

Corporate sustainability and inclusive development: highlights from international business and management research

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Sustainability has attracted increasing attention from business scholars as corporations have started to take more responsibility for their environmental, social, and development impacts. In this review, we focus on the latest sustainability-related research published in the international business and management (IM) field and explore the links with inclusive development in three ways. First, we introduce the concept of sustainability as perceived in the corporate realm. Second, we review key features of the most recent sustainability studies published in IM journals and analyze the degree to which these works have combined and elaborated upon the different components of inclusive development. Third, we discuss the role of IM research in sustainability science and the potential for interdisciplinary work with other academic fields.

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The concept of sustainability in the corporate realm

Over the past decade, sustainability has become a central topic in international business and management (IM) research as corporations have been increasingly interested in assessing their environmental, social, and development impacts. Recent years have seen a tremendous rise in research on corporate sustainability [1,2,3^{••}], that is activities, usually seen as voluntary, ‘demonstrating the inclusion of social and environmental concerns in

business operations and in interaction with stakeholders’ [4]. Some authors separately discuss corporate (social) responsibility, considering a normative stance on business morality [5]. We use corporate sustainability as a broad umbrella term here because the fine-grained nature of these distinct research origins is less relevant for this review, as reflected in comparable definitions [6]. Several academic reviews assess the state-of-the-art of corporate sustainability. Over the years, they have explored its history [7], theories [2,8], terminology [9], financial performance [10], business case [11], levels of analysis [1], international dimensions [3^{••},12,13], political dimensions [14[•],15], and environmental dimensions [16].

Corporate sustainability is also linked to inclusive development, which encompasses ‘marginalized people, sectors and countries in social, political and economic processes for increased human well-being, social and environmental sustainability, and empowerment’ [17–19]. Traditionally corporations have not been seen as most welcome actors in development matters, and many studies highlight exploitative practices and cases of non-compliance with local or international (or home-country) laws. While there has recently been more attention to business and development in corporate sustainability research, the role of firms in inclusive development is still emerging [20^{••},21^{••},22^{••}]. We argue that corporate sustainability and inclusive development scholarship have much to contribute to each other as they share the interest in economic, environmental, and social impacts, but with different scopes and foci. Comparatively speaking, (in-depth) organizational analyses predominate in corporate sustainability studies, with less focus on the broader (planetary) context, including marginalization.

Next, we review key features of the most recent corporate sustainability studies and analyze the degree to which they have elaborated upon the different components of inclusive development. Finally, we discuss the potential for interdisciplinary collaborative work.

Recent developments in corporate sustainability research

In this section, we selectively review recent studies on corporate sustainability. Specific attention is given to the international dimension of business, especially business activities or organizations operating across national

borders as these are particularly relevant for global sustainability challenges. We emphasize the research published in journals from the fields of international business, general management, and more specifically business ethics and corporate responsibility, and refer to these together as IM. To identify relevant studies, we conducted a search combining a range of corporate sustainability and international-related key words (e.g., ‘corporate responsibility’ and ‘environmental sustainability’; ‘multinational’ and ‘international’) for articles published in 2014 and 2015 in 16 leading journals that include specialized journals focused on international or corporate sustainability topics and management research in general. To make the link to inclusive development, we discuss studies by categorizing them by the specific United Nations Sustainable Development Goal (SDG) at the core of the article. The SDGs are 17 aspirational global goals – on issues ranging from poverty to energy, and peace to water – recently spearheaded by the United Nations.

The first two SDGs focus on poverty and hunger. Although corporate sustainability research has explored these themes since the 1960s, more recent studies have tackled these challenges specifically through the exploration of business at the bottom/base of the pyramid (BOP) [3^{••}]. BOP refers to the poorest segment of the global income pyramid and the underlying idea of this notion is that the pursuit of profits by corporations entering low income markets can also reduce poverty. BOP studies have examined various contexts, initiatives, and impacts of these types of business models, often including a component of microfinance [19]. Over time, this field has moved from seeing the poor as mere consumers to co-inventors and entrepreneurs, and from studying multinational firms to a more complex BOP environment [3^{••},19,23]. Nonetheless, this field still interacts with development studies to a limited extent.

The IM field has given limited attention to health and education related SDGs (Goals 3 and 4) [24[•]], but scholars have recently called for further scholarship from the gender perspective (Goal 5) [25]. Furthermore, we have seen recent interest in water-related issues (Goal 6) at dedicated management conferences, but this has translated into limited published works about water and sanitation as a corporate sustainability issue thus far [26]. Goal 7 and the theme of energy on the other hand has been an important topic of inquiry within corporate sustainability research, both recently and historically [27,28].

As expected, IM studies have addressed the theme of employment and work (Goal 8). Recent research has looked into the role of emerging-economy firms [29] and business more broadly in emerging and developing economies [30,31]. Similarly, management scholars have called for conducting very local-level analyses of corporate

sustainability [32] and analyzed the role of employees and communities [33]. However, much work remains to be done to fully understand the effects, potential, and limitations of corporate engagement in developing economies.

Goal 9 refers to industrialization, innovation, and infrastructure. While industrialization and infrastructure have seldom been researched from a corporate sustainability lens, innovation is an important and cross-cutting theme within the field. Corporate sustainability studies have focused on the innovative role that multinational companies’ subsidiaries can play in learning about local social issues [34,35,36[•],37]. Conversely, inequality and sustainable cities (Goals 10 and 11) have received very limited attention in IM corporate sustainability research.

Goal 12 refers broadly to sustainable consumption and production patterns, which are a core consideration in corporate sustainability. On the one hand, recent studies have looked at sustainability from the perspective of marketing and consumers in both developed and developing economies [38–40]. On the other hand, sustainability considerations in production (ranging from working conditions to environmental impacts) have been a focal area since the early 1990s [41[•],42[•]]. Nonetheless, deeper criticisms of the rise of global consumerism are practically non-existent.

Climate change is a major concern for multinational firms (Goal 13), and has been amply investigated. Recent studies have examined corporate actions, networks, and limitations [43–46]. Oceans and terrestrial ecosystems (Goals 14 and 15) have not been a focus area in management studies broadly [47[•],48]. However, there are signs that relevant new frameworks, such as the notion of planetary boundaries, are at the early stages of being applied to business [49]. The role of companies in supporting peace (Goal 16) has received little empirical attention, but recent studies call for more research on the topic sketching a whole new emerging area for research [50[•]].

The last SDG, Goal 17, examines the implementation of the goals with a strong emphasis on partnerships. Partnerships across public, corporate, and civil society sectors and multi-stakeholder initiatives are also a large and still growing body of literature within international corporate sustainability [47[•],51–54], sometimes also in relation to development and peace [55]. While partnerships are an important tool for implementation, recent research also emphasizes more binding means such as environmental regulation [56[•]], mandatory reporting [57], and more stringent tax collection [58].

Corporate sustainability research and inclusive development

Based on our assessment, we see a new inclusive development related agenda emerging within this field.

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