disclosure can be distinguished. Whistleblowers may either make their allegations internally, within the whistleblower’s employing organization, or externally, e.g. to government authorities, lawyers or the media.

The decision of whether or not to blow the whistle depends on the alternatives that are available and whether the benefits outweigh the costs. Whistleblowing can be encouraged through incentives, i.e. the provision of rewards to whistleblowers but also to employers who establish effective whistleblowing procedures. Many corporate governance codes around the world stipulate whistleblowing policies as part of best practices. People are more likely to take action if there is an option for absolute confidentiality. Anonymous channels encourage employees to report allegations without fear of reprisal. However, anonymous whistleblowing might be less effective due to decreased perceptions of credibility of whistle-blowing allegations [2]. Moreover, many countries provide whistleblower protection against retaliation through legislation.

According to Section 301 of the Sarbanes-Oxley Act of 2004 the audit committee must establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls or auditing matters; and the confidential, anonymous submission of concerns by employees.


**Win-Win Situation**

**Cristian R. Loza Adaui**

A win-win situation refers to a circumstance in which the outcome of a particular action generates benefits for both parties involved. The term win-win situation is used in opposition to win-lose situations that are the result of pursuing the dominant strategy in game theory, for example in the context of the prisoner’s dilemma or in zero-sum games.

Win-win solutions to business problems with ethical dimensions are multiple [1]. In the context of Corporate Social Responsibility (CSR) win-win situations are

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the expected outcome of business engagement in social or environmental issues. Thus, to reach a win-win situation the socially responsible activities should generate benefits for the society—social case—and also for the companies carrying out those activities, i.e. the business case [2]. While the social benefits of CSR are mostly self-evident, there are different positions regarding the existence of a business case for CSR, ranging from skeptical voices that deny its existence or emphasize the difficulties to identify and measure the economic benefits of CSR, to studies that support the existence of a business case for CSR with empirical evidence [3].

Some authors extend the win-win terminology to win-win-win situations or triple win situations to highlight the fact that companies could simultaneously enhance their economic, social and environmental performance, satisfying the demands of their stakeholders and contributing to sustainable development through their voluntary CSR activities [4].


## Works Council

**Matthias S. Fifka and Lisa M. Fleischhauer**

A works council, or *Betriebsrat* in German, is closely related to the system of co-determination and constitutes a part of employee representation at the establishment level (*Betriebsebene*). In Germany, a works council can be elected as soon as there are at least five permanent employees who are eligible to vote. However, the existence of a works council is not mandatory. The size of the council depends on the size of the company, but it always features one council as well as a vice council,