, on purpose, companies hinder the stakeholders to build a clear picture from the actual position of the company in respect of potential environmental and social issues. (Eccles & Krzus, 2010)

Currently most listed corporations publish their financial annual reports and nonfinancial corporate social responsibility (CSR) and sustainability reports separately. However in order to build a truly sustainable strategy and truly contribute to a sustainable society, these reports need to be combined. Sustainability reporting can be seen as one tool for organizations to change the course towards a socially and environmentally viable future. The current financial reporting is currently highly complex from both accounting standards and disclosure requirements. In other words companies are obliged to use extremely

complex accounting standards, auditing procedures and financial statements. Hence, the current financial reporting poses considerable challenges for investors to completely understand the economic substance of events as well as determine a holistic picture of the actual financial position of the company. (Eccles & Krzus, 2010)

The need for nonfinancial reporting has increased due to the increasing complexity of financial reporting. The significance of financial reporting is still unquestionable, nevertheless, an increasing share of companies' assets are intangible, and thus not, visible on the financial balance sheet. Thus, companies' financial performance illustrates only one aspect of the total performance in relation to the surrounding society. Currently companies' apply various nonfinancial metrics such as key performance indicators (KPI) for estimating future financial performance. The criticism against the heavy use of financial measures have raised due to the fact that tangible assets are no longer the main driver of enterprise value. (Eccles & Krzus, 2010)

3.2 Definition of Nonfinancial Information

The use of nonfinancial information in printed periodicals has risen rapidly since 2006. However, the term nonfinancial information does not have one generally accepted definition. International Corporate Governance Network (ICGN) describes nonfinancial information as a wide-ranging term, which can include both regulated and voluntary disclosure by companies. Thus companies may disclose nonfinancial information for its investors and shareholders, for example, of the intangible assets and intellectual capital. Eccles and Kruz define nonfinancial information as all data reported to stakeholders that are not measured by accounting standards such as revenue growth. (Eccles & Krzus, 2010)

Nonfinancial data can be divided to two categories:

1. Intangible Assets

Intangible assets are not visible in the financial balance sheet, but according to several studies, the book value of a company is approximately from 25 percent to

35 percent of the actual market value. Thus a large share of the companies' market value consists of intangible assets. (Eccles & Krzus, 2010)

Intangible assets do not have a clear and generally accepted meaning and often the term is used with terms such as intellectual capital and intangibles. Nevertheless, intangible assets stand for non-physical assets such as human capital, customer loyalty and brand. Human capital, the labor force, contributes to the quality of products and services as well as to the innovation of new products. Thus the labor force has a clear link to the price of products and services. Customer loyalty ensures continuous repeat sales with lower marketing and sales costs. (Eccles & Krzus, 2010)

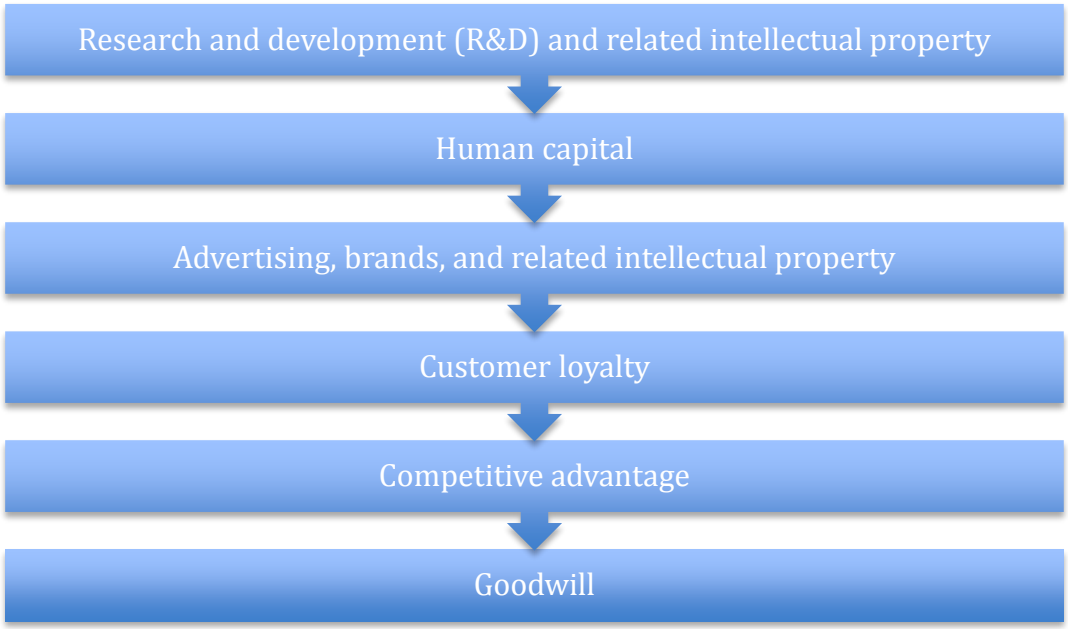

FIGURE 7. Which financial and nonfinancial information on intangible is value relevant by Anne Wyatt (Eccles & Krzus, 2010)

According to Anne Wyatt's research (2008) the six intangible assets in the figure above are based on three broad resources: technology resources, human resources and production resources. None of the intangible assets are visible in the balance sheet, yet they comprise of a major share of the total enterprise value. (Eccles & Krzus, 2010)

2. Key Performance Indicators

The second nonfinancial category is the key performance indicators (KPI). The indicators measure the most critical current and future organizational performance. KPIs are nonfinancial measures and thus not expressed in monetary terms. The KPIs companies use varies from industry to industry. One of the KPIs of British Airways is a delayed flight. Every time a flight is delayed, management is informed and further actions are taken. The delayed flights cause various increased costs, dissatisfaction among existing and potential new customers as well as increasing employee dissatisfaction due to heated interaction with irritated customers. After immediate management action, the number of delayed flights decreased significantly and employees acknowledged the importance of on time departure. (Parmenter, 2012) Most KPIs are related to success rates, employee turnover as well as product and service quality (Eccles & Krzus, 2010).

Financial reports such as income statement monitor historical performance and represent decision-making from the past. The argument for KPIs is the fact that it can be implemented as a measure for future financial performance. Key performance indicators are also frequently called operating metrics and they are used in the implementation of operational strategies. (Eccles & Krzus, 2010)

3.3 Nonfinancial Measurement Tools

1 Balanced Scorecard

Balanced scorecard is a concept created by Robert Kaplan and David Norton in 1992. The main driver behind the concept was the globalizing world and rapidly changing dynamics in business life as well as the limitations in the existing performance measurement tools. Previously, most of the performance tools were characterized almost exclusively with financial measures, and thus, Kaplan and Norton introduced an attempt to create a balance between the historical and future financial performance. According to Kaplan and Norton, most companies have built their operational and management control systems around financial measures. As a consequence, the main emphasis is on the short-term financial

measures, which hinders the implementation of the operational strategy. (Kaplan & Norton, 2007)

Based on Kaplan's and Norton's research, those companies with pure dependence on financial performance assessment were ineffective in value creation. The core function of the balanced scorecard is to divide the main performance measures to four interconnected factors and thus build a balanced view of the company performance. The figure below illustrates the four performance factors of the balanced scorecard model. (Niven, 2008)

FIGURE 8. The Balanced Scorecard by Robert S. Kaplan and David P. Norton. (Niven, 2008)

The balanced scorecard is divided to four different factors, which can be utilized for creating a strategy map for the organization (Niven, 2008). The balanced scorecard was not created as a replacement of financial measures but to complement the financial perspective with three additional factors. (Kaplan & Norton, 2007) Currently, approximately 60% of the Fortune 1000 companies

apply the balanced scorecard as a tool to enhance their collaboration, accountability and the implementation of their strategies. (Niven, 2008)

According to Michael Porter, many organizations have a clear target customer group, yet they often fail to serve this audience and implement a strategy offering "all things to all customers". (Niven, 2008, p.17) Hence, a true understanding of the customer expectations is only achieved through continuous dialogue and feedback between the organization and customers. Organizational value proposition is related to the question how to add the value of the customers and differentiate your product or service from the competitors. As a consequence, Tracey and Wiersema describe the three main aspects of value proposition as operational excellence, product leadership and customer intimacy. (Niven, 2008) Operational excellence refers to providing customers the goods and services with competitive prices easily without inconvenience. Product leadership refers to superior products and services, which continuously enhance the customer's application of the product or service. Finally, customer intimacy attributes to specific segmenting and targeting of the markets and thereby adapting the offerings directly to the changing demands of the niche ensuring superior customer loyalty. (Treacy & Wiersema, 1993) In short, if customers are not satisfied, they will in the long run search for new suppliers who meet their needs. If the current customer satisfaction is low it leads to a decline in the future. Contrastingly the financial results are positive, since they illustrate the past performance. Nevertheless, the customer perspective reveals potential issues before they affect the financial performance. (Balanced Scorecard Institute, 2015)

Flowing internal processes are required for organizations to fulfill their value proposition. As a consequence, the key internal processes have to be identified and mastered in the strategy map in order for the organization to add value to its customers. In addition to enhancing the existing measures, potential new internal processes such as partnering or service development may be introduced. (Niven, 2008) The key of this indicator is to assess how well the products and services meet the expectations of the customers (Balanced Scorecard Institute, 2015).

According to Kaplan and Norton traditional financial data is crucial, but the current emphasis in only financial perspectives creates an unbalanced situation in relation to the other factors. Yet the financial aspects are critical in the strategy map for both for-profit and nonprofit sectors. However, the focus differs due to the fact that nonprofit organizations focus on achieving results efficiently rather than on increasing shareholder value. (Niven, 2008)

The employee learning and growth rely heavily on the human capital – the employees of the organization. Thus the objectives in the strategy map are achieved only through the employee skills and know-how. (Niven, 2008) In concrete terms the growth and learning relate to employee training and corporate culture through mentoring and communication among workers. (Balanced Scorecard Institute, 2015)

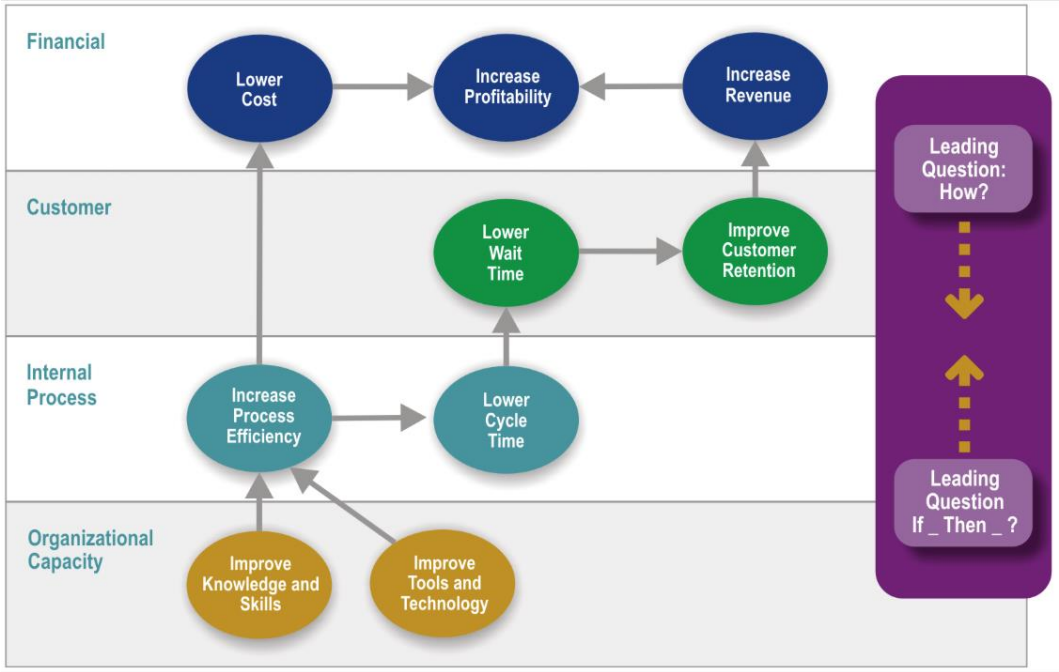

FIGURE 9. A strategy map with four key factors. (Balanced Scorecard Institute, 2015)

The strategy map illustrates how value is created for the organization through the strategic objectives of the balanced scorecard. The figure above illustrates the connection of all four factors and a step-by-step cause-and-effect chain. (Balanced Scorecard Institute, 2015)

2. Triple Bottom Line

The triple bottom line (TBL), developed by John Elkington, is a complement for traditional business success measurement. Traditionally companies measure the bottom line with only financial measures such as profits, return on investment (ROI) or shareholder value. However, Elkington proposed a wider approach for monitoring success by including the environmental and the social measures in addition to financial performance - see the detailed example table below. (Savitz & Weber, 2014)

TABLE 1. Typical triple bottom line measures for economic, environmental and social spheres (Savitz & Weber, 2014).

Economic	Environmental	Social
Sales, profits, ROI	Pollutants emitted	Health and safety record
Taxes paid	Carbon footprint	Community impacts
Monetary flows	Recycling and reuse	Human rights and privacy
Jobs created	Water and energy consumption	Product responsibility
Total	**Total**	**Total**

Business operations require both tangible and intangible assets. In other words conducting business requires financial measures as well as environmental and social resources. In order for a company to operate in a sustainable manner it has to measure and report a positive return on investment in all three factors of the TBL – economic, environmental and social spheres. (Savitz & Weber, 2014) The challenge of the TBL lies in the fact that it is not measured with common units. Thus, factors such as profits are measured monetarily, but monetizing environmental and social factors is difficult. Nevertheless, the TBL is a widely supported tool in both for profit and non-profit sectors in the sphere of sustainable development. (Slaper & Hall, 2011)

3.4 Corporate Social Responsibility

Corporate social responsibility is one of the common building blocks of alternative economic movements. This chapter portrays different corporate social responsibility approaches with their distinct characteristics on the micro-level.

Howard Bowen created the term corporate social responsibility (CSR) in 1953:

> *It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society* (Eccles & Krzus, 2010, p.123).

Hence, CSR describes the relation between business life and the surrounding society. Nevertheless, CSR is a complex term with an elusive nature and can be divided to conservative, liberal, social democratic, radical and skeptical CSR discourse. On a global scale, attitudes towards CSR vary tremendously and depend on the existing political stance between right and left wing parties in matters such as state intervention or the responsibility of the state in solving social problems. (Brejning, 2012)

The conservative discourse fundamentally rejects the existence of CSR and a quote from McGuire (1963) is still widely in use:

> *The idea of corporate social responsibility supposes that the corporation has not only economic and legal obligations, but certain responsibilities to society with extend beyond these obligations*.
> (Brejning, 2012, p.31).

Thus currently those stakeholders with the conservative CSR viewpoint still argue that companies' responsibilities should be limited only to economic obligations. According to Milton Friedman, an American economist and Nobel laureate, corporations and businesses have only one responsibility – to increase its profits. (Friedman, 1970) Thus, his statement clearly illustrates that the only responsibility of a business is to maximize the shareholder value, and sufficient contributions to society are held through providing jobs, which create wealth and wellbeing.

Friedman argued that solely the government is responsible for solving social problems such as wealth distribution and thus separating the business and social spheres. Conservative CSR discourse has still wide support, and can be found regularly in the articles of the Economist and Financial Times in the form of shareholder theory. However the most recent trend in conservative discourse is the application of minimum CSR, in other words reluctantly supportive CSR, in cases where negative consequences occur if the application of CSR is neglected. However, according to Husted and Salzar (2006) conservative CSR discourse is implemented neither through social nor ethical motivation, but to minimize potential strategic risks such as bad reputation. (Brejning, 2012)

Liberal corporate social responsibility (CSR) discourse, in comparison to conservative discourse, is more open to social change. However, CSR is only seen as a beneficial tool if the business benefits are increased through the application of CSR. Hence, CSR is used as a tool for strengthening the brand, attracting the best employees and finally building trust between the corporate and its clients. According to researchers Brammer and Millington (2005), a positive relationship between CSR and corporate financial performance exists. (Brejning, 2012) Acknowledging the various corporate stakeholders as well as active involvement in solving social matters lead to improved financial performance. Nevertheless, liberal CSR discourse clearly states that CSR activities have to be consistent with the self-interests of the corporation and potential social benefits remain secondary effects. As an example, according to Moon (2002), corporations contributing towards education in the local community is not only a social benefit, but actually also a business benefit, due to the fact that it improves the quality of the pool of potential new employees. (Brejning, 2012) Liberal CSR discourse opposes any governmental legislation on CSR such as formal standards or official monitoring and argues that corporations should have the freedom of choice – thus implementing CSR ought to remain on a voluntary basis. (Brejning, 2012)

The social democratic corporate social responsibility discourse, in comparison to liberal CSR discourse, focuses on the benefits of CSR to the surrounding society rather than to business. As a consequence the social democratic CSR aims at a much extensive social change on for example profit maximization on the expense

of the cost of the surrounding society. Already Locke (1689), Rousseau (1762) and Hobbes (1651) believed that the society and business life ought to have a social contract. Thus businesses should have the right to own land and natural resources and to hire employees from the society. However, with rights come responsibilities and businesses ought not to only operate within the bounds of law, but also to operate in a manner, which benefits the surrounding society. In the social democratic CSR discourse, this social contract is called partnership. The partnership consists of involvement with the social sector, non-profit sector and businesses, leading towards a myriad of different types of competencies, which potentially generate new ways of solving social problems. (Brejning, 2012) Unlike conservative and liberal CSR approaches, the social democratic CSR discourse does not oppose governmental involvement in CSR. Hence, governmental involvement is seen as an efficient tool in making companies committed to corporate social responsibility. In other words the aim of social democratic CSR disclosure is not to emphasize the financial benefits of corporate social responsibility, but to plead for the moral outlook of the corporate management. (Brejning, 2012)

Radical CSR discourse is the most extensive CSR discourse and advocates for a radical social change. According to Coleman (2000) the radical CSR discourse connects CSR to global issues such as human rights, environmental sustainability and third world poverty thus extending the issues by far across the national borders. The radical CSR discourse has thus many similarities with Scharmer's and Kaufer's economy 4.0, which was introduced in the previous chapter. Hence, radical CSR discourse seeks to regenerate the social contract between business and social life on a global scale. The current capitalist paradigm is seen as the cause for global social inequalities, corporate greed and misbehavior. As a consequence the radical discourse sees that the current neo-liberal capitalism should be replaced by a socially just alternative. (Brejning, 2012) Neo-liberal values refer to the shift of economic factors from the public sector to the private sector and deregulating the economy (Investopedia, 2015). National and international government involvement in CSR is seen advantageous, yet all institutional change is seen positive whether it is carried out formally or ideationally (Brejning, 2012). According to Coleman (2000) radical CSR

discourse advocates for codes of conduct for business operations through the pressure of non-governmental organizations (NGO) – especially in countries with low regulatory standards. Whitehouse (2003) argues that companies are to be considered as moral actors, rather than economic entities, and the radical discourse considers CSR and corporate citizenship as synonyms. Currently, radical CSR discourse is a grass root movement and most of the proponents are the employees of international NGOs. The radical CSR approach advocates strongly for CSR reporting in business life. Thus companies are held accountable for its stakeholders and especially for the surrounding society and environment. CSR reporting is also seen as a tool for reaching long-term social objectives as well as reflecting on the side effects of the business operations to the surrounding society. (Brejning, 2012)

Skeptical corporate social responsibility discourse advocates for extensive social change. However, the skeptical approach sees CSR as a tool for maintaining the current neoliberal social contract – a situation where economic benefits overrule social concerns. (Brejning, 2012) Thus the main difference between radical and skeptical CSR discourse is the fact that skeptical approach sees CSR only as a concept serving business benefits. Hence, corporate social responsibility is not a simple concept and it is perceived differently depending on the context – different nations have different worldviews and ideologies between business and the society. As a consequence, different CSR practices have different social impacts. Nevertheless, major advancements in corporate social responsibility have been carried out by the nonprofit and non-governmental sectors. (Brejning, 2012) The different CSR approaches with distinct characteristics can be seen in appendix 2.

3.5 Environmental, Social and Governance Reporting

Environmental, social and governance reporting (ESG) metrics assess corporate performance in each of these domains. ESG is often used as a synonym for sustainability, but in fact it has a set of forces pressuring companies for a greater disclosure of information. These forces include environmental movement, increasing consciousness related to the role of business in relation to the surrounding society and concerns about breaches in corporate governance.

According to Harvard professor Robert Kaplan, the positive ESG performance contributes to financial performance through improved reputation. Good reputation helps to attract the best employees, which contribute to efficient and human resource processes. In addition, reductions in environmental impacts, employee safety and health all contribute to increased efficiency and lower operating costs. For example car manufacturer BMW Group implements an ESG report named the "Sustainable Value Report" which assesses the energy, water, waste and volatile organic compounds consumption per vehicle produced. Through these environmental metrics, BMW is achieves manufacturing efficiencies, which contribute to lower production costs. (Eccles & Krzus, 2010)

The Global Reporting Initiative (GRI) is a globally known nonprofit organization for sustainable development, which has set the standards for environmental, social and governance (ESG) as well as sustainability reporting. The first sustainability reporting guidelines were published in year 2000 after which the GRI has grown to a global organization with registered stakeholders from 80 countries, including non-governmental organizations, governments and universities. (Eccles & Krzus, 2010)

The sustainability report framework created by GRI is implemented on a global level and it discloses information on the social, environmental and economic impacts of the organization. In addition, the sustainability report reveals the values of the organization including the approach and commitment to a sustainable global economy. The latest Sustainability Reporting Guideline G4 were published in 2013 and it offers a sustainability implementation manual for organizations including reference for the disclosure of environmental, social and economic performance of the organization. (Global Reporting Initiative, 2015)

3.6 Sustainability

Sustainability has various definitions and often it is described as a state resulting from the process of sustainable development. The World Commission on Environment and Development published the Brundtland Report in 1987, which is currently the most widely accepted definition of sustainability. The report

describes sustainability “as one that meets the needs of the present without compromising the ability of future generations to meet their own needs”. (Benn & Andrew, 2014) Sustainable decision-making considers both long- and short term time periods with human, economic, social and environmental aspects in mind. Precautionary approach can also be seen as a sustainable decision-making tool against actions causing irreversible environmental damage. (Benn & Andrew, 2014, p.742) Sustainability can also be considered as interdependence of living beings and thus sustainable business practices avoid depleting the natural resources. However, sustainable business considers the needs and interests of the public and is accountable to the surrounding stakeholders. (Savitz & Weber, 2014)

The main drivers for sustainability include factors such as population growth, natural resource constraints, globalization, demographic change and the explosion of new technologies. In addition, global warming and climate change as well as the impacts of social movements have caused political pressures towards sustainable policies. (Benn & Andrew, 2014)

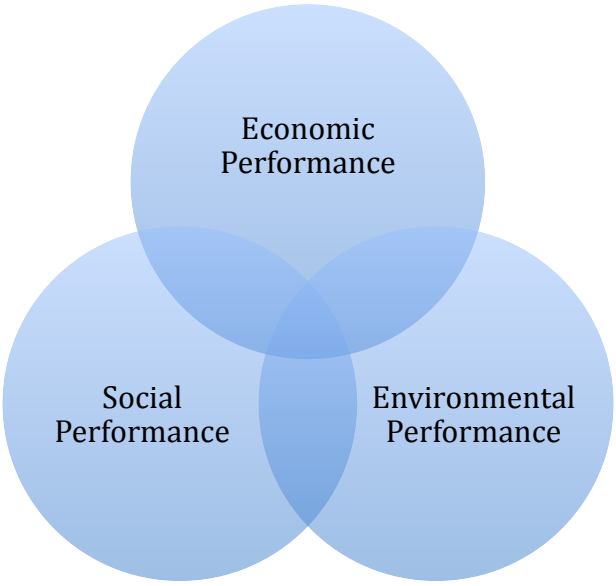

FIGURE 10. Three factors of sustainability measurement (Bennett & Peter, 1999)

The three factors of sustainability can be seen from the figure above, which is divided to economic, social and environmental performance. Performance measurement on these three fields is currently carried out by most leading organization on the global scale. However, the challenge lies in the question how

to feasible compare the performance – with the exception of pollution, it is almost impossible to make comparisons of the environmental performance of a company. As a consequence, voluntary standardization efforts have emerged such as the Global Reporting Initiative (GRI) and the World Business Council for Sustainable Development (WBCSD). These organizations have proposed similar generic categories of performance: (Bennett & Peter, 1999)

1. Materials use
2. Energy consumption
3. Non-product output
4. Pollutant releases

Material usage refers to resource inputs and distinguishes the quantities and types of materials used. Energy consumption divides the quantities and types of energy used and generated. The non-product output indicator attributes to the quantity of waste before disposal or recycling. In other words, the non-product output distinguishes the production efficiencies from the end-of-pipe pollution control. Finally the pollutant releases refer to the quantities and types of pollutants released to water, land and air including greenhouse gases, toxic chemicals and solid wastes. Economic and environmental performance has a very close link, which in fact serves as an effective tool for mainstreaming environmental performance in the business community. For example the prefix “ECO” illustrates the close linkage and stands for both economic and ecological value added. (Bennett & Peter, 1999)

A growing interest in social and business sustainability has become popular especially due to increasing public pressures and enhanced transparency of the overseas operations of multinational corporations. The standardized measures have not been introduced, but a set of core social issues affect a large number of companies and stakeholder groups.

1. Employment practices
2. Community relations
3. Ethical sourcing
4. Social impact of products and services

Provision of a safe working environment in terms of both job and financial security, freedom from discrimination, gender or race as well as the opportunity for professional development contribute to the fair employment practices. The community relations refer to the extent to the support of the local community through development, philanthropy and volunteerism. Ethical sourcing attribute to fair-trading practices with business partners ensuring that the suppliers comply with safe working conditions. Finally the social impact of products and services estimates the contributions to the social welfare and meeting the basic human needs. (Bennett & Peter, 1999)

According to Jonathan Lash, former President of the World Resource Institute, the environmental and social sustainability is likely to increase through the development and dissemination of accurate data as well as discussion of environmental and social conditions. (Bennett & Peter, 1999) Thus, when reliable information of the environmental and social issues is widely available, government policies and individual behavior leads to a situation where the problems cannot merely be ignored. Sustainable development refers to the whole society and especially multinational corporations have the economic scale to have a tremendous impact on the society. This means that the companies have to limit the usage of natural, financial and natural resources to the goods the society wants and needs. (Eccles & Krzus, 2010)

3.7 Sustainability Reporting

Globalization, increasing role of private sector in global governance and trade liberalization has created a movement where stakeholders demand for responsibility of the private sector. In other words, especially multinational corporations face the pressure to enhance the environmental and social performance. Former United Nations Secretary-General Kofi Annan stated in the World Economic Forum in Davos, Switzerland in 1999:

> *We need to initiate a global compact of shared values and principles, which will give a human face to the global market*

(Bennett & Peter, 1999)

Due to increasing awareness of global social and environmental issues, companies create public reports, which illustrate their engagement sustainable operations. The number of sustainability reports has recently grown especially among multinationals operating in the manufacturing and natural resource sectors. However, also financial institutions and insurance companies have adopted sustainability reports, which illustrates the trend of increasing awareness of public environmental reporting. Hence, increasing demand for better information has lead to greater degree of transparency in the business life. (Bennett & Peter, 1999) Traditionally social and environmental performance has been evaluated apart from each other. Nevertheless, sustainable development requires acknowledging the interconnectedness of these two factors. In addition to social and environmental performance, a third factor, economic sustainability, has to be taken in to consideration in organizations. (Benn & Andrew, 2014)

The increasing concern of global warming can no longer be neglected. Based on most recent (2014) Intergovernmental Panel on Climate Change (IPCC) proof that human actions have accelerated the global warming.

> *Human influence on the climate system is clear, and recent anthropogenic emissions of greenhouse gases are the highest in history. Recent climate changes have had widespread impacts on human and natural systems*. (IPCC, 2014)

Due to the growing environmental impacts businesses are subject to enhancing their environmental performance such as improvements in the efficiency of processes, products and services. In addition, regulations and incentive-based measures drive businesses towards better environmental performance whereas bad environmental performance is penalized. (Bennett & Peter, 1999)

The introduction of nonfinancial reporting, nonfinancial performance measurement and sustainability reporting lead to the main focus of this thesis – the introduction of the Common Good Report in the next chapter. The Common Good Report combines values from the alternative economic movement, Economy for the Common Good, on the macro level as well nonfinancial performance measures on the micro level, which were described in this chapter.

3.8 The Common Good Report

This chapter focuses on describing the characteristics of the Common Good Report (CGR) and its main functions. In the empirical part of this thesis, the author constructs the CGR for the case organization Camphill Special School, analyzes the results and builds a picture of the sustainability of the organization in terms of values and stakeholder responsibility. The Common Good Report is a combination of nonfinancial reporting, performance measurement and most importantly a building block for building a socially and ecologically sustainable economic paradigm. (Felber, 2013)

The Common Good Report is in the core of the Economy for the Common Good theory, which was introduced on the macro level in the last chapter. The CGR is a scorecard assessing companies' sustainability in relation to their key stakeholders: suppliers, investors, employees, customers and the social environment. Furthermore the Common Good Report assesses the extent to which the organization fulfills the five most important constitutional values of a democratic society: human dignity, solidarity, ecological sustainability social justice and co-determination by placing interpersonal relationships into the center of the economy. The CGR is also a nonfinancial success indicator assessing the contribution of a company to the common welfare. Companies may thus construct the scorecard and calculate their common welfare points between 0 and 1000 points. The common welfare points could also be described as the Gross Good Product – a far better indicator for assessing wellbeing than Gross Domestic Product (GDP), according to Christian Felber. (Felber, 2013)

According to the Economy for the Common Good (ECG), all products and services including all business entities can be rated according to the CGR score. The rating of the products and services can be implemented through a color tag system, which illustrates the sustainability of the product or service and its producer instantly. Consequently the consumers can scan the tag with their mobile devices and access the Common Good results of the company. Then, based on the scoring, the responsibility of the producer in regard to the surrounding society and

environment can be estimated. (Felber, 2013) The color tag system is illustrated below.

1. 0-200 points – Red
2. 200-400 points – Orange
3. 400-600 points – Yellow
4. 600-800 points – Light green
5. 800-1000 points – Green

From the consumer viewpoint the color tag system is easy and descriptive. According to Felber, those companies with low Common Good score will suffer through conscious consumption patterns in the future. Hence, the markets are directed with a "visible hand" – the modern version of Adam Smith's invisible hand. (Felber, 2013)

The CGR report is divided to 17 indicators, which are consequently assessed. The basis for calculating the Common Good Report score is based on the organizational performance regarding the common good. Each indicator of the CGR is used to assess various aspects of the organizational performance on a four-step scale from first steps to exemplary performance. The indicators in the Common Good Report seek to find answers for the following questions shown in the figure below. (Felber, 2013)

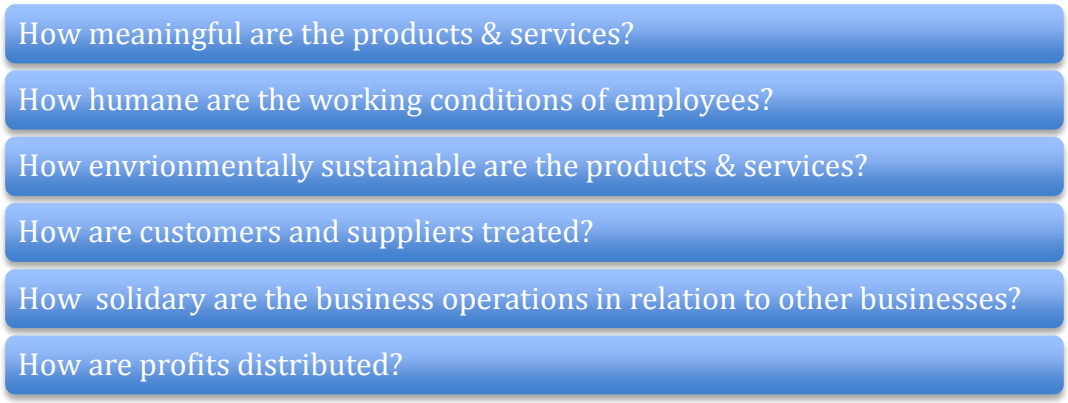

FIGURE 11: The key questions for the Common Good Report (Felber, 2013)

Hence, the better the organization scores from the CGR, the greater its positive social impacts are (Felber, 2013). In addition, the CGR helps the organization to convey a holistic picture of the current performance and enhance its self-awareness. In the future, according to the Economy for the Common Good theory, those companies with higher CGR score will receive tax and tariff reductions as well as preferential treatment in public procurement. (Economy for the Common Good, 2015)

The main strengths of the CGR lie in the fact that is assess the company performance in relation to the five constitutional values and the surrounding stakeholders. The figure below illustrates the five main values of the CGR and the full matrix with all 17 indicators can be seen in the appendix 3. (Economy for the Common Good, 2015)

FIGURE 12. Five most important constitutional values in the CGR (Felber, 2013)

Traditionally business success measurement does not include the measurement of negative externalities the operations have caused. Negative externalities refer to decisions, in which the corporation does not have to pay the full price of that decision. In other words, goods may have negative externalities, which costs the society more than the end user is paying for it. Negative externalities, such as pollution, occur often in unregulated markets where manufacturers do not bear the financial responsibility for the external costs – these costs are paid by the surrounding society. In fact, if a manufacturing plant pollutes the air, the manufacturers costs are most likely limited to raw materials and other operating costs. However, the surrounding individuals pay for the pollution through increased medical expenses and decreasing quality of life. In other words, the surrounding society pays for the negative costs caused by the manufacturing plant. Governmental regulation and taxation is one approach to solve the externality

problem. Thus, the polluting producers face increasing marginal costs, which forces them to reduce the total output. (Economics.Fundamentalfinance, 2015) However, the Common Good report considers the negative externalities, in the form of sanctions in the scoring process. Consequently those producers, products and services, which cause environmental or social problems, can instantly be identified from the CGR score. In other words, the CGR builds a holistic picture of the performance and allows consumers to choose sustainable products and services easily. Due to this, the benefits of the CGR as a nonfinancial tool are not limited merely to theoretical benefits. (Felber, 2013)

The main criticism against the CGR matrix is related to the fact that the organizations implementing the tool are often already the forerunners in sustainable development. This implies, that the companies operating in unsustainable business sectors do not implement the CGR or other corporate social responsibility tools, as they are not legally required. Thus if environmental and social responsibility conflict with profit maximization, voluntary responsibilities are evaded. Nevertheless, continuously increasing transparency in terms of social and ecological impacts of business operations subject companies to apply performance measurement tools such as the Common Good Report. (Felber, 2013)

The following chapters, which form the empirical part of the thesis, focus on describing the application of the Common Good Report in a case study context, as well as its implications in performance measurement.

4 CASE STUDY: CAMPHILL SPECIAL SCHOOL

The author completed his internship at a nonprofit special education provider Camphill Special School during spring semester 2015, which allowed an excellent opportunity to conduct a case study and to test the Common Good Report as a tool for organizational development. Furthermore, the case organization implements an alternative economic approach, associative economics, as the guiding principle for its economic activity and lives the values of the Economy for the Common Good theory. The focus of this chapter is to build a picture of the empirical part of the thesis, introduce the case organization and to describe its mission, vision and values.

4.1 Nonprofit Organization

A nonprofit organization can be defined as ”one that is precluded, by external regulation or its own governance structure, from distributing its financial surplus to those who control the use of organizational assets” (Powell & Steinberg, 2006, p.1). According to Ben-Ner and Jones (1995) the boards of nonprofit organizations have some ownership rights, such as directing the use of resources but not others such as generating profit from the existing resources or to sell the rights to use the resources for profit. The ownership rights are needed for fulfilling the stewardship responsibilities, on behalf of the general public, in whose benefit the organization is designated to operate. The board members are thus sometimes referred as trustees of the organization. The contrasting for-profit sector has full ownership rights and those in control of the organizational assets have the full right to direct, profit from and sell ownership of the company. The nonprofit sector can be further categorized to charitable organizations and mutual benefit organizations. Charitable organizations generally operate for the public benefit, whereas the mutual benefit organizations serve the interest of the members of that organization specifically. The mutual benefit organizations, such as labor unions and social clubs are also nonprofit, but from the tax perspective the charitable organizations are favored more. (Powell & Steinberg, 2006) Camphill Special School is a nonprofit 501 (C)(3) organization providing special educational services.

4.2 Introduction of Camphill Special School

Camphill Special School (CSS) was founded in the East Nantmeal, Pennsylvania 1963 by Carlo and Ursel Pietzner. Camphill Special School is a nonprofit Pennsylvania Approved Private School and Waldorf School accredited by AWSNA (Association of Waldorf Schools of North America) that offers day and residential programs for children and youth with intellectual and developmental disabilities. Camphill Special School is a part of the international Camphill Movement and currently the only Camphill community in the United States for children. In addition, Camphill Special School is the only Waldorf School in the country for children with developmental and intellectual disabilities. (Camphill Special School, 2015a)

4.3 Organizational Structure

The organizational structure of Camphill Special School is organized and administered through the principles of the Camphill Movement. The three central decision-making bodies can be seen in the figure below. (Camphill Special School, 2004)

FIGURE 13. The three main decision-making groups at Camphill Special School (Camphill Special School, 2004)

The Beaver Run Circle (BRC) is the main decision-making body of the Camphill community and it consists of long-term community members. All major long-term decisions and decisions concerning internal groups are made by consensus in the

BRC. Consensus refers to decision-making when at least 90% members are present and express agreement. The Board of Directors (BOD) and the BRC establish administrative offices and appoint the directors. The members of the Focus Group are chosen by the recommendation of the BRC. However, the Focus Group is not a decision-making body, but it serves as the center of the communication and allows the BRC to performs its executive function. The main mission of the Focus Group is to maintain a clear picture of the current issues and communicate them further to the appropriate internal groups. In addition, the Focus Group serves as a link between the BOD and the BRC. The BOD consists both of residential and non-residential members of the community. Its main function is to carry the legal and fiduciary responsibility of the Camphill community and to establish committees to support the internal working groups. In addition, the BOD performs specific strategic and operational functions related to the Board and management of Camphill Special School. All BOD members are must have an active working relationship with a group mandated by the BRC. (Camphill Special School, 2004)

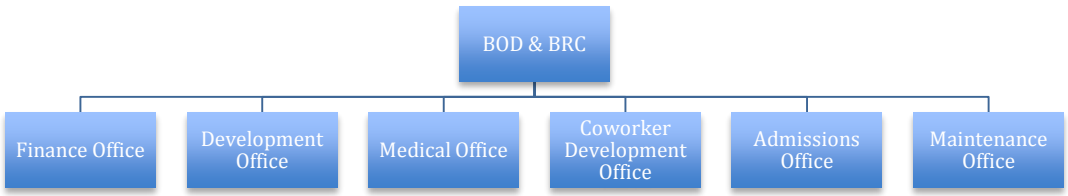

FIGURE 14. The organizational structure of Camphill Special School (Camphill Special School, 2015g)

Camphill Special School has six offices that operate in their specific fields of expertise. Governing body of the organization, Beaver Run Circle, mandates the directors of each office. All directors report directly to the BOD and the BRC and are members of the Focus Group, which consists of the chairs of the main

working groups. The figure above illustrates the flat organizational structure of Camphill Special School. In addition, the organizational structure is divided to seven Board Committees, which consist of at least one BOD and two BRC members. The main function of the board committees is to support the 14 internal groups, which carry the responsibility of the daily operations of the community. (Camphill Special School, 2004)

4.4 Aims, Objectives and Values

The mission of Camphill Special School is to create wholeness for children and youth with intellectual and developmental disabilities. This aim is achieved through education and therapy in extended family living, through which the children and youth are better understood and their disabilities moderated. As a consequence they may unfold their potential and participate life in a full and meaningful way. (Camphill Special School, 2015b) The top priorities of the community are to continuously improve the educational, residential and therapeutic services through diversified funding sources. The long-term goal is to prepare the students for the transition to adult life. (Camphill Special School, 2004)

Camphill Special School admits students both for day and residential programs and offers prevocational programs and therapeutic care for children until grade twelve. In addition, Camphill Special School offers a pre-vocational transition program for young people aged between 18-21 years with the opportunity to learn life skills through living in a sharing community. (Camphill Special School, 2015b) Camphill Special School seeks to unfold personal individuality, interpersonal relationships and care for the environment through biodynamic farming. (Camphill Special School, 2004)

The strategic goals of Camphill Special School is are divided to large long-term goals and smaller short-term goals. The continuous goals are to continually improve the educational, residential and therapeutic services offered for both residential and day students. In concrete terms the organization is engaged in ongoing research of current best practices in mainstream special education and

Waldorf education. Other strategic goals include offering various workshops, mentoring and courses for the local community as well as creating a new working curriculum for preschool to grade twelve. (Camphill Special School, 2015g)

4.4.1 Camphill Movement

The founding father of the Camphill Movement is an Austrian pediatrician Dr. Karl König who founded the first Camphill Community near Aberdeen, Scotland, in 1939. The foundation of the movement lies in Rudolf Steiner's (1861-1925) principles of anthroposophy – a philosophy of integrating the spirit, body and soul. Curative education, originating from the German concept of "Heilpädagogik", was further developed by Rudolf Steiner, aims at a holistic and healing educational process for individuals who are in particularly vulnerable situations, either through disability or social circumstances. Consequently, the curative education can be seen in the adapted Waldorf curriculum of Camphill Special School. (Camphill Special School, 2015b)

Currently there are over 100 Camphill communities in over 20 countries designed to meet the needs of children, youth and adults with developmental disabilities. The community life is a combination of arts, land work and living together in house communities through which new opportunities and social renewal can be found. The members of the house share the daily chores, engage in work at school, on the land or in craft workshops. The Camphill communities in North America aim at providing education, therapeutic care and support to people with disabilities. In addition, sustainable and healthy methods of consumption and agriculture are embedded to the core values of Camphill. The Camphill ideal is to engage all community members in meeting their own needs, as well as those of the community as a whole, to whatever their abilities allow. The implementation of Camphill Special School's mission and values is carried out by committed coworkers who not only maintain high standards of care and self-sacrifice but also inner development. The coworkers refer to the long-term caregivers, who live and share the community life. (Camphill Association of North America, 2015) According to Wanda Root (1986):

> *Camphill is way of live. It is not a job. There are no shifts, no salaries, no relative values placed on people according to the nature of the work that they do. Tasks are undertaken for the good of the whole, out of a sense of commitment and responsibility*
> (Camphill Special School, 2015b)

4.4.2 Services of Camphill Special School

Camphill Special School seeks to enhance and maximize every child's potential through a wide range of sequential educational programming from kindergarten, elementary and high school grades. The adapted Waldorf curriculum addresses the whole child from the head to heart and hands, thus combining scholastic subjects with hands-on practical, social and artistic work. The Waldorf education is based on Rudolf Steiner's research into the human nature and development – anthroposophy. Anthroposophy refers to the "wisdom of the human" and based on the philosophy every human being is divided to a three parts: the body, soul and eternal spirit. In the daily Waldorf education at the Camphill, the teachers help the children to relate what they learn intellectually to their emotions and to their will. The education is consistent throughout the elementary and middle school grades and thus the children develop a close relationship with the teacher. In addition, Waldorf education includes dramatic, musical, visual and movement arts as well as practical skills such as woodworking and gardening along with academic subjects, consequently educating the whole human being – head, heart and hands. (Camphill Special School, 2015c)

The curative education program is offered to residential volunteer coworkers who live in the Camphill Special School community together with the students with special needs. The program offered by the Camphill Academy includes both academic and artistic disciplines, supervised practice in childcare as well as the experience of community life with other residential coworkers and students. Residential coworkers participating to the curative education program have the possibility to receive a debt-free bachelor's degree after successfully completing the four-year curative education program and an additional one-year college year. (Camphill Academy, 2015)

Camphill Special School offers various therapies to children and youth with special needs including physical therapy, occupational therapy, speech therapy, and horseback riding therapy as well as anthroposophical therapy. The physical therapy is part of the educational program and is aimed at helping with the balance and posture and overall capabilities to experience movement. As a complementing part of physical therapy, Camphill offers a variety of massages and therapeutic baths, which create a gentle and protective environment for the students. Occupational therapy serves include developing the sensory-motor processing, fine motor coordination and visual perceptual skills with a goal to enhance the skills important for learning. Speech therapy enhances language skills on a wide spectrum from voice quality to receptive language. Horseback riding therapy has various benefits from the psychological wellbeing to the development of balance and gross motor skills. Finally the anthroposophical therapies are divided to music therapy, art therapy, colored shadow display and therapeutic eurhythmy. (Camphill Special School, 2015f)

Due to the nature of Camphill Movement, home and warmth are in the core of Camphill Special Movement. The extended family life refers to share living with caregivers, coworkers, their families and the students. In other words the aim of the community is to make the students feel like home far away from home. In addition, houses do not have shift workers, which integrates the students' and coworkers' lives into the extended family settings. As a consequence, the students build a very close relationship with the house parents, coworkers and interns at the community. House parents refer to the experienced long-term community members and oversee the daily lives in the houses including the supervision of resident volunteers and interns who carry out the direct care responsibility of the students. The goal of the extended living is to provide the students with a broad spectrum of life skills including independent living skills, communication abilities, socialization skills, domestic capabilities as well as leisure activities and hobbies. In other words the students actively participate to the daily life in the community – children have daily responsibilities, which in the long term enhance the independent living skills. (Camphill Special School, 2015 d)

After completing the twelfth grade at the Camphill Special School's Waldorf School, students aged between 18-21 years may participate in the pre-vocational program on a biodynamic farm. Currently Beaver Farm produces all the beef, pork, eggs and chicken needed by whole Camphill Special School through organic biodynamic farming. Biodynamic farming refers to Rudolf Steiner's holistic system that heals and balances the soil with the goal of producing clean and healthy nutrition. Due to the biodynamic nature of the farming, no artificial or chemical pesticides or herbicides are used. The main goal of the transition program is to provide the students with an opportunity to learn life skills through community living. (Camphill Special School, 2015e)

5 EMPIRICAL RESEARCH & ANALYSIS

This chapter focuses on implementing the information collected from the literature review and constructing the Common Good Report at Camphill Special School. In addition, answers for the main research question *"How does the case organization Camphill Special School perform in the Common Good sustainability report?"* are sought. Firstly the data collection process and interview design are discussed, after which the Common Good Report tool itself is introduced. The results are analyzed and the performance of the organization is calculated on a to zero to1000 point scale. Finally, the feasibility of the CGR tool for Camphill Special School is analyzed through a feedback process with the representatives of the organization. In addition, the author describes his impressions and insights of the application of the report for a nonprofit organization in the United States.

5.1 Data Collection Process and Interview Design

The focus of this chapter is to build a picture of the time frame and the thesis data collection process. Data was collected through semi-structured interviews with the aim to fulfill the requirements for the Common Good Report. The figure below summarizes the timeframe and step-by-step process of data collection.

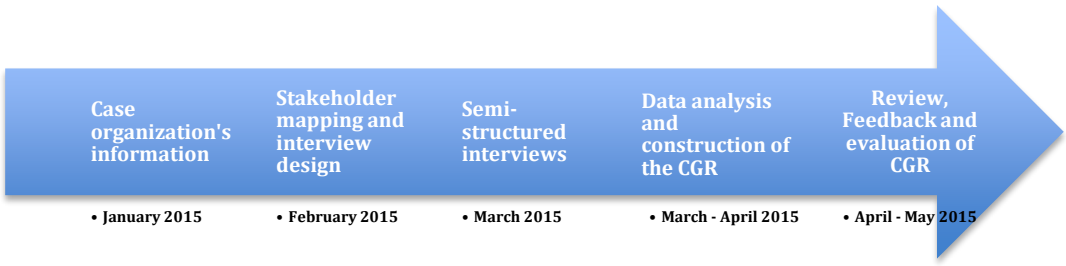

FIGURE 15. Data collection process with a timeframe

The construction of the Common Good Report (CGR) requires the assessment of 17 indicators derived from specific guidelines. Appendix 3 gives a detailed description of the all indicators with their final score. The author seeks to find answers for each indicator through interviewing the stakeholders of Camphill

Special School and to build a picture of the ethical status quo of the organization. Edward Freeman (1984) defines stakeholders as ”any group or individual who can affect or is affected by the achievement of the firm’s objectives” (Eccles & Krzus, 2010). However, in context of the CGR, the stakeholders are divided to five key groups visible in the figure below.

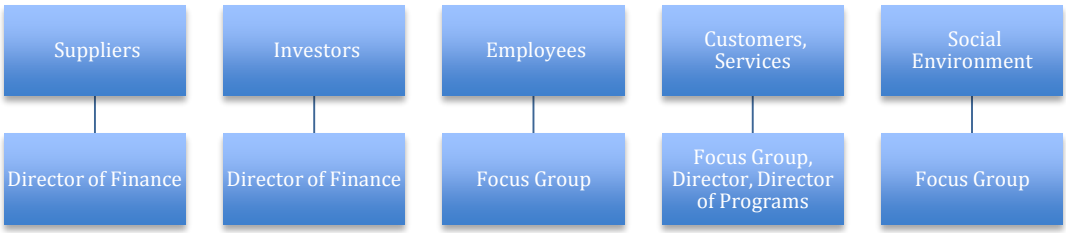

FIGURE 16. The stakeholders of Camphill Special School with a division of interviewees

The key for the CGR is to distinguish the right members of the organization and to interview the responsible professionals in each field. For the questions concerning investors, the author contacted the finance department, whereas questions concerning the employee rights were directed to human resource representatives. Through distinguishing the professionals in each field, the author was able to build a picture of the formal procedures and values of the organization. In practice, the first sets of interviews were directed to the managerial level – the professionals in charge of the organization. The second sets of interviews are targeted for the same professionals, but with a focus on feedback. The aim was to discover the values of Camphill Special School and compare the perceived values with the CGR. Through this process, potential disparities are discovered allowing improvements in the future. The author defined the representatives for each stakeholder group according to the instructions of the assisting manager. The data collection process lasted from January to May and included e-mailing as well as meeting with the interviewees. After the first interview, further questions were sent to the interviewees in case further information was needed.

The semi-structured interviews lasted between 45 to 65 minutes each, covering the specific topics provided in the CGR guidelines. The specific questions were derived from the guidelines as well, but the nature of the semi-structured interview allowed a freely flowing discussion around the given topic. Four of the interviews were one-to-one, one pair interview and two group interview with eleven representatives of the Focus Group. The aim was to discover the values and organizational culture through a variety people with a variety of different voices – a broad representation of viewpoints. The CGR report provided the author with specific evaluation tables, which were utilized in the data analysis process. The finalized CGR report with calculated final points can be found from appendix 3. The interview themes were divided according to the stakeholder group and the author sought to find answers for the following areas:

TABLE 2. Stakeholder groups for the common good matrix with interviewees

Stakeholder	**Interviewee**
Suppliers	Director of Finance
Investors	Director of Finance
Employees	The Focus Group
Customers / services & business partners	Director of Admissions and the Director of Programs
Social Environment	The Focus Group
Negative Criteria	Director of Development

In total twelve different people were interviewed in the data collection process of the case study. The high number of interviewees allowed the author to draw a diversified picture of the organizational performance. After the data collection process for the Common Good Report was carried out, a final feedback interview was carried out with the Focus Group.

5.2 Common Good Report Results

The total Common Good Report score for Camphill Special School was 552 out of a possible 1000 points. The most advanced companies have received points between 600 and 700 points. This illustrates, that Camphill Special School lives the five most important constitutional values and operates responsibly in terms of its key stakeholders. Yet, the indicators provided valuable insights on the contact points in which Camphill Special School can improve its performance. Appendix 3 provides both visual and numeric description of the CGR results in the form of value stars. The main function of the CGR score is to define the current stand, which allows organizational development in the future.

Firstly the indicator is introduced, after which the results from the Common Good Report are summarized below with potential development recommendations. Detailed score for each indicator can be seen in appendix 3. [2]

A1 Ethical Supply Management

Ethical supply management refers to the risks related to the products and services purchased by Camphill Special School from the social and ecological aspects. In addition, this indicator estimates the relationship of Camphill Special School in relation to its suppliers and service partners. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 54/90 points, which equals 60% of the total score. This indicates that the ecological and social aspects as well as superior alternatives are considered at the organization. In concrete terms, this refers to procurement of superior alternatives, especially in terms of nutrition, health and safety. Food is largely bought from the local organic stores or self-grown by the residential co-workers and students at Beaver Farm. However, neither internal audits nor routine evaluation of ecological and social effects are carried out at the organization. Yet, Camphill Special School gives preference for long-term cooperative supplier relationships over price-driven supply processes. The main improvement opportunities include switching to green electricity, routine

[2] Note: this is not an audited Common Good Report. The auditing process will be carried out during summer 2015.

evaluation of social and ecological effects of procurement as well as active discussion related to ethical supply.

B1 Ethical Financial Management

The ethical financial management indicator refers to the considerations of both social and ecological aspects when choosing the financial service provider. This indicator assesses the financing and investments to the common good. (Common Good Matrix 4.1, 2015)

Camphill Special School Scored 9/30 points, which equals 30% of the total score. This indicates, that the social and sustainability aspects are largely not considered in the organization in terms of financing. Main financial service providers are, however, local banks that support the surrounding community through sponsoring and other events. Camphill Special School is a non-profit organization and does not invest any money to the markets and does not participate in speculations with futures or options. Beaver Run Foundation, carries out all investments, including the provision of loans to social initiatives in the United States. The capital investments of Beaver Run foundation are invested in a socially and ecologically sound manner, yet through a conventional brokerage bank. Approximately 90 percent of Camphill Special School's funding consists of privately and publically paid tuitions, whereas the remaining 10 per cent includes fundraising and other income sources. The borrowed capital of the organization is used for financing acquisitions or new building projects. Main improvement recommendations include cooperation with sustainable financial providers and focusing the investments of Beaver Run foundation exclusively to sustainable projects.

C1 Workplace quality and affirmative action

This indicator portrays the organizational culture from the employee point-of-view revealing policies related to remuneration, workplace health and diversity.

Camphill Special School scored 72/90, which equals 80% of the total score. The high score indicates the community values, solidarity and excellent training opportunities. Employment and payment policies are fair including mutual social benefits for all employees, including a comprehensive health insurance plan.

Financial compensation within the residential community bases on economic brotherhood – a life need system where each community member receives financial compensation based on individual needs. Thus, the total aggregate financial needs of individuals are calculated, budgeted and divided within the community members. The residential Camphill community is extremely diverse with co-workers from 22 different countries. Equality between men and women is a core value of the organization. 60 per cent of the employees and co-workers of Camphill Special School are women, and all major decisions are made within the governing body of the organization – Beaver Run Circle that consists of 18 women and 16 men. Nevertheless, few fields of improvement exist: transparency regarding the residential life needs remuneration system, lack of preventive health care and finally the lack of women in Director positions.

C2 Just distribution of labor

Just distribution of labor refers to the contribution to reduce unemployment and eliminating unpaid overtime-working hours. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 15/50, which equals 30 per cent of the total score. A clear distinction between the residential and non-residential employees has to be made. Non-residential employees work always 40 hours per week and are obliged very seldom to work overtime whereas the residential employees do not calculate working hours – life and work blend together. Temporary employees and part-time employees are hired only occasionally, yet with mutual salary and social benefits. The labor force consists of 66 per cent of residential co-workers, whereas the remaining 34 per cent of day staff works in maintenance, offices and educational services. In the United States organizations are not obliged to additional overtime compensation, but in case of overtime, the working hours are compensated as time off the following week. The areas of improvement include the consideration of temporary hires during busy seasons, adoption of overtime compensation and trainings for time management.

C3 Promotion of environmentally friendly behavior of employees

This indicator focuses on the sustainability of the employees of the organization. In other words, Camphill Special School's contribution to environmental friendly behavior is evaluated. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 12/30, which equals 40 per cent of the total score. Environmentally friendly behavior is promoted through the provision of organic food, recycling and minimizing chemical usage. All staff members, residential and non-residential, have the access to mainly organic nutrition during workdays at both campuses. Due to the location of the school and the current state of public transportation in the rural areas of Pennsylvania, non-residential staff is obliged to use cars for commuting. However, 66 per cent of the staff lives at the campus, which reduces the carbon footprint created from transportation. The main areas for improvement include creating an incentive for environmentally friendly mobility, advanced trainings in terms of ecological behavior as well as calculating and monitoring the carbon footprint.

C4 Just income distribution

Income distribution portrays the current status quo in income disparity within Camphill Special School and seeks to find answers about the remuneration policies of the organization. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 48/60, which equals 80 per cent of the total score. Income divergence within the organization is less than 1:3, which is an excellent ratio for an organization with 155 employees. Minimum income within the organization fluctuates between $14-16 per hour, which is two times more than the regulatory minimum income in Pennsylvania. In addition, all employees have the access for paid holiday, maternity leave and health insurance, which is unusual in many organizations in the United States. The residential and non-residential staff members have separate salary structures and all information related to payment policies is confidential. The need for salary structure transparency is acknowledged and as of 2016 a base-increment system will be adopted for the program employees.

C5 Corporate democracy and transparency

Corporate democracy and transparency includes assesses the transparency on a wide sphere including the procedures behind managerial selection and democratic decision-making. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 54/90, which equals 60 percent of the total score. The score indicates that transparency is high in terms of decision-making and managerial selection. In fact, all major governing decisions, including mandating directors, are made in the Beaver Run Circle that consists of 34 long-term community members. Different responsibilities are divided to a number of different offices, which make their own decisions concerning new hiring with the support of the finance office. Within the governing bodies of the organization, Beaver Run Circle and the Board of Directors, decisions are consensual or by majority vote. Financial transparency includes the publication of Internal Revenue Service form 990 entitled “the return of organization exempt from income tax”. Hence, most of the financial data is transparent and available from the Internet. Main areas of improvement include increasing the decision-making influence of new employees and disclosing more of critical data, such as Board minutes.

D1 Ethical customer relations

This indicator focuses assesses to what extent Camphill Special School engages in maintaining ethical business relations and providing meaningful high quality services. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 25/50, which equals 50% of the total score. The interview data illustrated clearly that the customer relations are two-sided. Towards the funding agencies, such as school districts, the relationship is very formal including the compliance with education deliverables and regulations whereas the relationship with the parents is very close and informal. In sectorial comparison, the pricing of the Camphill Special School is low due to lower operation costs of intentional community living. The high service quality is based on the four-year curative education program, which ensures the up-to-day skills of

the labor force. The main improvement areas include disclosure of pricing information and the organizing advanced trainings on ethical customer relations.

D2 Cooperation with businesses in the same field

This indicator focuses on the culture of sharing know-how, financial support to organizations in the same field and participation to cooperative marketing. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 14/70, which equals 20 per cent of the total score. Based on the interview data, the organization cooperates very actively with social initiatives working with curative education across the world. Yet, cooperation with other accredited private schools is very limited and sharing of know-how is mostly within the sphere of Waldorf education. Camphill Special School is a part of the alliance for Approved Private Schools and the Association of Waldorf Schools in North America. The connections of Camphill Special School outreach far across the national borders, which can be considered as a substantial advantage in comparison to other accredited private schools in the United States. Financial support is distributed through the Beaver Run foundation and focused on social initiatives working with curative education. The main areas of improvement include increasing the cooperation with other accredited private schools in the fields of know-how and cooperative marketing.

D3 Ecological design of services

This indicator assesses the extent to which Camphill Special School focuses on designing ecologically sound services and raising ecological awareness. (Common Good Matrix 4.1, 2015)

Camphill Special School scores 36/90, which equals 40 per cent of the total score. The main service of the organization, education, is intangible and does not cause environmental constraints. The main ecological aspects relate to the material usage and energy efficiencies. In terms of material usage, such as nutrition and supplies, the organization is highly responsible whereas in terms of energy efficiency especially the main campus is highly inefficient. On the other hand the smaller campus, Beaver Farm, is partly highly ecological and energy efficient.

Ecological mindset is a part of the Camphill community and recycling has been carried out for over 25 years, which is exceptional in the United States. Other ecological aspects include biodynamic farming, sufficient consumption and bulk purchases. The main areas of improvement include increasing communication of ecological aspects, promotion of ecological behavior and gradual improvements in the energy efficiency of the main campus.

D4 Socially oriented design of services

This indicator assesses the extent to which the services of Camphill Special School take the disadvantaged groups into consideration. (Common Good Matrix 4.1, 2015)

Camphill Special School scores 24/30, which equals 80 per cent of the total score. The services are fully directed to the disadvantaged customer groups – education and extended family living for children and youth with developmental or intellectual disabilities. With specific requirements, the State of Pennsylvania is obliged to fund education until the age of 21. Without state approval, the tuitions of private education are financed through private funding, which limits the intake of students from low-income families. Nevertheless, Camphill Special School provides scholarships for approximately 18 students every year, which maintains the balance between students from different socio-economic backgrounds. Major areas for improvement were not discovered in terms of indicator D4.

D5 Raising social and ecological standards

This indicator assesses the business behavior of Camphill Special School and the contributions to improving both ecological and social standards. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 6/30, which equals 20% of the total score. The organization cooperates with the Association for Private Schools through which standards for education and legislation are raised. In 2016, Camphill Special School will focus on raising legislative standards regarding the care of adults with special needs. It is important to notice that the organization is a nonprofit organization and hence lobbying processes are forbidden. The efforts for raising

standards are currently limited to the social sphere – development of education and the legislation around it. Increasing ecological standards are limited to the biodynamic farming and gardening at Beaver Farm, active recycling and sufficient consumption.

E1 Value and social impact of services

This indicator assesses the value of the services in relation to the basic human needs, society and the environment. (Common Good Matrix 4.1, 2015)

Camphill Special School scores 72/90, which equals 80% of the total score. The high score indicates that special education and contributes to fulfilling basic human needs as well as benefit the surrounding society and environment. In comparison to other service providers in the care sector, Camphill Special School provides superior curative services: various therapies, curative education, workshops and extended family living. In terms of ecological sustainability the main campus of Camphill Special School is behind in energy efficiency and infrastructure. The smaller campus, Beaver Farm, is partly highly efficient with geothermal heating, rainwater storage and well-insulated houses. They key factors, which set Camphill Special School apart from its competitors is the social sustainability and community living. The main areas for improvement in comparison to competitors include improving the energy efficiency of the main campus.

E2 Contributions to the local community

This indicator estimates the cooperation with the local community and estimates the extent to which Camphill Special School supports the community through financial or social measures or its own services. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 24/40, which equals 60% of the total score. The main contributions of to the surrounding society are the provision of special educational services for approximately 80 local children and youth. The school does not have a detailed strategy for community support and the nonprofit model limits sharing of income. Current contributions to the local community include

inviting the local Waldorf School to the farm to learn about life at the organic farm. The monetary scope of local community commitment can be considered as the revenue of Camphill Special School. The main areas for improvement include creating a clear strategy for local community commitment.

E3 Reduction of environmental impact

The emission reductions of this indicator refer to emissions, waste, water and energy consumption and the efforts, which Camphill Special School engages in reducing the environmental impacts. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 14/70, which equals 20 per cent of the total score. Based on the interview data clear environmental goals are created but improvements require substantial investments. Currently environmental data, such as carbon dioxide emissions, gas, and oil, gasoline and water consumption are not recorded. Each area is clearly budgeted, yet long-term ecological trends are not examined. Beaver Farm is the forerunner in reducing environmental impacts of Camphill Special School. For example rainwater is collected into built wetlands and used for flushing toilets or washing laundry. The house and barn roofs are designed for solar panels, the main house and school building are cooled and heated with geothermal energy. CO2 emissions are reduced through active car sharing and a low emission vehicle fleet. The main areas of improvement include evaluation of environmental impacts, investments in low-carbon technologies and renewable energy resources as well as assessment of key ecological risks. Most of the emission reductions are achieved through investments, which hinders rapid development of environmental performance.

E4 Investing profits for the Common Good

This indicator estimates the investment behavior of Camphill Special School from social and ecological viewpoints. (Common Good Matrix 4.1, 2015)

Camphill Special School scores 60/60, which equals 100 per cent of the total score. The organization does not share profits to shareholders through dividends and potential surplus is re-invested for the development of the school. Major areas for improvement were not discovered in terms of indicator E4.

E5 Social transparency and co-determination

This indicator focuses on the current status quo in terms of sustainability reporting and cooperation with surrounding stakeholders of Camphill Special School. (Common Good Matrix 4.1, 2015)

Camphill Special School scored 6/30, which equals 20 per cent of the total score. The first Common Good Report of Camphill Special School includes detailed written description of each indicator and sub-indicator. This thesis includes only the short summaries and the Excel sheet, which was applied in the calculation process. The organization does not have previous experience of sustainability reporting and the CGR helps the organization to discover the areas, which require further development. Co-determination with surrounding stakeholders is limited to regulatory compliance of laws and cooperation with students' parents and Beaver Run Circe carries out all major decisions. Main area for improvement includes further integrating stakeholders to decision-making processes.

Negative Criteria

As a part of the Common Good Report the negative criteria has to be assessed. Based on the interview results, the author can confirm that Camphill Special School does not violate any of the negative criteria listed in the CGR guidelines. For a detailed list of negative criteria, please see appendix 3.

5.3 Analysis & Conclusions of the CGR Feedback

The author sought for answers concerning the suitability of the Common Good Report in the performance assessment of a nonprofit organization operating in the education field. The author presented his Common Good Report results in a group interview with the Focus Group, after which feedback was given on the strengths and weaknesses of the tool. Based on feedback, the representatives of Camphill Special School acknowledged that the evaluation was based on specific Common Good Report guidelines, and the total score reflects the current performance based

on this assessment tool. The feasibility of the Common Good Report was considered in relation to a number of indicators. The indicators C2 – just distribution of labor – is related to reduction of normal working time in the organization. The evaluated score was 10 percent, which was considered low by the representatives of the organization. In United States, organizations are not obliged to compensate social benefits, such as paid holiday and health insurance, for part-time employees. Thus, a conscious choice has been made, that only full-time employees are hired with the access for a variety of social benefits at Camphill Special School. By minimizing part-time hiring the organization ensures the social benefits for all employees, yet from the Common Good Report evaluation perspective this seen as a negative factor.

Hence, the main message of the feedback was that the Common Good Report should be adjusted locally. The score of Camphill Special School would have been significantly higher, if the prevalent standards of United States were the reference. The organization is extremely lenient in for example the interpretation of employee rights. Due to the fact that the author constructed the first Common Good Report in the United States, the prevalent social and ecological standards in Central Europe were used in the evaluation process. Nevertheless the international standards improve the comparability of the Common Good Reports with each other.

The management agreed with the key findings of the Common Good Report and agreed with the main constraints – the energy inefficiencies of the main campus. The mindset and the values of the organization do not, in terms of environmental efficiency, meet in the current infrastructures. Nevertheless, a concrete plan for improving environmental efficiency exists but the financial constraints hinder rapid improvements. The common impression of the Common Good Report as a tool was positive and the usefulness for determining the current performance was acknowledged. In short, some indicators score low due to a concrete need for improvement, whereas other areas score low due to structural reasons the organization cannot change. The main recommendation by the representatives of Camphill Special School included further development of the CGR to maintain

the usefulness of the tool. The results of the Common Good Report will be further utilized in the strategic planning of Camphill Special School.

6 DISCUSSION

Based on author's interpretation, the directors of Camphill Special School and a certified Common Good consultant, the CGR results can be considered trustworthy. Interestingly the results are supported by indicator stars, which visualize the performance of the organization. Firstly the results and implications of the constitutional values can be analyzed by utilizing the figure below.

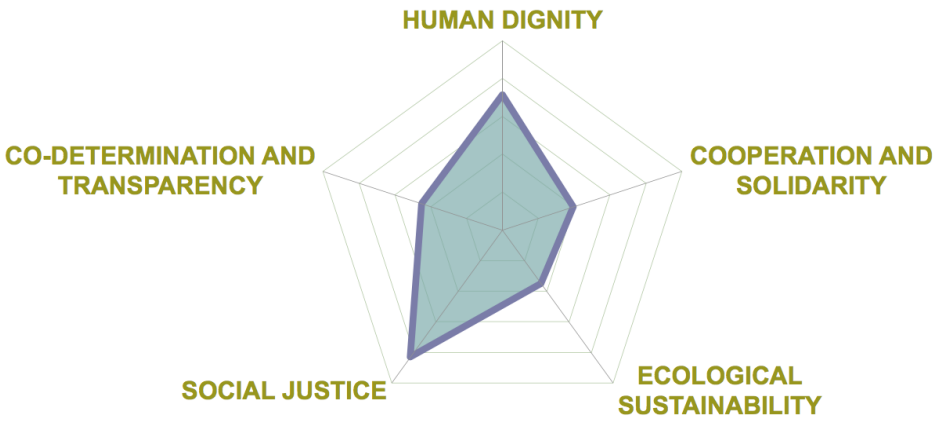

FIGURE 17. Value star indicating the performance of Camphill Special School in relation to CGR values.

The highest scores are linked to human dignity and social justice. The score is not surprising, considering that Camphill Special School is also an intentional community and 66 percent of its workforce is residential. The mission of Camphill Special School is to create wholeness for children and youth with intellectual and developmental disabilities. Hence, the value star illustrates that the strengths of the organization are consistent with its core mission and link closely with social justice and human dignity. Through participating to the daily life of the community the author experienced those values vividly. The most surprising area was the relatively low score from ecological sustainability. The values of the community clearly promote conscious consumption, recycling and high quality supplies. Nevertheless, after closer examination, various

improvement areas were discovered, most importantly the inefficiencies in the infrastructure of the main campus. In short, the values of the community promote ecological behavior, but living the values is challenging due to the aging infrastructure, which heats primarily with fossil fuels.

The next value star below illustrates Camphill Special School's responsibility towards the key stakeholders of the organization.

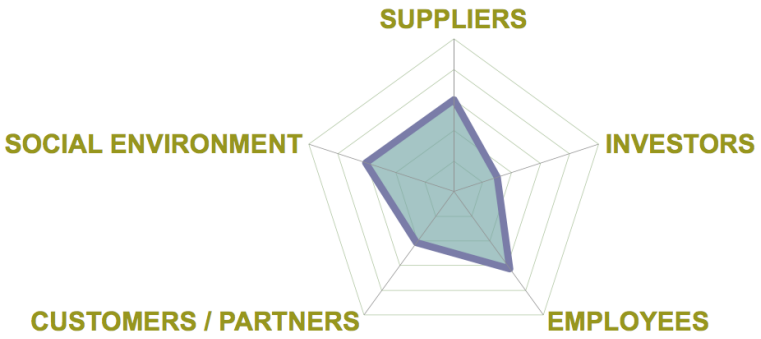

FIGURE 18. Value star indicating the performance of Camphill Special School in relation to its key stakeholders

The supplier value star tells the same story as the former value star that assessed the constitutional values of the organization. In short, employee wellbeing is high as well as the responsibility towards the suppliers and the social environment. These results were expected and the organization is known for its solidary and fairness towards all members of the community. High score from supplier relationship relates to favoring of higher quality alternatives and long-term supplier relationships. For example most of the nutrition at the community comes from organic farms and higher quality goods are preferred over cheaper prices. In fact, the only relative low score was related to the finances of Camphill Special

School, which are carried out through conventional banks and not through banks that focus specifically on ethical banking.

Few peculiarities were discovered in the application process of the Common Good Report. Firstly, differences in the legislative standards and economic systems between United States and Europe have to be acknowledged, which based on the authors feeling, lowered the score of Camphill Special School. However, this aspect is two sided and for comparability between reports the evaluation ought to be similar. The application of certain finance related indicators felt unnecessary for a nonprofit organization, since profits are not further distributed to external parties. The output of this case study draws a picture of the current performance of the organization in relation to the constitutional values and to its stakeholders. In a sense, the results provide the organization with a starting point with clear indications of the critical improvement areas. However, a longitudinal study from one to five years would allow a continuous development process and evaluation of progress. The final results were eye opening and hence the results will be implemented in the strategic planning of Camphill Special School.

The Common Good Report is officially directed to all types of business entities, but few areas for further development were discovered. The author and the directors of the case organization felt that the Common Good Report is nevertheless primarily directed to the for-profit sector and in order to fully unfold the potential for the nonprofit sector, the evaluation criteria should to be altered. Alterations would include specifying the indicators related to finance and ownership structures. The next research question in terms to the CGR could relate to the adjustments of the tool for the nonprofit sector in the United States. However, as a complement for traditional performance measurement the Common Good Report proved to be highly useful.

7 CONCLUSIONS AND SUGGESTIONS FOR FURTHER RESEARCH

This chapter answers the primary and secondary research questions and compares the theory collected in chapters two and three with the results of the Common Good Report. In addition, this chapter makes suggestions for further research and explores the reliability and validity of the research process.

7.1 Conclusions

In order to conclude the thesis the author will review the main and sub-research questions, which this thesis sought answers to. After the revision, the author provides the results of the study and states whether the questions were answered fully or partially and the need for further clarification.

1. *How does the case organization Camphill Special School perform in the Common Good sustainability report?*

Firstly the main research question, which in fact was the key reason for writing this thesis, was answered through the construction and evaluation of the Common Good Report. The Excel chart in appendix 3 illustrates the results of all 17 fields, including the value, stakeholder and indicator stars. Camphill Special School scored 552 points out of a maximum of 1000 points. Currently, the most advanced organizations on a global scale have received between 600-700 points from the Common Good Report. This illustrates that Camphill Special School fulfills the values of the report excellently. Nevertheless, the exact percentages, visible in appendix 3, illustrate those critical contact points in which Camphill Special School needs still to focus on. These include improvements in the energy efficiencies at the main campus, Beaver Run, and switching to a renewable electricity supplier.

The sub-research question that related to the stakeholders was answered in the Common Good Report feedback session, where the representatives of Camphill Special School shared their impressions and feelings of the results. The main response of the report was useful especially in the fields of organizational development and strategic planning. The key stakeholders of Camphill Special

School are divided to suppliers, investors, employees, customers, business partners, services and the social environment. Construction of the CGR requires addressing these stakeholder groups through internal representation. For example the customers, residential students with special needs, could not be addressed directly for reliable data. Thus, the directors of Camphill Special School represented the voice of the customers – the students. The CGR report score illustrates the sustainability of Camphill Special School in the variety fields including human dignity, cooperation and solidarity, ecology, social justice and democratic co-determination. The performance in each of these fields is assessed in relation to the stakeholders identified above. Broadly, in the context of the Common Good Report, sustainability is the organizational contribution to the Common Good. Camphill Special School can enhance its sustainability in relation to its stakeholders by analyzing the CGR Excel spreadsheet. The score illustrates those critical contact points, which require further development. The function of CGR is not only to assess performance in non-monetary terms, but also to realize the current ethical status quo – a possibility for organizational learning. This thesis answered fully the main research question as well as all of the sub-research questions. In addition, a research question was formulated in the discussion part for further research around the Common Good Reporting. The table below illustrates the answers for the main and sub-research questions.

TABLE 3. Answer for the main and sub-research questions

Research Question	Answer
How does the case organization Camphill Special School perform in the Common Good sustainability report?	Camphill Special School performs well and scores 552 points from the Common Good report. This indicates that the operations of the organization contribute to the Common Good.
What are the strengths and weaknesses of the Common Good Report in terms of its usefulness as a nonfinancial reporting tool for Camphill Special School?	The representatives of Camphill Special School considered the Common Good Report as a useful tool for organizational learning and strategic planning.
Who are the stakeholders of Camphill Special School in the Common Good Report context?	The stakeholders of Camphill Special School are the suppliers, investors, employees, customers, services, business partners as well as the surrounding environment including the future generations and the civil society.
What does sustainability mean for the case organization in the Common Good Report context?	Sustainability in the Common Good Report context refers to fulfilling the basic constitutional values: human dignity, cooperation and solidarity, ecological responsibility, social justice and democratic co-determination. The fulfillment of these criteria in 17 different fields comprises the total CGR score.
How Camphill Special School enhance its sustainability in relation to its stakeholders implementing the Common Good Report?	Camphill Special School can enhance its sustainability through the analysis of the CGR Excel sheet in appendix 3. The score illustrates the areas, which require further development.

7.2 Suggestions for Further Research

In fact, the implementation of the Common Good Report would be efficient in the form of a longitudinal study. Thus, actions concerning the critical contact points would be initiated after the initial CGR assessment. Through this process, the organization could follow the gradual implementation of the study within a longer time span from one to five years. In addition, the results of the CGR could be expanded through a comparison of perceived values of the organization with the connected stakeholders. As an example, the perceived quality of a supplier relationship can be confirmed from the actual suppliers. Through this process, potential disparities can be found and the organizational learning process at Camphill Special School can be enhanced.

On a broader scale, the development of a Common Good Report designed specifically for the nonprofit sector would enhance the comparability of the results between nonprofit organizations. Furthermore, the CGR of Camphill Special School was the first report constructed in the United States. Due to a totally different legislation in comparison to Europe, the questions of the evaluation criteria can be raised. For example regulations related mandatory social benefits vary tremendously between the United States and Europe.

7.3 Reliability and Validity

This thesis consists of primary and secondary information sources. The primary sources consist of interview and participant observation, whereas information collected from the secondary sources consist of published research papers, books and websites. The reliability and validity of the secondary sources are high and the only reason why reliability is reduced is due to the author's interpretation of interview results. The interviews were organized face-to-face and the author recorded the interviews. This process allowed the author to analyze the results in depth, which increases the reliability of the study. Nevertheless, the evaluation of the Common Good Report bases fully on the author's impression of the case organization Camphill Special School. However, the assessment is carried out through a specific evaluation form, which improves the reliability of CGR reports.

In general, qualitative research is more difficult to replicate than quantitative research, yet the clear CGR guidelines reduce this risk substantially through a unified evaluation process. Other research limitations include the lack of statistical reliability and the limited amount of academic publications concerning the theory of Economy for the Common Good.

The research results answered all main and sub-research questions and the reliability of the results were confirmed from both management of Camphill Special School and a certified Common Good Report consultant Gerd Hofielen from Germany. The verification process included Skype discussions and regular e-mails during the process. The reliability of the data is increased by the CGR guidelines – all organizations around the globe use the same indicators and weights. Thus, all Common Good Reports are comparable with each other, including the one carried out for Camphill Special School. Publication of the CGR requires an external auditor, which will be the final assurance of data reliability. Other researchers with the same guidelines should reach exactly the same results as the author of this thesis. The collected data illustrates the current ethical status quo of Camphill Special School, which ensures the validity of the interview results.

The main aspects, which enhance the degree of confidence in terms of validity of the data in this thesis, include the seven interviews and the final feedback session with the management of Camphill Special School. During the feedback session the results were discussed and the truthfulness of the findings were verified before the publication of the thesis. In addition, external and professional consultancy from Gerd Hofielen and Gus Hagelberg ensured the coherence of the Common Good Report evaluation.

8 SUMMARY

The main focus of this thesis work was to examine the sustainability and performance of Camphill Special School through the application of a Common Good sustainability report. The CGR is a non-monetary performance measurement tool, derived from the alternative economic paradigm named the Economy for the Common Good. The results allow the organization to distinguish critical contact points in a variety of different fields and in relation to the surrounding stakeholders. Thus, the ultimately goal of the thesis was to help Camphill Special School in improving its sustainability as well as apply the CGR in first time in the United States.

The theoretical framework of this thesis work focused on examining disconnects in the current economic paradigm and alternative economic movements, which emerge due to the dissatisfaction in the current economic order. Various alternative economic movements spread the same message: the current unsustainable, growth oriented economy needs to be replaced by a socially and ecologically sound paradigm. In this thesis three prominent issues in the current paradigm were addressed. Firstly, the real economy and the financial economy have lost their connection – financial economy consists of 98.6 per cent of the total foreign exchange transactions. In short, irresponsible speculation creates financial bubbles, which lead to events such as the housing crisis in the United States and finally to the global economic crisis in 2009. Secondly, the current economic model increases the polarization of income across the globe. In numeric terms, the richest one per cent of people owns a staggering 40 per cent of world's total wealth whereas 50 per cent of the world's population own just 1 per cent of the household wealth. The final disconnect addressed in this thesis is the role of Gross Domestic Product (GDP) as an indicator of wellbeing. The GDP approach sees consumption as the key driver for prosperity, which has created a global consumption society in the past 50 years. The current economic growth is highly unsustainable and the resource consumption creates substantial disparities in wellbeing through negative externalities.

After the assessment of the economic issues on the macro-level, nonfinancial performance measurement and corporate social responsibility were discussed on the micro level. In addition, the main framework of this thesis, the Common Good Report was introduced, which was later applied in the empirical part of the thesis.

After the literature review concerning prominent economic issues and the examination of nonfinancial performance measurement, the author constructed the Common Good sustainability report, for the case organization Camphill Special School. Hence, the chapters four and five comprise the empirical part of the thesis. The former chapter introduces the case organization Camphill Special School including detailed descriptions of the aims, objectives and values whereas the latter chapter concentrated on the case study – the construction of the sustainability report and its implications. Thus, a detailed data collection process including a summary of the key findings from the Common Good Report were portrayed in chapter five. As a part of the case study a feedback session was organized with the management of Camphill Special School. The dialogue with the organization included sharing of impressions and insights of the report. The feedback session included analyzing the feasibility of the CGR for a non-profit organization operating in the field of special education.

The final results of the Common Good Report illustrate how well Camphill Special School lives the five most important constitutional values: human dignity, co-determination and transparency, social justice, ecological sustainability as well as cooperation and solidarity. The highest individual scores were received from social justice and human dignity. This illustrates the wellbeing of employees within the intentional community, including satisfaction in remuneration, social benefits and the possibility for democratic decision-making processes. The school scored less from ecological sustainability and cooperation due to inefficiencies at the main campus. The lack of local cooperation with businesses in the same field impacts the scoring of solidarity and cooperation. On the other hand, cooperation with social initiatives in the field of curative education is excellent on the global scale. Employees and the social environment received the highest score from the stakeholder sustainability, which indicates the wellbeing of the community members as well. Investments and banking services are carried out through banks

without specific emphasis on sustainability and hence the score from this stakeholder group is lower. The total score in the Common Good Report places Camphill Special School to the group of organizations, which have major contributions to the common good.

The Common Good Report proved itself to be a highly useful tool for organizational development. The main benefit of the results included a clear visual illustration of the strengths and the weaknesses of Camphill Special School. In addition, the value stars indicated the responsibility in relation to the key stakeholders of the organization. Last but not least, the construction of the Common Good Report helped the case organization Camphill Special School to become the forerunner of the movement in the United States.

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Appendices

APPENDIX 1: Scharmer, O. & Kaufer, K., 2013. *Leading from the Emerging Future*. San Francisco, California, USA: Berrett-Koehler Publishers Inc.

APPENDIX 2: Brejning & Jeanette, 2012. *Corporate Social Responsibility and the Welfare State*. Farnham, Surrey, England: Ashgate Publishing Limited

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10 APPENDICES

APPENDIX 1

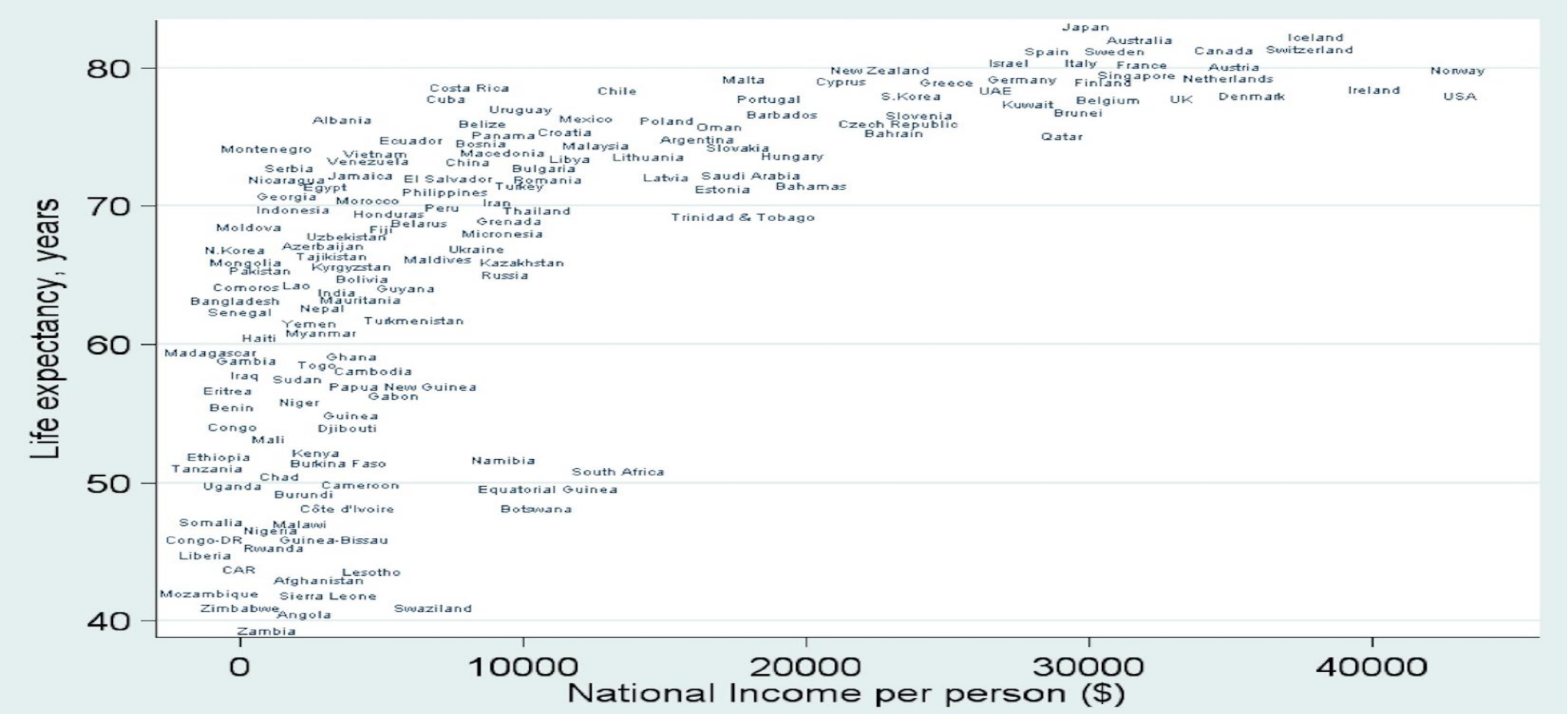

FIGURE 19. The relationship between economic growth and life expectancy. Derived from the United Nations Human Development Report 2006 (Scharmer & Kaufer, 2013).

APPENDIX 2

	Conservative	Liberal	Social democratic	Radical	Sceptical
For / against CSR	Against/ Reluctantly for	For	For	For	Against
CSR Objectives	None	Business gains. Aligning business and stakeholder interests	Social gains. Involving businesses in social issues including solving social problems.	Bring about global fundamental change. Eliminate global poverty. Justice & sustainability.	None. CSR is a scam, a disguised way of continuing business exploitation of society.
Contract negotiation	None	Role of business in mixed economy	Role of business in mixed economy	Global social contract	Global social contract
Acceptable level of governmental involvement in CSR	None	None. CSR should be a voluntary matter	Some. Main role: to encourage, facilitate rather than legislate.	As much as possible. Legislation where practical, otherwise: governmental pressure.	None. Instead the power of corporations should be restricted by law.
Non-governmental means of promoting CSR	None	Example setting within business community through indices and prizes	Example setting within business community through indices and prizes	NGO activism Academic action-research.	None. The media, NGOs and academics must instead expose business misconduct and abuse of CSR for business gains.
Means of putting CSR into practice	None	No universal CSR model. Each company must match its CSR efforts with its business profile	Partnerships between business, public sector and/or non-profit sector	Internationally agreed codes of conduct. CSR reporting	None.
Theoretical foundation	Neo-liberal economics	Stakeholder theory	Social contract, Communitarianism, New Public Management	Critical theory, Neo-Marxism, Action-research	Critical theory, Neo-Marxism
Ideological foundation	Neo-liberal	Liberal	Social democratic	Socialist	Socialist

TABLE 4. Characteristics of different CSR discourses (Brejning, 2012)

APPENDIX 3

COMMON GOOD BALANCE SHEET CALCULATOR

ECONOMY FOR THE COMMON GOOD
An economic model for the future

Version 4.1.3.

WELCOME!

With this tool you can calculate your company's Common Good Points. Using this tool is optional and is intended to be used in addition to the Common Good Report. In order to complete the audit process your company is required to complete the Common Good Report. Your final point score is given in the audit and may vary from the values you enter in this calculator.
We wish you luck and have fun!

HOW TO USE THE CALCULATOR:

1. General — In this area you will nee to enter general information about your company.

2. Calculation — With each indicator (A1, B1,…) a certain amount of points can be reached. To figure out how many points your company has reached, proceed as follows:

   a) If you think it is relevant for your company you can change the weighting of any of the sub-indicators (A1.1, A1.2, ...). You can choose a value for each sub indicator in the column "Weight". The distribution of the possible points will be automatically adjusted so that the sum of all sub indicators of each indicator adds up to 100%.

   b) Using the Common Good Handbook as a reference, please describe the existing conditions and improvement potential for each of the sub-indicators. Just a few keywords will suffice. (These descriptions are not used in the calcuation.).

   c) Using these descriptions as a basis, enter the percentage value which you think your company has reached in each sub-indicator (column "% fulfilled"). Refer to the CG Handbook for assistance in estimating the "correct" value.

   d) In the calculation the percent values for each indicator are automatically rounded up.

3. CG Matrix — With the "Common Good Matrix" you can view your results in one clear, easy to understand table.

4. Value Star — The "Value Star" illustrates your company's results according to a value-based scheme.

5. Stakeholder Star — The "Group Star" illustrates the results according to the stakeholder groups.

6. Indicator Star — The "Indicator Star" shows your results in all the indicator areas.

LEGEND

Editable fields have a green frame and green fonts

Non-editable fields have a gray frame and dark gray font.

Incorrect value entered (please change the value)

CONTACT

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COMMENTS

The excel sheets are designed to be printed in A4 format (portrait or landscape).
You can change the height of the rows in case you need more space.

CG Balance Sheet Calculator, Version 4.1.3

GENERAL INFORMATION ABOUT YOUR COMPANY

Please fill in the entire form

Company Name:	Camphill Special School
Address:	1784 Fairview Road, 19343 Glenmoore, Pennsylvania
Country:	United States
Business sector:	Care sector, special education
Website:	www.camphillspecialschool.org
Number of Employees	155
Single person company?:	no
(Note: If yes, then values for single person companies will be automatically added to the calculation.)	
Year for CG Balance:	2015
Author:	Leonard Sebastian Boele
Email address:	leonard.boele@student.lamk.fi/sebastian.boele@gmail.com
Telephon number:	358-440-470-427
Consultant:	Gerd Hofielen
Email address:	gerd.hofielen@hm-practices.org
Telephon number:	
Short description of the company:	Camphill Special School is a nonprofit Waldorf School for children with developmental and intellectual disabilities.
Further comments:	Sebastian Boele constructed the Common Good Balance as his internship project at Camphill Special School

CG Balance Sheet Calculator, Version 4.1.3

CALCULATING THE INDICATORS

Company: Camphill Special School, Year: 2015

BALANCE SUM:	55 %	545	1000

Num.	Stakeholder / Indicator / Criteria	Weight	Existing Conditions	Improvement Potential	% ful-filled	Points	Max. Points
A	**SUPPLIERS**				**60 %**	**54**	**90**
A1	**Ethical Supply Management**				**60 %**	**54**	**90**
A1.1	Regional, ecological and social aspects / superior alternatives are considered…	high	Biodynamic farming without artificial pesticides	Switching to green electricity	90 %	32	36
A1.2	Active examination of impact of purchased products / services and processes for ensuring goal achievement and extent and form of procedure for verification	average	Organic food, cleaning materials	Routine evaluation of social and ecological effects of procurement	10 %	4	36
A1.3	Basic structural conditions for fair pricing	low	Associative Economics	Active discussions concerning ethical supply	80 %	14	18
B	**INVESTORS**				**30 %**	**9**	**30**
B1	**Ethical Financial Management**				**30 %**	**9**	**30**
B1.1	Institutionalization	average	Code of conduct	Implementation of ethical financial management	15 %	2	10
B1.2	Ethical / sustainable quality of financial service providers	low	Local banks	Cooperation with ethical/sustainable finacial providers	20 %	1	5
B1.3	Investments oriented to the common good	high	Investment by BR foundation, loans to social initiatives	Investments exclusively in sustainable projects	50 %	5	10
B1.4	Corporate financing oriented to the common good	low	Local banks	Loans through ethical/sustainable service providers	20 %	1	5
C	**EMPLOYEES, INCLUDING BUSINESS PARTNER**				**63 %**	**201**	**320**
C1	**Workplace quality and affirmative action**				**80 %**	**72**	**90**
C1.1	Employee-oriented organizational culture and structure	average	Community, solidarity, excellent training opportunities	Employee well-being surveys	90 %	20	23

C1.2	Fair employment and payment policy	average	Economic brotherhood, mutual social benefits (insurance etc.)	Transparency	80 %	18	23
C1.3	Occupational safety and workplace health promotion including work-life balance / flexible work hours	average	Residential life-sharing. Nurses and a doctor available.	Program for physical and preventive health care	60 %	14	23
C1.4	Affirmative action and diversity	average	Diversity among residential co-workers, 22 nationalities, equality	Appointing women as Directors	75 %	17	23
C2	Just distribution of labour				30 %	15	50
C2.1	Reduction of normal working time	high	Employees work ~40h/week, working times tied to the school	Additional overtime compensation	10 %	2	17
C2.2	Increase in proportion of part-time work models and use of temporary employment (with adequate pay)	average	Only few temporary employees. Once hired, equal remuneration and benefits		5 %	1	17
C2.3	Conscious approach towards (life-)working time	average	Life and work blends together within the residential community	Trainings on self- and time management	60 %	10	17
C3	Promotion of environmentally friendly behaviour of employees				40 %	12	30
C3.1	Nutrition during working time	high	High quality and mainly organic food, partially self-grown	Fully organic food	90 %	9	10
C3.2	Mobility to workplace	high	Remote location, no public transportation, car a necessity	Incentives for environmentally friendly mobility (hybrids)	5 %	1	10
C3.3	Organizational culture, awareness raising and in-house processes	average	Environmental awareness: recycling, minimizing chemical usage, responsibility	Advanced trainings in terms of ecological behavior, calculation and monitoring of CO2 footprint	20 %	2	10
C4	Just income distribution				80 %	48	60
C4.1	Income divergence in the company	high	Low income divergence, less than 1:3. Life need system.		100 %	20	20
C4.2	Minimum income	average	Fair non-residential payment policy including health insurance		90 %	18	20
C4.3	Transparency and institutionalization	average	Separate salary structures for residential and day staff	Transparency	60 %	12	20
C5	Corporate democracy and transparency				60 %	54	90
C5.1	Degree of transparency	low	Publication of IRS form 990	Additional transparency measures	50 %	6	13
C5.2	Legitimization of executive personnel	average	Executives legitimized by Beaver Run Circle, consensual decisions		90 %	23	26

C5.3	Co-determination concerning fundamental decisions	high	Decisions made in local groups. High co-determination.		100 %	26	26
C5.4	Employee co-ownership	average	Nonprofit organization, no owner		0 %	0	26
D	**CUSTOMERS/PRODUCTS/SERVICES/PARTNERS**				**41 %**	**112**	**270**
D1	**Ethical Customer Relations**				**50 %**	**25**	**50**
D1.1	Total extent of ethical customer relations measures (ethical marketing + sales)	high	Two sided: official relationship with governmental agencies, close contact with parents	Implementation of ethical customer relations	60 %	8	13
D1.2	Product transparency, fair pricing and ethical selection of customers	average	Low pricing in sectorial comparison, ethical customers	Disclosure of pricing information	60 %	8	13
D1.3	Extent of customer co-determination / joint product development / market research	average	Individual education plans are created in cooperation with school districts		10 %	1	13
D1.4	Service management	average	Curative education - healing combined with education		50 %	6	13
D2	**Cooperation with businesses in same sector**				**30 %**	**21**	**70**
D2.1	Disclosure of information and passing on of technology	average	Regulatory information disclosed, cooperation with other Camphills		35 %	8	23
D2.2	Passing on of personnel, contracts and financial resources; cooperative market participation	high	Sharing of know-how with other communities	Increase cooperation with other APS'	30 %	7	23
D2.3	Cooperative marketing	average	Traditional marketing, web, radio, SOME, word of mouth	Implementation of cooperative marketing	10 %	2	23
D3	**Ecological design of products and services**				**40 %**	**36**	**90**
D3.1	In ecological comparison to P/S of competitors or alternatives, products / services have equal utility	high	High residential employee base (66%) - no daily commute, organic farming, recycling	Energy efficiency improvements in residential buildings especially at the main campus	30 %	9	30
D3.2	Sufficiency (see excursus below): active design for ecological utilization ad sufficient consumption	average	Ecological mindset, sufficient consumption, bulk purchases	Promotion of sustainable consumption	50 %	15	30

D3.3	Communication: active communication of ecological aspects to customers	average	No active communication, main output of Camphill Special School is intangible - education, with a limited ecological impact	Promotion of ecological aspects	25 %	8	30
D4	**Socially oriented design of products and services**				**80 %**	**24**	**30**
D4.1	Facilitation of access to information / products / services for disadvantaged customer groups	high	Services fully directed for disadvantaged customers - children with intellectual and developmental disabilities		90 %	14	15
D4.2	Structures worthy of promotion are supported by sales policies	average			60 %	9	15
D5	**Raising social and ecological standards**				**20 %**	**6**	**30**
D5.1	Cooperation with competitors and partners of the value chain	high	Cooperation with Association for Private Schools - process of joint education development	Active implementation of higher standards	25 %	3	10
D5.2	Active contribution to raising legislative standards	average	Cooperation with Association for Private Schools - process of improving legislative standards		10 %	1	10
D5.3	Range, content-related scope and depth	high			30 %	3	10
E	**Social Environment: region, electorate, future generations, civil society, fellow humans, animals, plants**				**61 %**	**176**	**290**
E1	**Products / services meet a basic need or serve the development of human beings / the community / the earth and generate positive use**				**80 %**	**72**	**90**
E1.1	Products / services meet a basic need or serve the development of human beings / the community / the earth and generate positive use	high	Educational services and care for children with special needs		100 %	45	45
E1.2	Ecological and social comparison of products / services with alternatives of similar final benefit	high	Organic farming, curative education, therapies, workshops, extended family living, international cooperation	Improvements in energy efficiency	50 %	23	45
E2	**Contribution to the local community**				**60 %**	**24**	**40**
E2.1	Achievements	high	Special education, residential services		60 %	10	16
E2.2	Effects	high	Education as the key contribution to the local community		70 %	11	16
E2.3	Intensity	low	Currently no clear strategy for community support	Building a strategy for local community commitment	25 %	2	8

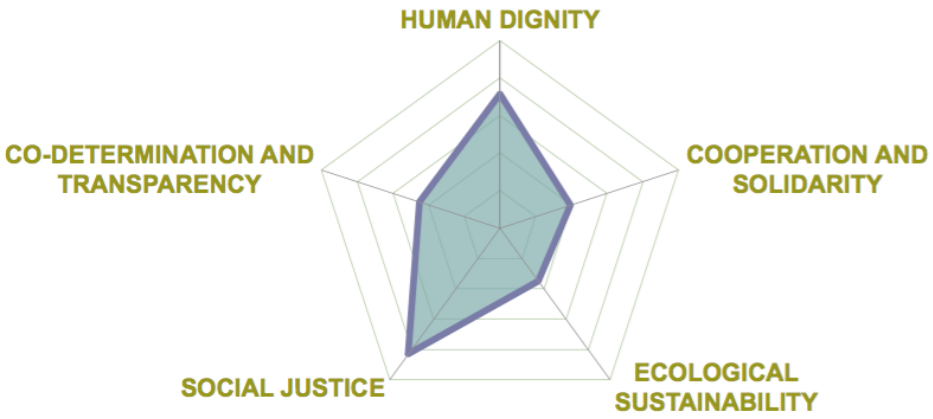
E3	**Reduction of environmental impact**				**20 %**	**14**	**70**
E3.1	Absolute impact	average	Environmental data neither recorded nor disclosed	Active evaluation of environmental impacts	10 %	2	23
E3.2	Relative impact: In sectoral comparison, as far as the state of the art and legal requirements are concerned, the company lies …	high	Two sided performance: main campus clearly inefficient, the biodynamic farm partly very efficient	Investments in low-carbon technologies and renewable energy resources	30 %	7	23
E3.3	Management and strategy	high	Clear environmental goals exist, detrimential chemicals minimized	Assessment of key ecological risks and effects, certification	10 %	2	23
E4	**Investing profits for the Common Good**				**100 %**	**60**	**60**
E4.1	External dividend payout	high	Nonprofit organization, no owner		100 %	30	30
E4.2	Use of profits oriented to the common good	high	Investments in Camphill Special School		100 %	30	30
E5	**Societal transparency and co-determination**				**20 %**	**6**	**30**
E5.1	Scope of CG Report	60 %	Detailed descripition	Carbon footprint	30 %	5	18
E5.2	Type of co-determination and documentation	20 %			25 %	2	6
E5.3	Scope of co-determination and stakeholder integration	20 %			5 %	0	6
N	**NEGATIVE CRITERIA**					**0**	**-2800**
N1	**Violation of human dignity**					**0**	**-550**
N1.1	Violation of ILO norms/human rights				0 %	0	-200
N1.2	Products detrimental to human dignity and human rights				0 %	0	-200
N1.3	Outsourcing to or cooperating with companies which violate human dignity				0 %	0	-150
N2	**Non-cooperative behaviour**					**0**	**-500**
N2.1	Hostile takeover				0 %	0	-200

D3.3	Communication: active communication of ecological aspects to customers	average	No active communication, main output of Camphill Special School is intangible - education, with a limited ecological impact	Promotion of ecological aspects	25 %	8	30
D4	**Socially oriented design of products and services**				**80 %**	**24**	**30**
D4.1	Facilitation of access to information / products / services for disadvantaged customer groups	high	Services fully directed for disadvantaged customers - children with intellectual and developmental disabilities		90 %	14	15
D4.2	Structures worthy of promotion are supported by sales policies	average			60 %	9	15
D5	**Raising social and ecological standards**				**20 %**	**6**	**30**
D5.1	Cooperation with competitors and partners of the value chain	high	Cooperation with Association for Private Schools - process of joint education development	Active implementation of higher standards	25 %	3	10
D5.2	Active contribution to raising legislative standards	average	Cooperation with Association for Private Schools - process of improving legislative standards		10 %	1	10
D5.3	Range, content-related scope and depth	high			30 %	3	10
E	**Social Environment: region, electorate, future generations, civil society, fellow humans, animals, plants**				**61 %**	**176**	**290**
E1	**Products / services meet a basic need or serve the development of human beings / the community / the earth and generate positive use**				**80 %**	**72**	**90**
E1.1	Products / services meet a basic need or serve the development of human beings / the community / the earth and generate positive use	high	Educational services and care for children with special needs		100 %	45	45
E1.2	Ecological and social comparison of products / services with alternatives of similar final benefit	high	Organic farming, curative education, therapies, workshops, extended family living, international cooperation	Improvements in energy efficiency	50 %	23	45
E2	**Contribution to the local community**				**60 %**	**24**	**40**
E2.1	Achievements	high	Special education, residential services		60 %	10	16
E2.2	Effects	high	Education as the key contribution to the local community		70 %	11	16
E2.3	Intensity	low	Currently no clear strategy for community support	Building a strategy for local community commitment	25 %	2	8

N2.2	Blocking patents	0 %	0	-100
N2.3	Dumping prices	0 %	0	-200
N3	**Environmental degredation**		**0**	**-450**
N3.1	Massive environmental pollution	0 %	0	-200
N3.2	Gross violation of environmental standards	0 %	0	-150
N3.3	Planned obsolescence (short lifetime of products)	0 %	0	-100
N4	**Socially unjust behaviour**		**0**	**-750**
N4.1	Unequal pay for women and men	0 %	0	-200
N4.2	Job cuts or moving jobs overseas despite having made a profit	0 %	0	-150
N4.3	Subsidiaries in tax havens	0 %	0	-200
N4.4	Equity yield rate > 10 %	0 %	0	-200
N5	**Undemocratic behaviour**		**0**	**-550**
N5.1	Non-disclosure of subsidiaries	0 %	0	-100
N5.2	Prohibition of a works council	0 %	0	-150
N5.3	Non-disclosure of payments to lobbyists	0 %	0	-200
N5.4	Excessive income inequality within a business	0 %	0	-100
BALANCE SHEET SUM		**55 %**	**552**	**1000**

CG Balance Sheet Calculator, Version 4.1.3

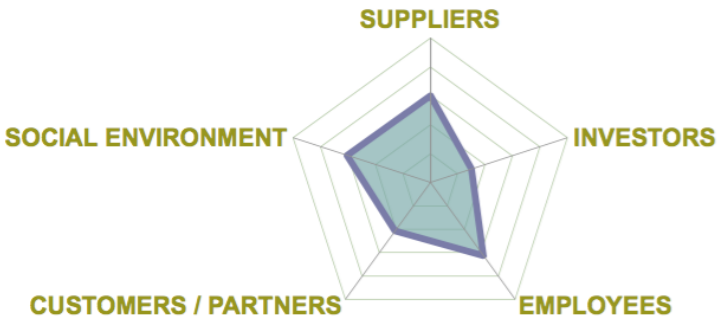
Value Star for Camphill Special School



BALANCE SHEET OVERVIEW		
HUMAN DIGNITY	182 from 254	71 %
COOPERATION AND SOLIDARITY	73 from 184	39 %
ECOLOGICAL SUSTAINABILITY	75 from 214	35 %
SOCIAL JUSTICE	145 from 174	83 %
CO-DETERMINATION AND TRANSPARENCY	79 from 174	45 %
SUM	**552 from 1000**	**55 %**

CG Balance Sheet Calculator, Version 4.1.3

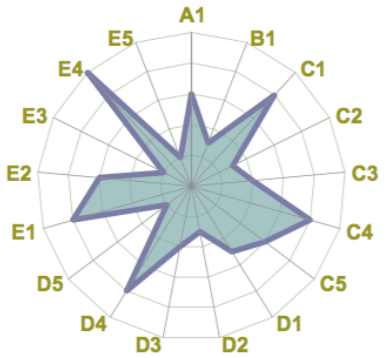
Stakeholder Star for Camphill Special School



BALANCE SHEET OVERVIEW		
SUPPLIERS	54 from 90	**60 %**
INVESTORS	9 from 30	**30 %**
EMPLOYEES	201 from 320	**63 %**
CUSTOMERS / PARTNERS	112 from 270	**41 %**
SOCIAL ENVIRONMENT	176 from 290	**61 %**
SUM	**552 from 1000**	**55 %**

CG Balance Sheet Calculator, Version 4.1.3

Indicator Star forCamphill Special School



BALANCE SHEET OVERVIEW				
A1	54	from	90	**60 %**
B1	9	from	30	**30 %**
C1	72	from	90	**80 %**
C2	15	from	50	**30 %**
C3	12	from	30	**40 %**
C4	48	from	60	**80 %**
C5	54	from	90	**60 %**
D1	25	from	50	**50 %**
D2	21	from	70	**30 %**
D3	36	from	90	**40 %**
D4	24	from	30	**80 %**
D5	6	from	30	**20 %**
E1	72	from	90	**80 %**
E2	24	from	40	**60 %**
E3	14	from	70	**20 %**
E4	60	from	60	**100 %**
E5	6	from	30	**20 %**
SUM	**552**	**from**	**1000**	**55 %**

APPENDIX 4

COMMON GOOD MATRIX 4.1

This version is valid for Common Good Balance Sheets generated in 2013

ECONOMY FOR THE COMMON GOOD
An economic model for the future

VALUE / STAKEHOLDER	Human dignity	Cooperation and Solidarity	Ecological Sustainability	Social Justice	Democratic Co-determination and Transparency
A) Suppliers	**A1: Ethical Supply Management** Active examination of the risks of purchased goods and services, consideration of the social and ecological aspects of suppliers and service partners 90				
B) Investors	**B1: Ethical Financial Management** Consideration of social and ecological aspects when choosing financial services; common good-oriented investments and financing 30				
C) Employees, including business owners	**C1: Workplace quality and affirmative action** Employee-oriented organizational culture and structure, fair employment and payment policies, workplace health and safety, work-life balance, flexible work hours, equal opportunity and diversity 90	**C2: Just distribution of labor** Reduction of overtime, eliminating unpaid overtime, reduction of total work hours, contribution to the reduction of unemployment 50	**C3: Promotion of environmentally friendly behavior of employees** ctive promotion of sustainable lifestyles of employees (mobility, nutrition), training and awareness-raising activities, sustainable organizational culture 30	**C4: Just income distribution** Low income disparity within a company, compliance with minimum and maximum wages 60	**C5: Corporate democracy and transparency** Comprehensive transparency within the company, election of managers by employees, democratic decision-making on fundamental strategic issues, transfer of property to employees 90
D) Customers / Products / Services / Business Partners	**D1: Ethical customer relations** Ethical business relations with customers, customer orientation and co-determination, joint product development, high quality of service, high product transparency 50	**D2: Cooperation with businesses in same field** Transfer of know-how, personnel, contracts and interest-free loans to other business in the same field, participation in cooperative marketing activities and crisis management 70	**D3: Ecological design of products and services** Offering of ecologically superior products/services; awareness raising programmes, consideration of ecological aspects when choosing customer target groups 90	**D4: Socially oriented design of products and services** Information, products and services for disadvantaged groups, support for value-oriented market structures 30	**D5: Raising social and ecological standards** Exemplary business behavior, development of higher standards with businesses in the same field, lobbying 30
E) Social Environment: Region, electorate, future generations, civil society, fellow human beings, animals and plants	**E1: Value and social impact of products and services** Products and services fulfill basic human needs or serve humankind, society or the environment 90	**E2: Contribution to the local community** Mutual support and cooperation through financial resources, services, products, logistics, time, know-how, knowledge, contacts, influence 40	**E3: Reduction of environmental impact** Reduction of environmental effects towards a sustainable level, resources, energy, climate, emissions, waste etc. 70	**E4: Investing profits for the Common Good** Reducing or eliminating dividend payments to extern, payouts to employees, increasing equity, social-ecological investments 60	**E5: Social transparency and co-determination,** Common good and sustainability reports, participation in decision-making by local stakeholders and NGO´s 30
Negative Criteria	Violation of ILO norms (international labor standards) / human rights -200 Products detrimental to human dignity and human rights (e.g. landmines, nuclear power, GMO's) -200 Outsourcing to or cooperation with companies which violate human dignity -150	Hostile takeover -200 Blocking patents -100 Dumping Prices -200	Massive environmental pollution -200 Gross violation of environmental standards -200 Planned obsolescence (short lifespan of products) -100	Unequal pay for women and men -200 Job cuts or moving jobs overseas despite having made a profit -150 Subsidiaries in tax havens -200 Equity yield rate > 10 % -200	Non-disclosure of subsidiaries -100 Prohibition of a works council -150 Non-disclosure of payments to lobbyists -200 Excessive income inequality within a business -150

TABLE 5. The CGR Matrix illustrating the stakeholders of Camphill Special School, the five most important constitutional values and the 17 nonfinancial indicators. (Ecogood, 2015 a)

APPENDIX 5

Interviewees:

1. Director of Finance at Camphill Special School, Claus Sproll
2. Director of Admissions at Camphill Special School, Bernard Wolf
3. Director of Programs at Camphill Special School, Andreas Schuscke
4. Director of Development at Camphill Special School, Guy Alma
5. Jan Goeschel, Member of Board of Directors, Camphill Special School
6. Sonja Adams, Coordinator, Coworker Admissions, Camphill Special School
7. Tobias Adams, Faculty Chair, Camphill Special School
8. Ute Heuser, Member, Focus Group, Camphill Special School
9. Sarah Schrek, Member of Board of Directors, Camphill Special School
10. Erin Byrne, Program Coordinator, Camphill Special School

Presentations after completing the Common Good Report:

Beaver Farm Group

Beaver Run Circle – Governing body of Camphill Special School

The Focus Group – Internal communication body of Camphill Special School