

Globalisation, CSR and SD: and the need now for Sustainable Management and Leadership

Globalisation, Corporate Social Responsibility and Sustainable Development:

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4,883 words

Entrepreneurs

have a vital role to play in bringing about a sustainable future.

Understanding the terms Sustainable Development (SD), Corporate Social Responsibility (CSR) and Globalisation is necessary to see why this is so.

Of these SD, 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs', is the most significant, particularly for business. The reality of the business world is changing. Until recently, all that mattered was the cash nexus. Over the past 50 years management has found that taking employees into account is cost effective. It is now time for management to take responsibility for our environment.

Managers

taking responsibility are finding an apparently unending stream of improvements and projects that are good for business and the environment. The idea that "environment = cost" is simply wrong.

The

approach that the Centre for Sustainable and Environmental Management (CSEM) has been pioneering and teaching since the early 1990s is that all areas of management need to be responsible for sustainability. We need to re-think strategic management, finance management, operations management, product management, etc. However, most companies have delegated responsibility to a ghettoised environmental manager. This has been done under the banner of ISO 14001 (the standard for Environmental Management Systems), which was mutilated in the standards

setting process. While no one would identify management theory and practice with ISO 9000 (the quality system standard), no one should identify sustainability with ISO14000.

Corporate Social

Responsibility (CSR) has come to the fore since 1996 when ISO 14001 was launched. It covers the social concerns of Corporate Citizenship, which should also include SD and the environment, but are often ignored. CSR reporting has developed in parallel. Drivers for CSR include anti-globalisation sentiment, requirements for better corporate governance, pressure group activity, new Stock Exchange indices, and socially responsible investment.

The main CSR 'products' to date are codes focussed on overcoming the negative social aspects of globalisation - and the development of Fair Trading approaches. CSR activities have included: monitoring and auditing codes, reviewing corporate philanthropy, researching employee views, stakeholder dialogues, partnerships with NGOs, community initiatives, repackaging existing data, and reporting on these.

Apart from monitoring

supplier codes, there has been little or no work to review the social impacts of CSR activities. At the heart of CSR there is a hole - an absence of operational review, evaluation, measurement and evaluation of operational impacts, risks and opportunities. Without such review there is no basis for management. As a response to the social, not to mention the environmental problems of big business in relation to a globalised world, CSR currently fails, and is currently misconceived.

Globalisation

is a continuation and massive transformation of international development. On the one hand, it brings significant and rising material prosperity and on the other, creates powerful systems and processes, focused on material prosperity at the expense of environmental and social sustainability.

To bring the world back from the brink, where we have overshot sustainability and are living off capital, we need to re-think management training, particularly MBA programmes. They need to change in all management areas to achieve real ecological and social sustainability.

Integration into the core management

process and working through each function and level will allow the emergence of sustainable management - allowing management to come of age.

This paper - Globalisation,
Corporate Social Responsibility and Sustainable Development: and the
need now for Sustainable Management and Leadership - is available online.