

Chapter 2

Positioning Corporations as Sustainability Leaders: A Roadmap to Align Strategic Corporate Social Responsibility With the SDGs

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ABSTRACT

This chapter explores the evolving field of corporate social responsibility (CSR) research and practices in the Sustainable Development Goals era. The authors introduce a contemporary definition of CSR reflective of the SDGs era. Section 1 provides an exploration of the conceptual and theoretical foundations underpinning the evolution of CSR approaches. Section 2 advocates for the SDGs framework in support of the proliferation of sustainability management across business settings. Section 3 delineates how adopting the SDGs as a framework for corporate sustainability can enhance corporate resilience towards economic shocks. Section 4 discusses strategic perspectives on corporate sustainability management and elaborates on the role of business in satisfying promises of sustainable development. Illuminating the legitimacy of the SDGs as a framework for positioning corporations as global sustainability leaders, this chapter serves as a roadmap outlining how business can advance their CSR strategies to align business goals with societal needs in a post-COVID-19 world.

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INTRODUCTION

In a time of heightened climate risk and social consciousness, the era of efficiency-based corporate sustainability management is insufficient. Businesses once viewed as leaders, targeting returns along the intersection of the triple bottom line are now being surpassed by a new age of responsible corporations actively transforming markets to address multiple societal values. Fully entrenched in what Klaus Schwab's 2020 Davos Manifesto dubs a purpose-led era for business, research and evidence-based practices have shown that issues of sustainability continue to find increasing resonance in the values of civil society, activities of industrial organizations, and intentions of nation-state regulatory frameworks (Hoffman, 2010). A landscape once dominated by environmental activists and ethically motivated NGOs, market transparency, and rising accountability standards in the wake of the popularization of social media-based mechanisms now favor innovative firms and conscious leaders who embody the promises of sustainable development (Broman & Roberts, 2017). As a result, sustainability has become an integral part of business across various sectors and industries (Galpin et al., 2015).

This chapter explores the evolving realm of Corporate Social Responsibility (CSR) research and practices in the era of the United Nations Sustainable Development Goals (SDGs). Sustainable development has emerged as an integrative framework for theorizing the interface between businesses, society, and nature (Marcus et al., 2010; Vermeulen & Witjes, 2016). While scholars and CSR practitioners have been critical of the nebulousness of the SDG domains (Jamali and Karam, 2016), we argue that the SDGs offer a robust framework to guide CSR given the objectivity and specificity of the goals, targets, and indicators. With the current debates regarding the definition of "materiality", reporting on the SDGs by corporations across various sectors has been shown to enhance reporting quality, along with the organizational-level capabilities to align strategic planning with a diverse array of stakeholder needs. Rather than a strategy in-of-itself, strategic CSR provides a paradigm (by which we perceive and act on issues of sustainability) that, when embedded into corporate language, theory, and practice, provides a systems approach to delivering multiple values, spanning beyond the service of wealth creation, organizational boundaries, and traditional stakeholder groups (Dyllick & Muff, 2016). Both a process and outcome in-of-itself, the authors introduce a contemporary definition of strategic CSR reflective of corporate realities in the SDGs era.

Corporate Social Responsibility is the integration of a holistic perspective across all levels of a firm's strategic planning and decision-making so that the firm is managed knowledgeably in the interests of a broad set of stakeholders, spanning beyond firm boundaries, to achieve maximum shared value over the medium to long-term while providing sufficient short-term returns to warrant continued investment, iteration, and innovation necessary for business, society and nature to thrive (ElAlfy et al., 2020, p. 1).

First noted by Gladwin et al. (1995), then elaborated upon over the last two and a half decades, management theory and organizational sciences are undergoing a paradigm shift from mechanistic to systems thinking. Section 1 provides an in-depth exploration of the conceptual foundations and normative elements that underscore the evolution of corporate social responsibility approaches, highlighting three transformative shifts in thinking.

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