

Corporate Social Responsibility
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Lecture - 48
Corporate Sustainability and CSR

Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik and I am helping you with this course and we were discussing how sustainability features into corporate social responsibility. Now in this class what we going to do is we are going to you know we talked about sustainability. In the previous lecture in this lecture we are going to discuss how corporate sustainability comes together with corporate social responsibility.

So, let us see what we have here for you corporate sustainability and corporate social responsibility.

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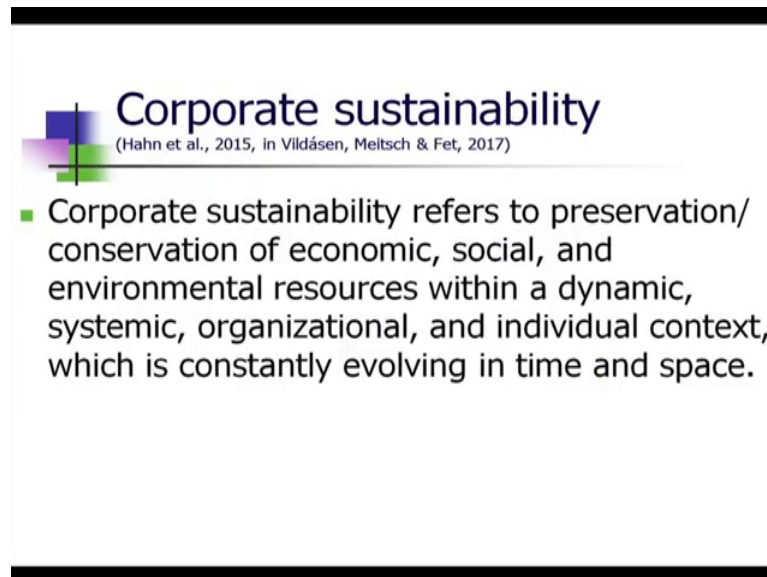
Spectrum of social strategies
(Lindgreen, Córdoba, Maon & Mendoza, 2010)

- Social strategies adopted by companies range from:
- No CSR to “Internationally recognized CSR (Integrated business strategies, attention to social issues, compliance with codes of conduct, governance, & sustainability)”

Now, this spectrum of social strategies adopted by companies ranges from absolutely no attention no CSR; no attention to social problems to the complete devotion to alleviating social problems to internationally recognized CSR that includes integrated business strategies attention to social issues compliance with codes of conduct governance and sustainability.

So, it is really important that we know where exactly we stand and to do that in a few minutes we are going to talk about the stages of this CSR CS CSR nexus which is the corporate sustainability and corporate social responsibility in nexus where do we stand in terms of giving back to the environment.

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Corporate sustainability
(Hahn et al., 2015, in Vildásen, Meitsch & Fet, 2017)

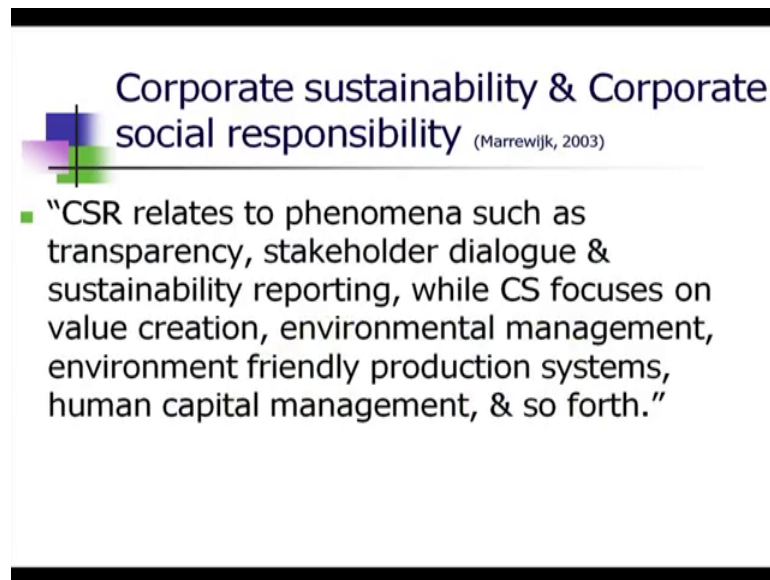
- Corporate sustainability refers to preservation/conservation of economic, social, and environmental resources within a dynamic, systemic, organizational, and individual context, which is constantly evolving in time and space.

Corporate sustainability refers to preservation or conservation of economic social and environmental resources within a dynamic systemic organizational and individual context which is constantly evolving in time and space.

So, it refers to maintaining status co of the social economic and environmental resources you know in terms of or maintaining not really the status co, but maintaining what we have in terms of replenishing whatever we use within a dynamic systemic organizational and individual context which is constantly evolving in time and space which means that we are not in system you know when we talk about sustainability. We do not talk about the similar type of use of resources all we are saying is that the way we use these resources changes and that in turn affects the quantum of resources we use.

So, all we are talking about is replenishing the quantity and the quality of resources that we use for different purposes as we as time goes by and as we learn about our environment and as we develop the environment.

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Corporate sustainability & Corporate social responsibility (Marrewijk, 2003)

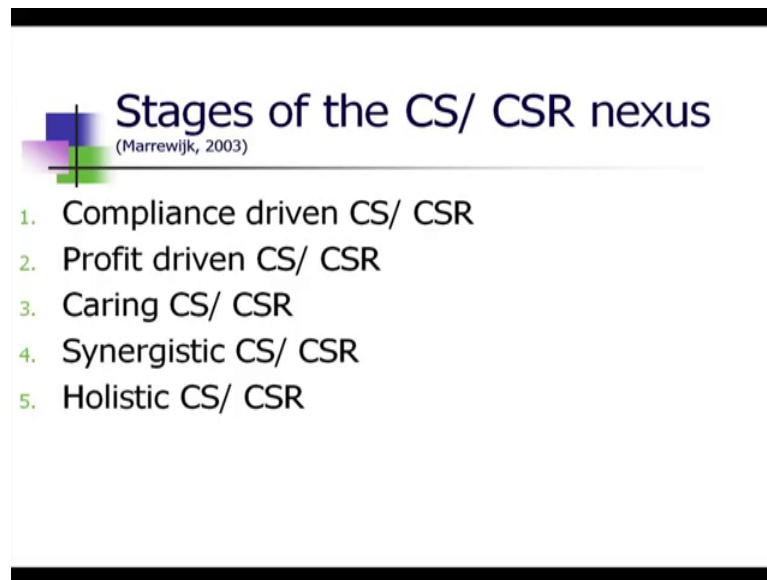
- "CSR relates to phenomena such as transparency, stakeholder dialogue & sustainability reporting, while CS focuses on value creation, environmental management, environment friendly production systems, human capital management, & so forth."

Now, Marrewijk I or Marrewijk I hope I am pronouncing the name right, wrote a paper in which they talked about how corporate sustainability and in which the research you are talked about how corporate sustainability and corporate social responsibility come together and very very beautifully described the difference between CSR and CS.

So, the author says that CSR relates to phenomena such as transparency stakeholder dialogue and sustainability reporting while corporate sustainability focuses on value creation environmental management environment friendly production systems human capital management and so forth; so, essentially saying that corporate sustainability refers to the process undertaken to achieve to fulfill our responsibilities as corporate citizens.

So, you know what we do the activities that we undertake to replenish the resources whether they are economic resources whether they are environmental resources whether they are social resources. So, the specific activities that we undertake to replenish the resources that we are using for our profits is known as the is known as corporate sustainability some stages again described by the same author I am sorry I do not know how the name is pronounced.

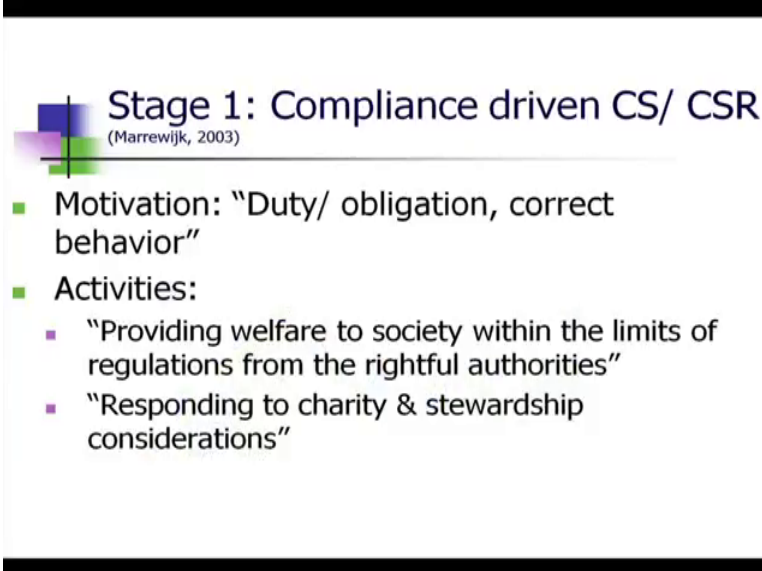
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So, I am not going to attempt mispronouncing the name stages this author has suggested are one is compliance driven CSR then profit driven CSR caring CSR synergistic CSR and holistic CSR when I say CS CSR means the you know the author says that it is necessary that that one realizes that at some point, these 2 seems to be different they come together and the terms can be used interchangeably because the process is showing us the results there in end.

So, you know it is important to refer to this nexus to understand how this relationship between corporate sustainability and corporate social responsibility evolves through time and the stages are for the evolution of that relationship between corporate sustainability and corporate social responsibility.

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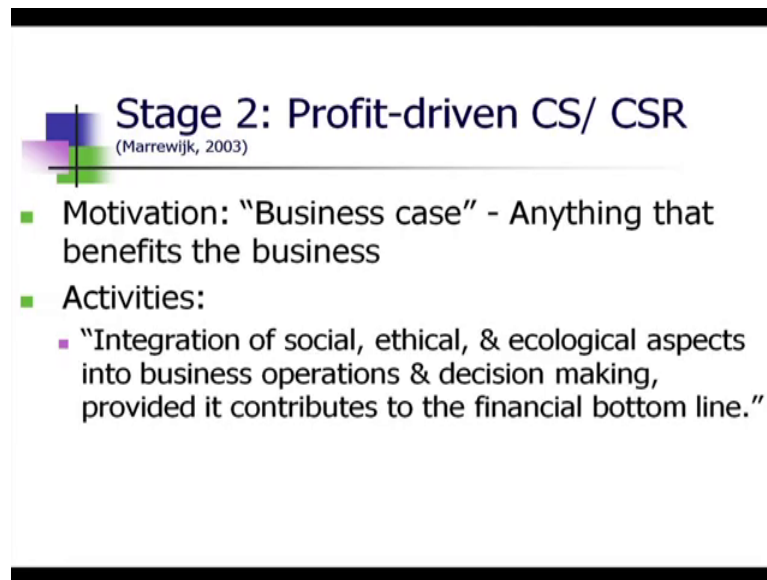
Stage 1: Compliance driven CS/ CSR
(Marrewijk, 2003)

- Motivation: "Duty/ obligation, correct behavior"
- Activities:
 - "Providing welfare to society within the limits of regulations from the rightful authorities"
 - "Responding to charity & stewardship considerations"

Let us see what these stages are the first stage is compliance driven CS or CSR the motivation at this stage is due to our obligation and the need to have the correct behavior or to exhibit the behavior that is expected of the organization in the social sphere in the legal arena in the economic arena the activities that they undertake at this point are providing welfare to society within the limits of a regulations from the rightful authorities and responding to charity and stewardship considerations.

So, it is more of a reaction it is more of as and when required it the motivation is this sense of duty you have an obligation to society let us just do it that is that happens at stage one its more compliance it does not come from inside it is a sense of duty it is the need to do what is right.

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Stage 2: Profit-driven CS/ CSR

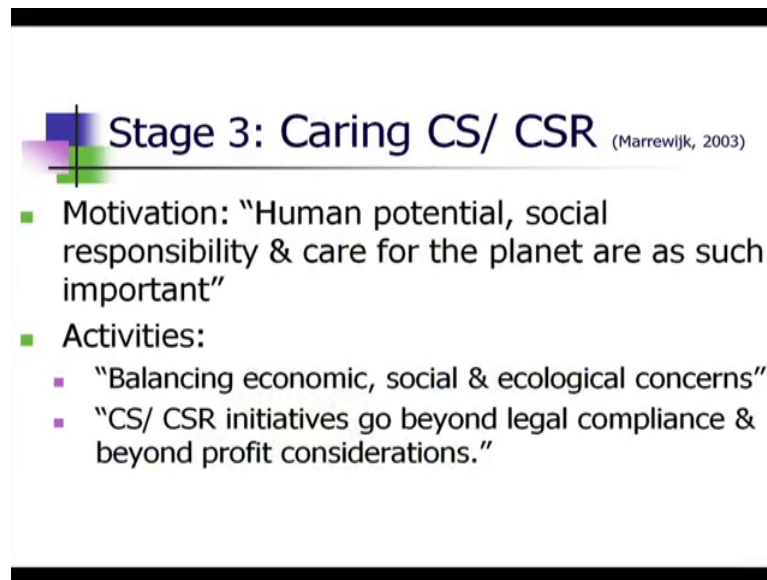
(Marrewijk, 2003)

- Motivation: "Business case" - Anything that benefits the business
- Activities:
 - "Integration of social, ethical, & ecological aspects into business operations & decision making, provided it contributes to the financial bottom line."

The next stage is profit driven corporate social responsibility or corporate sustainability.

The motivation at this stage is the business case anything that benefits the business should be done if helping the community benefits the business lets go and do it the activities that are undertaken at this stage are integration of social ethical and ecological aspects into business operations and decision making provided it contributes to the financial bottom line provided it serves our purpose of generating profits. So, doing whatever we need to do to bring to doing integrating this social ethical and ecological aspects into business operations bring and taking care of our environment taking care of the 3 pillars of sustainability as long as whatever we do benefits our profits feeds into our profits.

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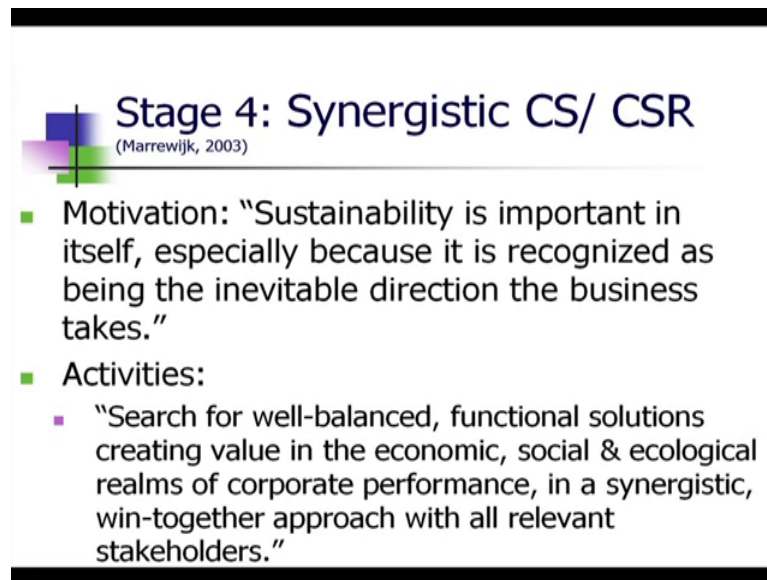
Stage 3: Caring CS/ CSR (Marrewijk, 2003)

- Motivation: "Human potential, social responsibility & care for the planet are as such important"
- Activities:
 - "Balancing economic, social & ecological concerns"
 - "CS/ CSR initiatives go beyond legal compliance & beyond profit considerations."

The third stage is the caring corporate sustainability or corporate social responsibility at this stage the motivation is human potential social responsibility and inherent care for the planet and one believes that human potential social responsibility and care for the planet are as such important we really are concerned about looking after the planet looking after the social fabric taking care of the human potential the activities at this stage that are taken sorry that are undertaken a balancing economic social and ecological concerns and the CS or corporate sustainability and corporate social responsibility initiatives go beyond legal compliance and beyond profit considerations.

So, one is more involved one that is more into the run of things. So, you actually genuinely start you know feeling for the environment around and you want to contribute the fourth stage here is the synergistic corporate sustainability or corporate social responsibility.

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Stage 4: Synergistic CS/ CSR
(Marrewijk, 2003)

- Motivation: "Sustainability is important in itself, especially because it is recognized as being the inevitable direction the business takes."
- Activities:
 - "Search for well-balanced, functional solutions creating value in the economic, social & ecological realms of corporate performance, in a synergistic, win-together approach with all relevant stakeholders."

Now, this stage the motivation is that you know we realize that sustainability is important in itself especially because it is recognized as being the inevitable direction the business takes. So, whether we like it or not we have to work for sustainability we have to do whatever we have to take care of our environment because it is going to be good for the business.

So, the that is the motivation we realized that it is not only a genuine concern it is not only profits, it is not only following the law why has the law been put in place because we really need to take care of our environment we really need to take care of this social fabric we also need to make money. So, you know its people planet and profit. So, all these 3 pillars need to be integrated and we have to pay equal attention we have to balance our attention to these 3 pillars.

And so, one realizes that it is important to have sustainable practices and decisions to have sustainable practices in place it is important to take decisions that contribute towards the these sustainable practices and it is important for the business because that we do it our business is not going to last very long we you know you works. So, hard you put an organization in place you are looking at an entire lifetime of the business you are looking for the business to continue beyond the lifetime of the owner of the business.

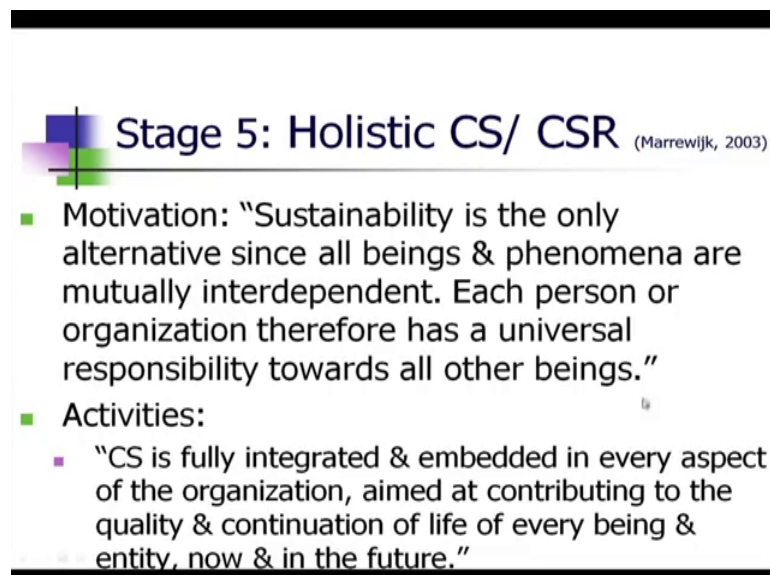
So, you know it is a long term commitment to setting up the business. So, one realizes that a one uses these resources one must it is once responsibility to replenish these

resources otherwise one can stand to lose otherwise it could really hurt the business also. So, that is stage four now the activities at this stage are the there is a search for well balanced functional solutions creating value in the economic social and ecological realms of corporate performance in a synergistic win together approach with all the relevant stakeholders.

So, it is important to create value in these realms it is important to create value in these 3 areas you know social ecological economic areas in order to in a win-win situation in and sort of create harmony create synergy in the way in which these 3 pillars are attended to in order to you know in consultation with all the relevant stakeholders in order for the organization to grow sustainability is important.

So, we synergies are refers to a not pay in you know divided attention today I am going to look after the environment tomorrow I am going to look at the profits day after I am going to look at the social aspect, no. So, we do something that integrates the our concern for these 3 pillars of sustainability and we create solutions that are that that help us attend in a much more balanced much more even way to these 3 pillars of sustainability.

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Stage 5: Holistic CS/ CSR (Marrewijk, 2003)

- Motivation: "Sustainability is the only alternative since all beings & phenomena are mutually interdependent. Each person or organization therefore has a universal responsibility towards all other beings."
- Activities:
 - "CS is fully integrated & embedded in every aspect of the organization, aimed at contributing to the quality & continuation of life of every being & entity, now & in the future."

The last stage is the holistic corporate sustainability or corporate social responsibility stage at this stage the motivation is that sustainability is the only alternative till now we said you know lets revisit this you know it is really very interesting to see how these

stages develop. So, this stage one said duty obligation; so, yeah we have to do it we are doing it because we have to do it not because you want to do it the second stage is where we need to make profits. So, whatever we do you know it makes it helps us they were profits fine you will do it you know we are neutral to it.

The third stage the positive interest starts. So, genuine care for a for a these 3 pillars is important the fourth stage was yes its absolutely necessary you know, but still there is some distinction between the business and the sustainability. So, sustainability or attention to sustainability is still an added work it is still integrated, but it is still in added work now in the last stage it is the only way business is done sustainability is the only alternative since all beings and phenomena are mutually interdependent each person or organization therefore, has a universal responsibility towards all other beings.

So, the work is done in such a way that CS is integrated CS means corporate sustainability one is you start out by being responsible responsibility is not imposed you do not notice it that is just a way you do things. So, it is fully integrated and embedded in every aspect of the organization aim that contributing to the quality and continuation of life of every being and entity now and in the future and its really amazing as to how you know the these five stages you one notices is these as the organization grows and as the organization realizes the impact of integration of attention to corporate sustainability and corporate social responsibility I mean it shows in the way business is done it shows in the way the stakeholders respond to the business. So, it is very very interesting to see how things evolved.

Now, another homework for all of you listening to this lecture if you are listening and if you are interested I would strongly urge you to look around yourself and see which stage a different organizations that I am I have given something similar to you as homework in the past in the previous lectures this is something similar just look around and see which organization has integrated its corporate sustainability efforts. So, well that you do not know if there was any other way of doing business and which organization is just doing lib service which organization is just following the law just doing barely enough to follow the law.

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Strategic communication management, CS & CSR (Birim, 2016)

- CSR Projects are dependent upon:
 - Environmental responsibility
 - Employee talent development
 - Socially responsible supply chain management
- Social media usage is dependent on:
 - Social support
 - Brand image
 - Tracking of large scale data
- CSR projects & social media usage contribute to strategic communication management, which, in turn results in:
 - Long term customer engagement
 - Increased income

Now, how do we do all this how do we go through the motions of integrating corporate sustainability with corporate social responsibility we involve strategic communication management we bring in management of communication we bring in management of a strategic communication into this. We bring on communication to the strategy of the organization and then we take it from there. So, CSR projects are dependent upon environmental responsibility employee talent development socially responsible supply chain management this is this we have diagram and I have just written down the description of this diagram I again do not know how to pronounce the name of the author. So, I just listed it there anyway.

So, according to this author its probably Birim, but I am not very sure it is a Turkish name a CSR projects are dependent on environmental responsibility how we design a CSR projects is responsible is dependent on how responsible we think we are to the environment employee talent development you know how much of talent our employees have how much attention you are paying to that and socially responsible supply chain management social media usage is dependent on social support brand image and tracking of large scale data and it in turn contributes to these. Now the CSR projects and social media usage come together and contribute to strategic communication management which in turn results in long term customer engagement and eventually increase the income which is what organizations want and need.

So, everything is interrelated you know it is a very very interesting very intricate very complex network of these dances as I would like to call it between the different aspects of the environment and what this stakeholders feel about the environment and how they react to the environment and what they are able to do and what they want to do and it is a very very interesting and very dynamic a play of all of these factors.

So, it is difficult to put it down in diagram it is very difficult to explain it, but then you know I am trying to approach it from all different aspects just to give you as comprehensive and idea as possible as to how this shapes up. Now that is all we have time for in this lecture we are going to continue with some more discussion on CSR in sustainability in the next class.

Thank you very much for listening.