Learning CSR for Sustainable Corporate Advantage

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ABSTRACT

Corporate Social Responsibility (CSR) has become a strategic and operational reality of the business and academic world. Not that the principles of CSR are always respected or that its practice is consistently applied. Bearing in mind the multi-faceted nature of both CSR and the corporate environment, as well as the paradox of what is taught in Higher Education and what is practised within its own walls, this paper provides a learning cyclical pathway to sustainable CSR implementation and progress review. As well as highlighting the role that Higher Education has to play, the paper emphasises that in order to embed CSR within the corporate environment, questions need to be raised concerning on-going CSR improvement in order to both protect and engage a wide range of stakeholders towards sustainable corporate advantage.

Keywords: Corporate Environment, Corporate Social Responsibility (CSR), Higher Education, Stakeholders, Sustainable Corporate Advantage

INTRODUCTION

In the aftermath of the global financial crisis (GFC), a barely detected change has penetrated the business lexicon. Net income, as the quintessential symbol of the bottom line, has been pushed aside as inadequate by portfolio performance measurement. The ‘triple bottom line’ (Elkington, 1999; Savitz, & Weber, 2006) now challenges contemporary corporations to meet economic, environmental and social goals simultaneously. If for no other reason than the aggressive style of politically pro-active stakeholders, such as a vigilant press and media, triple-bottom line criteria have been used to “beat up” the corporation.

Looming environmental crises have put pressure on the corporation to produce a mix of approaches to CSR adoption. Some businesses see the opportunity to engage and embrace environmental and social issues without giving up the desire to be economically prosperous. Others perceive the topic of CSR and sustainability as a threat and try to defend their often indefensible position. Between these extremes there is every level of stakeholder involvement

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in terms of influencing the presence and success of CSR in a company and every level of genuineness as to whether its presence is the real spirit of the company or a fashion vehicle for looking good. For instance, certain organizations have evolved a partnership orientation inviting stakeholder opinion and in so doing, have influenced the stakeholder mindset to be sympathetic to the reality of market pressure (Cumming, 2001). Equally, organizations have utilised the fashion of CSR as a further string to their public relations’ bow. They pay token attention to their supposed corporate responsibilities as if they have fully embraced them as an organic and genuine part of themselves and their future in their community. As poignantly noted by Bendell and Murphy (1999: 60):

_Those who wish to prosecute business can present a catalogue of environmental disasters, human rights abuses, worker health and safety violations etc. Those who wish to defend the role of partnership can present a growing array of policy statements, environmental and social projects, civil regulation schemes and other fledging initiatives._

Stakeholders have become a higher factor in the equation too in that their involvement, for whatever motivation, is beyond transactional and now through necessity – relational (Simmons, 2004).

In effect, the human values that fundamentally underpin the very nature of CSR and sustainable development are both a source of national and international motivation, varying interpretation and conflict. For example, within the EU, CSR is commonly perceived as a voluntary contribution by corporations toward realising sustainable economic, social and ecological development. In the USA, it is predominately seen as philanthropic exercise of giving back to society. In developing economies, CSR has been seen as a western concept that limits developmental progress as the country in question may not be ready for coping with triple bottom line obligations. Still other societies interpret CSR more from the perspective of charity (philanthropy) but as an integral religious obligation, In Judaism, tzedakah (meaning righteousness, justice or fairness), involves giving to the poor not as a generous, magnanimous act, but as an act of justice and righteousness, namely the duty of giving the poor their due. In Islam, zakat (one of the Five Pillars of Islam) is a mandatory requirement of the Islamic faith, where by every year 2.5% of one’s wealth is given away to the poor. More collectivist cultures such as China go further and try to embed socially-related behaviour in peoples’ everyday lives (e.g. guanxi or “relationships” the basic dynamic in personalized networks of influence). Thus although many corporations around the world have adopted the language and practice of CSR and in so doing have emphasised sustainable development, the vastly differing national cultures and institutional realities give rise to a plethora of CSR meanings and an even greater variety of practice.

On top of this are the policy considerations adopted by national and international bodies. Within the EU, CSR was instituted in 1996 by political bodies such as the ‘European Business Network for Social Cohesion’, later renamed as ‘CSR Europe’ in 2000, and the European Commission (EC). The European Commission (2001: 8) defines CSR as ‘a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis’. However, this definition is open to a variety of interpretations and allows for a range of activities under the umbrella of its title, ranging from combining various activities under the heading of CSR, to having the freedom to encourage organisations to adopt CSR as the DNA of their day-to-day business practices (European Commission 2001: 17):

_As issues of corporate social responsibility become an integral part of corporate strategic planning and routine operational performance, managers and employees are required to make business decisions based on additional criteria to those they were traditionally trained to expect._
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