

Corporate Sustainability, Social Responsibility and Environmental Management

An Introduction to Theory and Practice with Case Studies

Preface

Responsible behaviours are increasingly being embedded into new business models and strategies that are designed to meet environmental, societal and governance deficits. Therefore, the notions of Corporate Sustainability, Social Responsibility and Environmental Management have become very popular among academia as corporations are moving beyond transparency, business ethics and stakeholder engagement.

This book provides business students and scholars with a broad analysis on the subject of Corporate Social Responsibility (CSR). It builds on the previous theoretical underpinnings of the CSR agenda, including Corporate Citizenship (Carroll, 1998; Waddock, 2004; Matten and Crane, 2004), Creating Shared Value (Porter and Kramer, 2011; 2006), Stakeholder Engagement (Freeman, 1984) and Business Ethics (Crane and Matten, 2004) as it features the latest Corporate Sustainability and Responsibility (CSR2.0) perspective (Visser, 2010). These recent developments imply that the organisations' commitment to responsible behaviours may represent a transformation of the corporation into a truly sustainable business that is adding value to the business itself, whilst also adding value to society and the environment.

This 'new' proposition is an easy term that may appeal to business practitioners. CSR2.0 is linked to improvements in economic performance, operational efficiency, higher quality, innovation and competitiveness. At the same time, it raises awareness on responsible behaviours. Therefore, this promising concept can be considered as strategic in its intent and purposes, as businesses are capable of being socially and environmentally responsible 'citizens' whilst pursuing their profit-making activities. Carroll (1979) affirmed that the businesses have economic responsibilities as providing a decent return on investment to owners and shareholders; creating jobs and fair pay for workers; discovering new resources; promoting technological advancement, innovation, and the creation of new products and services along with other objectives.

Lately, there is similar discourse in many international fora, conferences, seminars and colloquia about corporate sustainability and responsible behaviours. However, the discussions are usually characterised by the presentation of theories that define the concepts, rather than being practical workshops (which involve the businesses themselves). In this light, this book clearly identifies the business case for CSR. It attempts to trigger active participation in corporate suites. Inevitably, it contends that there are still some challenging opportunities facing businesses, which will have to be addressed in the foreseeable future; including Stakeholder Relations and

Collaborations, Government Regulation for CSR Compliance and the role of Strategic CSR in Education and Training.

This publication combines theory and practice with case studies. Part I introduces the readers to the CSR Agenda. Chapter 1 provides a broad overview of the CSR terminology and its emerging constructs. It presents the business case for CSR. Chapter 2 reports on several international policies and regulatory instruments on the subject of environmental, social and governance disclosures of large organisations. Chapter 3 suggests that there is a rationale to maintain ongoing communications with stakeholders through integrated marketing communications including digital media and traditional channels. Chapter 4 sheds light on socially responsible and sustainable investments that are being offered in the financial services market. Chapter 5 discusses about the importance of stakeholder engagement with responsible suppliers in the value chain. In Part II; this book contains five detailed case studies on a wide array of corporate sustainable and responsible initiatives that have been taken on board by global corporations in different contexts.

Foreward

My personal engagement with corporate social responsibility (CSR) goes back over 40 years. The idea was only mentioned during my academic degree years in the late 1960s and early 1970s and it was hardly popular to talk about or write about then. My broadest and deepest exposure began in the early 1970s when I was asked to teach a Business and Society course because the regular professor was on leave. Fortunately, he had assembled a book of readings titled *Issues in Business and Society: Readings and Cases (1971)*, and William T. Greenwood, the editor, and my colleague, was one of the early book authors on this topic.

I was employed out of my doctoral program to teach business policy; now we call it strategic management. But, when I took an interest in the business and society area in which CSR was a key, embedded concept, I remember my department head telling me that I would never get promoted pursuing that topic because it was not even a field yet. The topic existed but it had barely reached the level at which it was being studied or taught with any regularity within courses much less in its own courses. It was not being discussed much in the business world either. In other words, the field was not a field when I began. It was just a few individuals thinking about CSR and even fewer writing about it.

My department head was partially right, but over the following decade I not only got promotions but had publishing opportunities that opened up for me and

this gave me a platform to delve deeper into the topic and I proceeded to do so. Since there were very few academics pursuing CSR and related topics it was easy to be on the cutting edge and then Little, Brown publishers invited me to prepare a book of readings and then a textbook on the subject.

Desiring a managerial approach because I was deeply concerned about applicability and implementation, I published *Managing Corporate Social Responsibility* in 1977 and followed it with *Business and Society: Managing Corporate Social Performance* in 1982. It would not be until the first edition of *Business and Society: Ethics and Stakeholder Management* was published in 1989, however, that I was beginning to believe this topic had staying power. Now, I am completing the 10th edition of this book, currently titled *Business and Society: Ethics, Sustainability and Stakeholder Management*, 10th Edition (Cengage Learning, 2017) with Jill A. Brown, Bentley University and the late Ann K. Buchholtz. Ann had been with me on six previous editions before she tragically passed away just as the 10th edition was underway. Fortunately, a rising and successful professor, Dr. Jill Brown, was able to join me as co-author for the 10th edition.

Another huge step for CSR was taken when I was invited to join three other authors, under the executive editorship of Kenneth Goodpaster, when we were able to publish a comprehensive history titled *Corporate Responsibility: The American Experience* (Cambridge University Press, 2012) which I co-authored with Kenneth Lipartito, James Post, and Patricia Werhane. We were elated when this book was

recognized with the 2014 Social Issues in Management Best Book Award in the Academy of Management. What was especially unique about this volume is that it was underwritten by a business man, philanthropist, Harry Halloran, of Philadelphia.

Today, there are an exploding number of scholars writing on the topic of CSR and complimentary concepts. My professional involvements have exposed me to hundreds of excellent scholars and I was so encouraged when I learned about the writings of Dr. Mark Camilleri. First, I was introduced to some of the articles he had written, with which I was impressed. Second, we began corresponding with one another. I was invited but not able to join him in any publications because of my textbook revision schedule but I saw clearly that he was the type of scholar and writer with whom I could easily have a close working relationship. Then, I was introduced to the contents of this book, given the opportunity to read it, and invited to write this Forward, which I am honored to do.

From my perspective, Dr. Camilleri has written what clearly provides a first-rate introduction to a subject such as CSR. First, he fittingly clarifies that the language of CSR is referred to under a number of different concepts or frameworks and among them are corporate citizenship, sustainability, environmental management, business ethics, and creating shared value. But, he chooses to center on CSR as the irreducible core of these topics and then invokes the other nomenclature

when appropriate. I agree with this decision. I think CSR is and will continue to be the centerpiece of these competing and complimentary frameworks.

In Part 1 of the book, he introduces the CSR notion, covers international policies and regulatory instruments for reporting on CSR, and relates it to integrated marketing communications, which are essential. I especially valued his discussions of CSR communications using digital and social media and corporate Web sites. These clearly are the platforms upon which companies and consumers have come to depend in this technology-intensive age. His discussion of socially responsible and sustainable investing gets at the heart of the question of whether CSR pays off in a financial sense. An important dimension of the CSR business case is easily made when one considers the growth and success of the socially-conscious investing movement. If investors think it is a good thing, and it has proven to be, then it is not surprising that socially responsible investments have grown. Finally, in Part 1 he treats what I think is the current challenge of global CSR and that is responsible supply chain management. Companies institutionalizing CSR within their parent entities is not enough. They need to integrate it into their upstream and downstream supply chains to be truly and comprehensively responsible and effective. In short, Dr. Camilleri provides an excellent introduction to the CSR agenda that academics, companies, and other stakeholders face today.

The case studies presented in Part II are both an integral part of understanding the CSR concept and a bonus to the developing discussion. In the first

case study he explores corporate citizenship policies and principles in the U.S.A. Then, he wisely contrasts this with environmental, social, and governance disclosures in Europe. To add even more specificity, he examines responsible governance in European banks. Of value to all readers, he next provides a case study on creating value in business and education. Finally, he presents a case study on closing the loop of the circular economy for CSR and sustainability. I found this case study to be especially enlightening and timely as the idea of the circular economy brings CSR and sustainability into a systems wide framework that is likely to be a top priority theme in the decades ahead.

The topic of CSR has a bright future and I think this book will open it up to both novice readers as well as those already knowledgeable in the field. Scholars and practitioners alike will find the book essential reading. Dr. Camilleri makes the topic accessible, relevant, and interesting.

CSR's bright future is built upon several key trends that provide a firm foundation for growth. First and foremost, is business's acceptance. This is a most significant factor. Without businesses' buy-in, the CSR framework would not have gotten the traction it has experienced. Except for brief periods when CSR was somewhat controversial, business as an institution has increasingly accepted the idea that it is a multi-purpose social institution whose goals extend beyond financial returns. Enlightened businesses today are coming to accept that their mission is to serve constructively the needs of society to the satisfaction of society. If they do this,

in a sustainable fashion, financial returns will follow. Businesses today are striving to be adaptive-learning entities and they understand that their legitimacy is tied to public acceptance and support.

A second powerful trend has been global growth both in established but especially in emerging economies. In Europe, the growth of interest in CSR has been unparalleled, especially over the past decade. The CSR framework is quickly catching on in Asia, South America, and Africa. International conferences on CSR are now the order of the day. Not too long ago I attended one of the Global CSR conferences put on every other year at Humboldt University in Berlin, and I saw firsthand the heightened inquisitiveness about CSR from around the world. Hardly a week goes by that I do not receive some email inquiry about the topic from unexpected parts of the world – sometimes from areas I never imagined were interested in CSR theory and practice. But, now they are. I will look forward to recommending Dr. Camilleri's book to them.

A third prominent force behind CSR's growth and proliferation has been academic acceptance and proliferation. The multiplying organizations, conferences, meetings, books, articles, blogs, awards, academic chairs and student interest all have pointed to a robust future in academe. Schools and colleges other than business schools are increasingly taking a keen interest in CSR, ethics, sustainability and stakeholder theory. Schools such as journalism, law, ecology, social work, education, and others are beginning or continuing their use of these concepts and frameworks.

The idea that organizations in all walks of life realize that their missions extend beyond their immediate, utilitarian, purpose for being is becoming widespread.

This book will be popular and widely read because it centers on CSR and sustainability, topics that I believe continue to be the heart of socially conscious capitalism, management, and investing. Stakeholders the world over are clamoring for more information about CSR and this book provides it in a clearly, authoritatively, easily understood format that is expertly and expressively written. Dr. Camilleri's book will take its rightful place as a valued and well-read entry into the books that have addressed these topics and I strongly commend it to the reader and rest confident that it will have a huge impact.

Archie B. Carroll, Ph.D.

Professor *Emeritus*

Terry College of Business

University of Georgia

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Praise for this Book

“There’s a revolution taking place, one that’s percolating from the uncoordinated efforts of activist consumers/NGOs, regulators/moralists, and corporate/institutional investors. Mark Camilleri’s new book provides an excellent overview of the eclectic academic literature in this area, and presents a lucid description of how savvy companies can embed themselves in circular systems that reduce system-wide externalities, increase economic value, and build reputation. A valuable contribution.”

Charles J. Fombrun, *Founder of Reputation Institute and a former Professor of Management at New York University and The Wharton School, University of Pennsylvania, USA.*

“I am pleased to recommend Dr. Camilleri’s latest book, *Corporate Sustainability, Social Responsibility, and Environmental Management*. The book is a rich source of thought for everyone who wants to get deeper insights into this important topic. The accompanying five detailed case studies on a wide array of corporate sustainable and responsible initiatives are helpful in demonstrating how theoretical frameworks have been implemented into practical initiatives. This book is a critical companion for academics, students, and practitioners.”

Adam Lindgreen, *Professor and Head of Department of Marketing, Copenhagen Business School, Denmark.*

“This book is an essential resource for students, practitioners, and scholars. Dr. Mark Camilleri skillfully delivers a robust summary of research on the business and society relationship and insightfully points to new understandings of and opportunities for responsible business conduct. I highly recommend *Corporate Sustainability, Social Responsibility, and Environmental Management: An Introduction to Theory and Practice with Case Studies*.”

Diane L. Swanson, *Professor and Chair of Distinction in Business Administration and Ethics Education at Kansas State University, KS, USA.*

"Mark's latest book is lucid, insightful, and highly useful in the classroom. I strongly recommend it."

Donald Siegel, *Dean of the School of Business and Professor of Management at the University at Albany, State University of New York, NY, USA.*

"The theory and practice of corporate sustainability, social responsibility and environmental management is complex and dynamic. This book will help scholars to navigate through the maze. Dr Camilleri builds on the foundations of leading academics, and shows how the subject continues to evolve. The book also acknowledges the importance of CSR 2.0 - or transformative corporate sustainability and responsibility - as a necessary vision of the future."

Wayne Visser, *Senior Associate at Cambridge University, UK. He is the author of CSR 2.0: Transforming Corporate Sustainability & Responsibility and Sustainable Frontiers: Unlocking Change Through Business, Leadership and Innovation.*

"*Corporate Sustainability, Social Responsibility and Environmental Management: An Introduction to Theory and Practice with Case Studies*" provides a useful theoretical and practical overview of CSR and the importance of practicing corporate sustainability."

Geoffrey P. Lantos, *Professor of Business Administration, Stonehill College. Easton, Massachusetts, USA.*

"This book offers a truly comprehensive guide to current concepts and debates in the area of corporate responsibility and sustainability. It gives helpful guidance to all those committed to mainstreaming responsible business practices in an academically reflected, yet practically relevant, way."

Andreas Rasche, *Professor of Business in Society, Copenhagen Business School, Denmark.*

"A very useful resource with helpful insights and supported by an enriching set of case studies"

Albert Caruana, *Professor of Marketing at the University of Malta, Malta and at the University of Bologna, Italy.*

“A good overview of the latest thinking about Corporate Social Responsibility and Sustainable Management based on a sound literature review as well as useful case studies. Another step forward in establishing a new business paradigm.”

René Schmidpeter, *Professor of International Business Ethics and CSR at Cologne Business School (CBS), Germany.*

"Dr. Camilleri's book is a testimony to the continuous need around the inquiry and advocacy of the kind of responsibility that firms have towards societal tenets. Understanding how CSR can become a modern manifestation of deep engagement into socio-economic undercurrents of our firms, is the book's leading contribution to an important debate, that is more relevant today than ever before"

Mark Esposito, *Professor of Business and Economics at Harvard University, MA, USA.*

“Mark’s book is a great addition to the literature on CSR and EM; it will fill one of the gaps that have continued to exist in business and management schools, since there are insufficient cases for teaching and learning in CSR and Environmental Management in Business Schools around the globe.”

Samuel O. Idowu, *Senior Lecturer in Accounting at London Metropolitan University, UK; a Professor of CSR at Nanjing University of Finance and Economics, China and a Deputy CEO, Global Corporate Governance Institute, US*

“Corporate Social Responsibility has grown from 'nice to have' for big companies to a necessity for all companies. Dr Mark Camilleri sketches with this excellent book the current debate in CSR and CSR communication and with his cases adds valuable insights in the ongoing development and institutionalization of CSR in nowadays business”.

Wim J.L. Elving, *A/Professor at the University of Amsterdam, Netherlands.*

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About the Author

Dr. Mark Anthony Camilleri is a resident academic in the Department of Corporate Communication at the University of Malta. He specialises in strategic management, stakeholder engagement, corporate social responsibility and sustainable business. Mark successfully finalised his PhD (Management) in three years' time at the University of Edinburgh in Scotland - where he was nominated for his "Excellence in Teaching". During the past years, Mark taught business subjects at under-graduate, vocational and post-graduate levels in Hong Kong, Malta, Spain, UAE and the UK.

Dr Camilleri has published his research in other books, peer-reviewed journals, chapters and conference proceedings. He is a member on the editorial board of Springer's International Journal of Corporate Social Responsibility and he's also a member of the academic advisory committee in the Global Corporate Governance Institute (USA). Mark is a frequent speaker and reviewer at academic gatherings including; the American Marketing Association's (AMA) Marketing & Public Policy Conference and the Academy of Management's (AoM) Annual Meeting.

Dedicated to my wife Adriana and to our kids, Michela and Sam.

