

CSR for Purpose, Shared Value and Deep Transformation

Praise for CSR for Purpose, Shared Value and Deep Transformation

This book makes a significant contribution to the academic literature on Corporate Social Responsibility (CSR), and affiliated fields. It examines the development of CSR in response to successive waves of social and economic change and includes a number of case studies that illuminate the strengths and weakness of existing models of CSR which contribute not only to sustaining competitive advantage, but also social and environmental responsibility. The book also includes a comprehensive account of the literature on Creating Shared Value (CSV) and the United Nations Sustainable Development Goals (SDGs) complete with case studies to understand these concepts in practice. The book's greatest strength, however, is that it sets out an extended framework and new model (CSR 4.0), to accommodate the new challenges and systemic change posed for the Fourth Industrial Revolution. The book is a must reference read for economics, social science post-graduate students, and researchers interested in sustainability and corporate responsibility and for government, community and corporate leaders.

Colin Power AM, Ex Deputy Director-General UNESCO, Emeritus Professor, Flinders University of South Australia. and Adjunct Professor at University of New England (AU) and the University of Queensland.

This innovative book, by an accomplished expert in the field, provides a touchstone for the latest thinking and also provides a profound, evolutionary perspective that leads towards a deeper understanding of concepts, theory and practice. The book is suited for academics and practitioners alike and will serve to put a sharp edge on your knowledge and applications in the realm of CSR. Regardless of your generation or experience, I enthusiastically endorse and strongly recommend your acquisition and reading of this new book.

Archie B. Carroll, Chair of Management and Robert W. Scherer
Professor Emeritus, Terry College of Business, University of
Georgia, USA

This is a valuable and comprehensive book on Corporate Social Responsibility (CSR) from this author, which for the first time in the literature combines topics of Innovation, Entrepreneurship and Intrapreneurship plus value creation systems, such as Shared and Integrated Value in one book, under the theme of CSR. The book also provides important future perspectives on CSR and related fields and provides a much-needed fresh look on current issues in CSR. More importantly, this book covers the significance of the urgency toward the Sustainable Development Goals (SDG) within CSR strategy, while also providing material for future research opportunities in each topic area discussed. If you need to know everything there is about CSR and its proposed future, then you need to read this book to move forward in this field.

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CSR for Purpose, Shared Value and Deep Transformation: *The New Responsibility*

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INVESTOR IN PEOPLE

To anyone who is determined to make a *positive change* in this world, no matter how small.

If we begin with certainties, we shall end in doubts; but if we begin with doubts, and are patient in them, we shall end in certainties.

(Francis Bacon, English Philosopher and Lord Chancellor,
Great Britain, 1561–1626)

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Foreword

Dr Virginia Munro's book is original, ground-breaking and thought provoking in how she is able to identify, isolate, and analyze relevant key concepts and present them in a coherent dialogue that is useful to newcomers to the field as well as seasoned veterans of theory, research and practice.

Beginning with an historical overview, the book moves through CSR as a research setting, accompanied by a relevant literature review and introduces an innovative Social Initiatives (SI) framework that builds upon and integrates CSR themes. These topics are explored with an emphasis on social 'purpose' and change, that is found throughout this book.

Taking a global perspective, the book addresses the universally proposed Sustainable Development Goals (SDGs) and discusses how these are integrated with the CSR trajectory of concepts and research. This is significant because the SDGs represent a universally accepted set of goals. In doing so, the book explores a serious problem: SDG-washing which should never be overlooked. The integration of SDGs and OECD methods is unique and appropriate. The future research focus is strong and effective. The discussions of creating shared value (CSV) and integrated value, with shared social 'purpose,' and impact are quite illuminating. These concepts are interrelated and though the nomenclature varies they significantly overlap in their essence.

Some of these topics have been discussed in other contexts, but I admire the fluidity of the integration of them found in this volume. It represents an excellent blending of theory, concepts, research and practice. The writing style is authoritative, coherent, and smooth and presents a comprehensive, integrative overview of concepts and themes within corporate social responsibility (CSR) and its' complementary and competitive concepts and frameworks.

The notion of linking innovation, entrepreneurship and solving wicked CSR problems and challenges are interesting, insightful and represents a strength of the volume. The relevance of social entrepreneurship and the importance of collaborative networks are appropriately aligned with the discussion of funding incubators for innovation and social entrepreneurship. These are often overlooked topics.

The book discusses and enlightens the future of CSR and new ecosystems while describing CSR 1.0, 2.0, 3.0 and transitioning to CSR 4.0. The idea of mapping CSR 4.0 onto Globalization 4.0 is useful, makes sense and is a clever and valuable contribution to the deep transformation required.

Finally, it must be stated that one of the strongest features of the book is the background, experience, and writing talent of its author. Dr Virginia Munro is remarkably qualified and well-connected with the leading organizations and associations in the field. The book obviously has been written by one who is profoundly knowledgeable about business practice, CSR and Social Issues in Management (SIM), plus Social Identity Theory (SIT) and literature. Whether you are an accomplished scholar or management practitioner, or a fledgling newcomer to the field, this book will bring you up to speed and place you on the cutting edge of knowledge and practice.

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Business & Society: Ethics, Sustainability and Stakeholder Management, 10th edition, 2018.

Corporate Responsibility: The American Experience, Cambridge University Press, 2012.

Preface

2020 will be remembered for COVID-19, but it is also the year that leading companies will define their ‘purpose’ and reason for being. As we prepare ourselves for the ‘new normal,’ there is also new opportunities and a ‘new type of responsibility’ emerging. ‘Purpose,’ innovation, and transformation, have never been more important.

The ‘purpose’ of this book is therefore inseparable from the current and escalating need for renewed ‘purpose’, in both our business and personal lives, and our responsibility to act on the knowledge and situation that surrounds us. As we deal with the current context we also enter the Fourth Industrial Revolution and usher in the new era for Globalization 4.0. Committing to social and environmental change has never been greater nor more urgent, and corporate social responsibility (CSR) is evolving as a consequence.

Supporting this view is the often quoted, Larry Fink, CEO of BlackRock, who started 2019 with a strong message of ‘purpose’ to all companies. “Purpose is not the sole pursuit of profits but the animating force for achieving them. Profits are in no way inconsistent with purpose – in fact, profits and purpose are inextricably linked” (Fink, 2019). Harvard lecturer and consultant, Mark Kramer, responded to Fink’s critics by providing examples of companies who understand that ‘social impact’ and ‘purpose’ is critical to their success, stating “business leaders must finally, once and for all, let go the outdated and erroneous notion that social factors are irrelevant to the economic success of our companies” (Kramer, 2019).

In 2020, Larry Fink once again started the year with a strong message, to major corporations, emphasizing the need for alignment with public awareness and mentioning the global climate action protests in September 2019. He stressed the need for “reallocation of capital,” placing sustainability at the center of a corporate’s investment approach (Fink, 2020). He also reconfirmed “the importance of serving *stakeholders*,” not just *shareholders*. Matching this need is the 2020 theme of the World Economic Forum in Davos, focusing on *Stakeholders for a Cohesive and Sustainable World*. The forum’s founder Professor Schwab emphasized that 2020 is the year “to reimagine the purpose and scorecards for companies” and “assist governments and international institutions in tracking progress toward the Paris Agreement and the Sustainable Development Goals” (Cann, 2019). With *stakeholder capitalism* a key theme for Davos 2020, the move away from *shareholder capitalism* focused on shareholder returns, now requires the consideration of *all stakeholders* in operations and performance. However, as Sundheim and Starr (2020) point out, the “narrative from shareholder to

stakeholder won't happen overnight." A deep transformation is required for CSR and society, and this is a key theme of this book.

Reminding us that some of this transition is already commencing is the pre-2020 release of the new *Statement on the Purpose of a Corporation* by the Business Roundtable in August 2019. Signed by 181 CEOs of major corporations to make a commitment to lead their companies for the benefit of *all stakeholders*—customers, employees, suppliers, the environment and their communities—the new statement supersedes all previous statements and “outlines the (new) modern standard for corporate responsibility” (Business Roundtable, 2019).

Another prominent theme of this book is the sustainable development goals (SDGs), also referred to as the Global Goals. These goals are thought to provide history's “first universal matrix for achieving a flourishing future” (Gauri & Van Eerden, 2019). However, recent research from the UN Global Compact (UNGC)-Accenture Study (2019) notes a shift in CEO perspective, from one of opportunity in the earlier launch stages of the SDGs in 2015/2016, to a belief in 2019 that current business execution is not meeting the challenges of the Global Goals (UNGC- Accenture, 2019).

This book evolves current themes, explaining the movement toward a ‘new responsibility’ and a greater corporate ‘social purpose’ and responsibility toward *all stakeholders*. Backed by academic research throughout, this book places ‘purpose’ at the center of corporate and global responsibility, focusing on the development of CSR, for social innovation and ‘change’ alongside ‘value’ that is shared and integrated into a new systems approach.

To tell this story, this book commences with a historical and contemporary overview of CSR to determine the context from which ‘change’ and deep transformation can occur. Millennials and Generation Z, born between 1981–1996 and 1997–2012 respectively (Mental Floss, 2018), need to understand these topics as part of their drive for ‘purpose’ and *change*. They are opinionated about social responsibility and CSR activities (Reavis, Tucci & Pierre, 2017) and they desire to ‘*see change*’ and ‘*be the change*’ (Case Foundation, 2017; Millennial Impact Report, 2017). Millennials and Generation Z also want corporations, more than ever, to have a social conscience (Sharp, 2014) and they demand that organizations, both public and private, serve a *social* and *environmental* purpose and fix a broken system. At the time of writing this book, Greta Thunberg, the teenage activist, had just addressed another United Nations Summit and youth riots were escalating across major cities. Research reports were announcing the tipping point at the interface between business and society and the need for more rapid uptake of the SDGs before 2030, was becoming increasingly apparent.

As part of this demand, the ‘purpose’ and ‘*be the change*’ movements are driving innovation faster than ever, and renewing corporate strategy and responsibility in the communities where organizations and global corporations operate. Academic teachers and research scholars need to follow this lead to evaluate the case for ‘purpose’ and go beyond this to integrate new areas of research into university curriculums. This book will allow them to dig deeper into these relevant and topical subjects by embracing the social side of CSR and its

surrogate, alternative and overlapping terms alongside themes such as creating shared value (CSV) and integrated value creation (IVC), social entrepreneurialism and innovation for social impact and change. Aside from crowd funding across public and private networks, millennials (and Generation Z) will increasingly need the corporate dollar. In addition, corporates can provide a safe environment for entrepreneurs to set-up and incubate their social enterprise or innovative idea, within the CSR and R&D departments of the organization, allowing them to then unleash their concept to the world, only when it is ready. For this reason, millennials need to understand CSR and creating shared value (CSV) strategy alongside corporate innovation within R&D departments, which also include corporate entrepreneurialism and sources for public and corporate wealth, and private funding.

As business commentators focus on these areas and academics begin to teach and research these areas, university curriculums must follow suit, engaging communities and the general public in tackling systemic social problems (also referred to as complex ‘wicked problems’ or ‘challenges’). These wicked challenges can be tackled at a local level and then ‘go national’ and global, in the attempt to scale up for greater coverage of each problem. At the very core of ‘going global’ is the multinational corporation. Their extensive global value chains will force them to become more accountable for their impacts in the communities where they operate. It is also an opportunity to localize the SDGs by turning internationally agreed goals into a local reality through developing more extensive Social Initiatives (SIs) and social projects as part of this mission. The introduction of the UN SDGs has helped escalate this movement, calling for corporations to collaborate with governments, civil servants, NGOs, and other partners, and to do this at scale in developing countries. As stated previously, recent research suggests these targets may not be met by 2030, with the SDGs requiring further: impact measurement; innovation; and an entire ecosystem *change*, requiring a new and evolving type of responsibility.

This book promises to cover these themes. Backed by academic literature and various discussions in the business community, this book also provides practical real-world case study examples throughout. A special focus of this book is the identification of emerging research opportunities for each topic discussed, in the hope that we march forward in this journey together, in both practice and research.

As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the goals and targets met for all nations and peoples and for all segments of society. And we will endeavour to reach the furthest behind first (UNDESA, 2018).

Now more than ever, this journey will require a deeper transformation than we first thought, alongside a new and faster evolving responsibility, inseparable from our individual existence and inseparable from the need for each and every one of us to find a ‘purpose’ which is authentic and real, to strive for individual ‘*change*’ and ‘*collective purpose*’.

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I am forever grateful for the positive peer review I receive for my work. In doing so, I would like to thank renowned CSR guru, Professor Archie Carroll for providing me with a supporting foreword to this book, and the ex Deputy Director-General of UNESCO Colin Power AM, for adding his endorsement of this book from a global United Nations and Educational perspective.

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