

Comprehending the Thoroughfare to Sustainable Development: The Role of Corporate Leaders

Hemrabha Purohit*

Abstract

It has been quite a time that CSR gained attention of the corporate leaders, who became inclined towards governance and transparency issues pertinently. Amidst this attentiveness, further gained attention the theme of sustainability, which made the corporate brigade redesign their ways of managing business.

This paper offers a short but nevertheless, a deep portrayal of the growing concern for sustainability and outlines how the MNE leaders can make a move on contributing towards a better world observing the sustainable development goals (SDGs) as guiding principles. Also, instances of some corporate giants have been discussed, to give a picture of how the cream of the crop enterprises are all set for the attainment of sustainable development. It is an attempt to help the academia and corporate arena gain novel perspectives, on cultivating their approach towards the flaming issue of sustainability and developing such business models that help them manage their responsibility towards the greater concerns in accord with colossal revenues.

Keyword: Corporate Leaders, Sustainability, SDGs

Introduction

The years that have passed by have seen a growing wakefulness over the relationship of business and the society. It has been observed that most of the businesses are on the track of going beyond the idea of making profits. It has been well understood that corporate world has to accommodate their responsibility towards society and the natural milieu moving beyond the legal compliances.

The first phase seen was the move from narrow conceptions of CSR to a more multi-faceted understanding. The

second shift was towards sustainability as a more holistic concept. The third shift is that the sustainable business is becoming less about compliance and risk management and more about break through opportunities and innovation management.

Methodology

The paper is a conceptual and exploratory study that tries to explore the directions in which the MNE leaders can move their organisations to contribute towards the attainment of sustainable development, particularly keeping the sustainable development goals as a referent. Also, the paper embraces cases of some cream of the crop MNEs which are aligned towards sustainable development. Besides, a model cum process has been proposed which can be of help for the corporate players facing dilemma of how to work upon their sustainable moves.

Sustainable Development: The Backdrop

Sustainable development implying economic growth that is environmentally sound is a practical inescapability seeing the present scenario (Sachs & Reid, 2006). The contemporary scenario demands that the organisations shoulder the responsibility for the way their business impact the social and environment factors. Organisations can no longer operate in isolation, merely focusing on their bottom line. Besides, a major shift has been seen in how they accommodate and manage their equations with various constituencies like employees, customers, suppliers, shareholders, government, and the larger community. Thus, a lot of buzz has been created and the organisations are growingly becoming oriented towards the Triple Bottom Line (TBL) i.e. economic, social, and

* Junior Research Fellow, Department of Management Studies, Jai Narain University, Jodhpur, Rajasthan, India.
Email: hemrabha.purohit@gmail.com

environmental parameters. Either viewing it as a success mantra or survival hunt it is definitely something, not to be taken heedlessly. This paradigm shift requires the corporate leaders not just transforming their national but global outlook as well. Therefore, organisations are putting in incessant efforts to reshape their strategies for handling the novice global imperatives. In other words, it is preferable that they enhance their perceptivity towards sustainability or to be precise embrace the triple bottom line approach.

Sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs (Tomlinson, 1987). This means that the development is three faced i.e. economic, environmental, and social (Harris, 2000).

D'Amato, Henderson, and Florence (2009) assert that organisations can be considered on a developmental continuum in terms of their orientation towards society and environment. At one end lie those organisations that do not concede any responsibility towards society and environment. On the other end lie those organisations that value their dependence on society at the economic, social, and ecological levels, and thus try moving beyond their traditional means of practicing CSR and sustainable business approach. Moreover, a good number of organisations can be placed somewhere between the above two extremes.

The March towards SDGs

Millennium development goals (MDGs) mark a historic and effective method of globalisation to achieve a set of important social priorities worldwide. They generated awareness and helped attain overcoming some major pitfalls being faced worldwide. Therefore governments round the world seemed poised to adopt a new round of global goals to follow the MDGs (Sachs, 2012).

The millennium development goals were over and done with in 2015 and were updated into the sustainable development goals (SDGs). SDGs represent UN's vision concerning the development till 2030. The SDGs shall act as a guide to all the UN member countries who shall pay enough priority to them while they frame their national policies, till 2030. MDGs were focused mostly on the less developed countries. In all the progress was quite uneven. Whatever might be the progress, they received a lot of attention from all round the globe.

The SDGs are more extensive in scope as they embrace multi party interests including public and private sector contribution and benefits. The idea of SDGs speedily gained ground because of the growing pressure of the sustainable development for the whole world. They are universal goals that envisioned countries to strive to proceed towards developing a sustainable planet.

Discussion

As the MDGs were quite more focused on low developing countries, it was not very clear as to how the role of corporate world should be defined. But the SDGs are more extensive and are spread to various sectors and nationally relevant and thus seeking corporate contribution. The SDGs represent the global plan for attaining an equitable, socially inclusive and environmentally sustainable economic development. The corporate world needs to drive sustainability in their business ways and working with more transparency and social accountability. Moreover, this extends up to both the public and private sector corporate domains.

A sustainable enterprise can be defined as any business, large and small, that integrates sustainability and responsibility that includes, value creation, good governance, societal contribution, and ecological integrity, into its strategy, operations and product, in order to have a transformational, positive impact of the biggest social and environmental challenges we face (Hopkins, 2016).

Government is the first authority to manage development, nevertheless they need ample support from their private counterparts. Thus it is clear that the corporate leaders round the world have a major role to play in the development process. In whatever terms they may view it, they need to work considering the triple bottom line.

The following discussion can help the enterprises spruce up their stratagem in accordance with the need of the hour, i.e. to handle the issue of sustainable development effectively.

The part that the corporate leaders can play towards sustainable development for now is using the SDGs as a referent while formulating policies. They can develop an entire culture that works towards sustainable development in whatever intensity it may be. The next section highlights the situation of some prominent MNEs, depicting how the 'cream of the crop' enterprises are making incessant efforts on practicing their part in executing sustainability.

To begin with, Tata Group has been always in spotlight because of its philanthropic moves. Moving beyond, its kinship with the environmental causes has made it develop a number of initiatives putting the motto of good earth before the bottom line. The group works on a lot of causes like repaying to the society and addressing climate change (climate change steering committee) through education, livelihood, healthcare, and biodiversity. Numerous Tata companies adhere to environmental procedures drawn up by the global reporting initiative (GRI), operating under the guidance of the UN. It topped the corporate sustainability survey conducted by GlobeScan and sustainability in partnership with sustainable brands (survey of over 900 stakeholders in businesses, government, NGOs, and academia athwart 84 countries to evaluate the progress since 1992 and reproducing on their expectations for the next 20 years) (Tata Group, 2016).

The second case is of the Coca Cola company which also has been trying hard to improve its sustainable development score. As per its 2015-16 sustainability update it has been working on various pillars for sustainability like water stewardship, women economic empowerment, working on well-being, human, and workplace rights, sustainable packaging, climate protection, sustainable agriculture, giving back to communities. The company is committed towards reporting comprehensively and transparently (The Coca-Cola Company, 2016).

Third case is of the coffee king Starbucks, which has rightly been practicing CSR and corporate sustainability since years. The company plans to work on sustainable development path through means like LEED® certified stores (eco-conscious stores), recycling and reducing

wastes (environment footprint), water and energy conservation and addressing climate changes (Starbucks Coffee Company, 2016).

Fourth case is of the Unilever Corporation, which is another leading enterprise that works on well framed sustainability plan. As per the 2015 progress report, the corporation has three big goals to achieve being, improving health and well-being, reducing environmental impact (maintaining zero waste momentum), and enhancing livelihoods across its value chain activities. The enterprise has shown quite good progress so far as per the report (Unilever, 2015).

Last but definitely not the least is the case of the Ford which is another giant is continuously concerned with sustainability. Preserving and enhancing environmental value and more thoughtful about how they use energy and natural resources, the corporate player makes endeavours like stabilizing atmospheric green house gas emissions, support growth by developing facilities in various regions, delivering vehicles that use safe and sustainable technologies, improving water usage, etc.

Therefore we see that many of the major corporate leaders have long back set the grounds for practicing CSR and have been receiving positive responses for the same. These MNEs are a major inspiration for other players as well on how to march towards the SDGs. As the world marches towards the broader SDGs it is the right time that the players outline the role that they can/should play in making commendable contributions to these goals individually considering their industry and the goal dimensions. Table 1 gives an outline of the role that MNE leaders can play concerning the SDGs.

Table 1: Contributing towards Sustainable Development Goals: The Role of MNE Leaders

<i>Sustainable Development Goals</i>	<i>Role of MNEs</i>
1. No Poverty	Employment generation; payment of adequate wages, utilisation of surplus earnings for deprived side of society
2. Zero Hunger	Promoting sustainable agriculture and production
3. Good Health and Well Being	Maintaining quality in terms of ingredients and nutritional content & reducing harmful substances; improving medical infrastructure, increasing economy and access of quality healthcare centres and services
4. Quality Education	Scholarships, diffusion of mass literacy, industry academic platforms to communicate and inculcate required KSAs
5. Gender Equality	Women empowerment and protection
6. Clean Water and Sanitation	Water sustainability promotion, conserving water, cleanliness campaigns, joint sanitation projects of public and private sectors

Sustainable Development Goals	Role of MNEs
7. Affordable and Clean Energy	Conserving energy, use of renewable energy resources, innovative techniques of alternatives of energy generation and public private handshakes for making it affordable
8. Decent Work and Economic Growth	Balanced economic development/ reduction of regional imbalances, reduction of fraudulent and unfair trade practices, promotion of mass skill development
9. Industry, Innovation and Infrastructure	Entrepreneurship development, industrial advancement by entering untapped business methods promoting sustainable production; innovation management breaking the cliché practices; developing infrastructural facilities in backward/underdeveloped areas to generate platforms for new ventures
10. Reduced Inequalities	Promoting meets, collaborations, fair policies amongst various countries
11. Sustainable Cities and Communities	Reducing carbon emissions, promoting eco-conscious factories, plants and cities through working on layout and awareness campaigns
12. Responsible Consumption and Production	Use of renewable energy resources, water stewardship, recyclable products and packaging , sustainable crop production
13. Climate Action	Reducing carbon footprints, techniques for carbon free production processes
14. Life Below Water	Marine & shipping related players need to inject sustainability in business methods (reducing chemical wastes dumping in water etc.)
15. Life on Land	Ecology preservation, reducing dumping of untreated harmful wastes, plastic consumption and mishandling and other means of land pollution
16. Peace Justice and Strong Institutions	Collaborative development, fair trading practices, anti- corruption agencies, and supporting the building of corruption free bureaucracy free regulatory hard-wearing institutions
17. Partnerships for The Goals	Country-country and public-private collaboration for gaining synergies in attaining sustainability development

Thus it can be seen that SDGs have generated a broader platform where the MNEs can plan different moves embracing these goals, and thus make a radical contribution towards the vision of attaining a safer and better planet. It is the need of the hour in whichever sense it may be taken, the major the contribution these enterprises shall make, the multiplied benefits they shall reap now and the years down the road.



Fig. 1: The Process for Practicing Sustainable Development

As the corporate leaders have realised the importance of sustainable development, cases also came up where the ones willing to invest in such measures could not attain expected outcomes, or ultimately landed up not practicing any measures due to certain reasons. A five step model has been proposed here that might be of help for the MNE leaders as they align their enterprises to the SDGs (Fig. 1).

Conclusion

In all, it can be said that a paradigm shift has been witnessed by the years that passed by, as the concepts of corporate governance and corporate social responsibility extended further. These concepts had already embarked upon the corporate players and made them examine their moves, in terms of the impact they make on the larger sections of society. With the growing concerns for corporate governance and corporate social responsibility, the issue of sustainable development came into vogue. In other words, the march towards corporate governance and corporate social responsibility paved the path for holistic

development in terms of sustainable development. The United Nations came up with the sustainable development goals (SDGs) as a successor of the millennium development goals (MDGs) to provide broader means of development universally. They emerged as a guide to the UN members for marching towards a better and safer planet with a holistic approach. In this context, the multi-national enterprises have a major role to play as they are the ones responsible for making a key impact on the society and environment. The present scenario brings to the front two perspectives on the same. To a certain extent, there are leaders of the opinion to engage in this process to simply secure survival and ward off problems such as rising energy prices, resentment at off shoring, consumer boycotts and the like. On the other side, there are visionaries who are already into the drive and have strong plans for the developmental process and will probably make a greater contribution. Whether the MNEs choose to shoulder the responsibility of development by understanding the benefits underneath from a broader perspective or embrace it as a means of survival or simply move ahead with a casual approach, only the coming years will unfold.

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