

The Durable Corporation

Strategies for Sustainable
Development

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Foreword

Recently such issues as climate change have come to the fore, not just in public life and not just in business life but for society generally. This is true throughout the world – everyone is noticing these changes and accepting that global warming is taking place and causing such change. And climate change is a topic of conversation all over the world. This popular acknowledgement has only happened in the last couple of years. At the same time there has been a general recognition of the idea of sustainability and that this is an issue which needs to be addressed – at a societal level, at a local level, at a personal level and – more significantly in terms of the focus of this book – at a business level. Thus the term sustainability has become ubiquitous both within the discourse of globalisation and within the discourse of corporate performance. Sustainability is, of course, a controversial issue and there are many definitions of what is meant by the term, something which we need to address early in this book.

A simple definition of sustainability is that life will just carry on unchanged. This is a comfortable definition which enables those of us who accept it to make as little effort as possible to change our way of life. It may be comfortable but plainly it is unrealistic – things are changed even by us carrying on in an unchanged manner! At the opposite end of the spectrum is the deep green approach of returning to the illusory *golden age* prior to industrial development – a kind of mass adoption of the Amish¹ way of life, with a cosy but unquestioned assumption that life was simpler and therefore happier then. This, too, is unrealistic. We certainly do not wish to return to that way of life – without the computers to enable us to write this book and the printing technology to enable it to be produced so that you can read it – and we do not know anyone else who wants this option either. So plainly another sort of sustainability must be sought.

Another approach to sustainability, which is common for many people, is that sustainability is concerned with the use of environmental resources – and so we must make sure that we do not print out emails and that we recycle

1 The Amish are a religious sect based in eastern USA who have steadfastly maintained a way of life from the seventeenth century – at least according to popular belief and the Harrison Ford film! An investigation readily shows this to be untrue.

our bottles and the problem has been addressed. This may be slightly facile but this approach to sustainability implies that society must use no more of a resource than can be regenerated. This can be defined in terms of the carrying capacity of the ecosystem and described with input-output models of resource consumption. Viewing an organisation as part of a wider social and economic system implies that these effects must be taken into account, not just for the measurement of costs and value created in the present but also for the future of the business itself. Such concerns are pertinent at a macro level of society as a whole, or at the level of the nation state but are equally relevant at the micro level of the corporation, the aspect of sustainability with which we are concerned in this work.

As far as corporate activity is concerned then most analysis of sustainability only recognises a two-dimensional approach of the environmental and the social. A few writers recognise a third dimension which is related to organisation behaviour. We argue that restricting analysis to such dimensions is deficient. One problem is the fact that the dominant assumption by researchers is based upon the incompatibility of optimising both financial performance and social/environmental performance. In other words, financial performance and social/environmental performance are seen as being in conflict with each other through this dichotomisation. Consequently most work in the area of corporate sustainability does not recognise the need for acknowledging the importance of financial performance as an essential aspect of sustainability and therefore fails to undertake financial analysis alongside – and integrated with – other forms of analysis for this research. This, too, is based on an unrealistic understanding which obscures a full debate.

We can see, therefore, that there are many issues which are currently subject to debate within the discourse of sustainability. It is our opinion, however, that these are often neither addressed in a rigorous manner nor expressed in a way in which the practical implications are apparent. The aim of this book is to address these limitations. Moreover, although there are numerous books concerned with sustainability, the majority of them are concerned with either environmental issues or with an aspect of the concept of sustainable development. Our approach is based upon rigorous analysis but is applied to corporate behaviour in order to provide a practical aspect to our analysis, and to offer an approach to corporations seeking to improve their sustainability.

When we started to work in this area we were vaguely dissatisfied with what was being said about sustainability without being quite certain why. Like most

people we tended to just accept the standard definition of sustainability being about not affecting the choices available to future generations, as developed by the Brundtland Commission over 20 years ago. Now we realise that this is plainly ridiculous; not just is it flawed in its definition but the acceptance of it as the starting point has actually prevented discussion and analysis based upon an alternative and more useful approach – or even from developing such an approach. As we have worked through our analysis of sustainability as applied to corporate activity we have come to realise what the problems are with analysis based upon Brundtland and its descendants – such as the notion of the triple bottom line. We have also come to realise what the key issues are and to build them into our analysis. The end result of our analysis is this book, where we have explained the issues, analysed the strategies and from this have developed our own view and proposed some different strategies which we believe will actually address the issue of sustainability. Indeed we consider that our approach also encapsulates the factors involved in sustainable development – which is not synonymous with sustainability – and provides the basis for developing some realistic strategies for corporations to engage in sustainable development.

Naturally we consider that our analysis is useful and provides some realistic and practical proposals to enable corporate managers to develop appropriate strategies. The feedback we have received when we have presented our ideas and analysis at conferences and seminars around the world, over the last couple of years, suggests to us that others also see merit in our work. Now that it appears all together in this book we hope that you, the reader, also find it equally relevant and practical – and more importantly helpful in the development of corporate strategies to enable sustainable development.

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