

CSR, Sustainability, Ethics & Governance

Series Editors: Samuel O. Idowu · René Schmidpeter

Samuel O. Idowu *Editor-in-Chief*

Nicholas Capaldi · Matthias S. Fifka

Liangrong Zu · René Schmidpeter

Co-Editors

Dictionary of Corporate Social Responsibility

CSR, Sustainability, Ethics and
Governance

 Springer

Editor-in-Chief

Samuel O. Idowu
London Guildhall Faculty of
Business & Law
London Metropolitan University
London
United Kingdom

Co-Editors

Nicholas Capaldi
Legendre-Soulé Distinguished Chair
in Business Ethics
Loyola University
New Orleans
Louisiana
USA

Matthias S. Fifka
Institute of Economics
Friedrich-Alexander-University
Erlangen-Nuremberg
Erlangen
Germany

Liangrong Zu
International Training Center
International Labour Organization
Turin
Italy

René Schmidpeter
Cologne Business School (CBS)
Cologne
Germany

ISSN 2196-7075

ISBN 978-3-319-10535-2

DOI 10.1007/978-3-319-10536-9

Springer Cham Heidelberg New York Dordrecht London

ISSN 2196-7083 (electronic)

ISBN 978-3-319-10536-9 (eBook)

Library of Congress Control Number: 2015931635

© Springer International Publishing Switzerland 2015

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed. Exempted from this legal reservation are brief excerpts in connection with reviews or scholarly analysis or material supplied specifically for the purpose of being entered and executed on a computer system, for exclusive use by the purchaser of the work. Duplication of this publication or parts thereof is permitted only under the provisions of the Copyright Law of the Publisher's location, in its current version, and permission for use must always be obtained from Springer. Permissions for use may be obtained through RightsLink at the Copyright Clearance Center. Violations are liable to prosecution under the respective Copyright Law.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

While the advice and information in this book are believed to be true and accurate at the date of publication, neither the authors nor the editors nor the publisher can accept any legal responsibility for any errors or omissions that may be made. The publisher makes no warranty, express or implied, with respect to the material contained herein.

Printed on acid-free paper

Springer is part of Springer Science+Business Media (www.springer.com)

Creative Destruction

Cristian R. Loza Aduai

Creative destruction is the translation of the German expression *schöpferische Zerstörung*. Its intellectual roots can be traced to Marxist and Nietzschean thinking, but its contemporary meaning became popular after Joseph Schumpeter presented it as a driver of entrepreneurial innovation and as an important constituent of his theory of economic change [1]. Schumpeter refers to creative destruction as a dynamic process that “incessantly revolutionizes the economic structure *from within*, incessantly destroying the old one, incessantly creating a new one” [2].

Creative destruction takes place when an entrepreneur *innovates*, e.g. by introducing a novel product or process, by developing a new market, by establishing an original business model, etc. Thus, opportunities are taken and signals not recognized by others are identified. By doing so the entrepreneur *destroys* the *status quo* in the market and gains a temporarily privileged position, which is lost when others imitate the lately introduced novelty or when other entrepreneurs initiate a new round of creative destruction. Entrepreneurs are understood in a wide sense in this context. They can be a person, a group of persons or an organization, regardless of its size and organizational form [3].

Corporate social responsibility (CSR) is often considered a catalyst of creative destruction because of the uncountable and unprecedented opportunities hidden behind the sustainability challenges faced by corporations at any level and in any sector, e.g. reducing the carbon footprint, developing more sustainable products, attending markets at the bottom of the pyramid [4]. From this point of view, CSR becomes a crucial element of competitive strategy and sustainability, being a driver of innovation. In recent years, the emergence of entrepreneurs who explicitly aim at solving societal and environmental harms has resulted in the social entrepreneurship movement. The respective innovations that transcend organizational frontiers and create social benefits are called social innovations.

- [1] Ulgen, F. (2013). Creative destruction. In E. G. Carayannis (Ed.), *Encyclopedia of creativity, invention, innovation and entrepreneurship* (pp. 281–287). New York: Springer.
- [2] Schumpeter, J. A. (1942). *Capitalism, socialism and democracy*. New York and London: Harper, p. 83.
- [3] Larson, A. L. (2000). Sustainable innovation through an entrepreneurship lens. *Business Strategy and the Environment*, 9(5), 304–317.
- [4] Hart, S. L., Milstein, M. B. (1999). Global sustainability and the creative destruction of industries. *Sloan Management Review*, 41(1), 23–33.

C.R.L. Aduai

Friedrich-Alexander University of Erlangen-Nurnberg, Erlangen, Germany

Catholic University of Eichstaett-Ingolstadt, Eichstätt, Germany