

## Chapter 6.10

# Tools for Corporate Assessment of Sustainable Development

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### ABSTRACT

Corporate needs to assess, evaluate and communicate sustainability efforts are evident in the increasing use of management tools. A selected set of commonly used sustainability management tools are compared in this study with a key question in mind: how well does each of them provide grounds for assessing and communicating corporate sustainability ambitions? Each of the tools reflects different aspects of responsible conduct; expressed in economic, environmental, social and temporal & spatial terms. They represent a partial foundation for *ex ante* assessment and *ex post* evaluation and, as such, grounds for providing information and communicating. Selecting suit-

able tools for making sustainability management assessments presupposes an awareness of a need to integrate the perspectives on sustainability as well as finding a suitable marketing tool mix.

### SUSTAINABILITY NEEDS

The current interest in environmental, social and economic problems of the world is a shared challenge for scholars, businesses, and politicians - humans in every day life all over the world. Examples of problems we all face include global climate change, population growth, loss of biodiversity, and social inequalities. These problems are not necessarily new phenomena – but embracing all of these changes with an ambition of responsibility, in a long-term perspective refers to operationalizing

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the term “sustainability”. It implies re-thinking old models, finding new methods in production and distribution, new ways of living – and, perhaps most importantly, a new way of evaluating and communicating all of the above.

Sustainable development issues are increasingly given attention and publicity, not just by governments, but also in the private sector and especially multi-national companies. Sustainability matters have become central parts of into consideration in corporate decision-making processes (Bell & Morse, 1999). Reasons for this development are seen in, for example, tightened environmental laws imposed by governments (Dobers, 1997) and pressure from conscious consumers (Welford, 1998) pushing for corporate responsible conduct. However, actions, taken in the name of corporate responsibility, communicated by companies are *not* always as good as their intentions appear on paper (Schwartz, 2004). One of the reasons for the shortcomings is that management tools are limited in what support they may provide and which stakeholders access the channel through which the information is provided. Management system tools, such as ISO 14001 provide a structure for addressing environmental aspects of corporate conduct in a continuous improvement framework – but they do not set any objectives or provide guidance in assessing strategic corporate options.

Yet, another root for the problems of lacking sustainability communication stems from ideological connections that determine not only which issues that are raised, but also the vocabulary for verbalizing possible views. Fiske (1990) refers to these limitations as “codes”. In the prevailing market-economy paradigm, profit-maximization criteria, with a short-term perspective, dominates at the expense of non-monetary values and long-term perspectives (Rikhardsson & Welford, 1997; Söderbaum, 2000; Gillespie, 2001). Additional challenges relate to sustainable development aspects in decision-making and communication processes as it proves difficult due to a large information flow (Alvesson & Willmott, 1996)

and lack of explicit tools for evaluating impacts of communicated corporate policies and strategies.

This chapter presents a critical view of how corporations currently use management assessment tools aimed at sustainability for communicating policies, plans and programs, which are assessed prior to their implementation (*ex-ante*). It questions neo-classical models and it focuses on the basis for sustainability communication – the grounds for a message, which in this case is the result of a sustainability assessment. Selected, commonly used, tools for making such assessments are being compared in this chapter. The presented tools may be used as a part of a larger “tool kit”, for example an ISO 14001 management system. Each tool may also be used separately, for example when alternatives for a large investment are being assessed.

Tools that allow for an *ex ante* assessment as opposed to an *ex post* evaluation, are desirable for many reasons; the primary reason being that of costs and challenges in changing procedures once a direction is taken. Ultimately, the ambition of *ex ante* assessment indicates a corporate willingness to take responsibility above and beyond what is required currently by law. These tools provide grounds for *internal* communication as well as a dialogue with *external* stakeholders. The ambition is to present a comparison of corporate forecasting tools for predicting long term consequences and particularly possible effects on different aspects of sustainable development.

The chapter starts with a brief presentation of different perspectives on corporate practices for addressing and communicating sustainability. These perspectives are implicit in the subsequent parts of the chapter where a comparison of a few commonly used management tools for assessing corporate sustainable development are presented. It is assumed that tools that are successfully used will make way for a wider application and they may even become a standardized way of estimating and communicating sustainable development. Each of the tools is analyzed and presented in a modified triple bottom line framework for analysis.

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