

# SIMULTANEOUS IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT (SD) AND CORPORATE SOCIAL RESPONSIBILITY (CSR) WITHIN A GLOBAL BUSINESS CONTEXT

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## Abstract

In the current rapidly changing, complex and multi-faceted business context companies face a diverse range of challenges on a daily basis such as financial performance pressures combined with the increasing expectations from societies that companies act more responsibly with relation to social and environmental aspects. Corporate social responsibility (CSR) and Sustainable development (SD) are not new concepts and are some of the most widely recognized and used business concepts today. It seems that the implementation of both CSR and SD is needed in a modern and global business context. Although CSR and SD are regarded as different concepts, there is a clear overlap, interrelationship and interconnectedness between these concepts. It seems advantageous to at a practical level implement CSR and SD simultaneously as the tridimensional view of SD mimics the tridimensional view of CSR. It is acknowledged that although SD and CSR both include a tridimensional view and they are closely connected, there are different conceptual nuances. This paper provides an overview of the differences and similarities between CSR and SD and describes practical guidelines to implement CSR and SD simultaneously.

**Keywords:** Sustainable Development, Corporate Social Responsibility, Changing Business Context

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## 1. Introduction

Within the current business environment companies continuously face a complex range of internal and external challenges which are shaping the business environment such as financial performance pressures combined with the increasing expectations from societies that companies act more responsibly with relation to social and environmental aspects (Brooks, 2005; Khandekar and Sharma, 2005; Daub and Scherrer, 2009). It is very important for companies to demonstrate both social and environmental responsible behaviour in addition to financial prosperity and security (Montiel, 2008).

There is evidence that CSR is no longer regarded as an unproductive cost or resource burden but a way to enhance reputation and credibility (Hediger, 2010; Holme and Watts, 2000). This implies that CSR could assist to improve corporate profits, guard against reputational risks and is positively related to the market value of the firm (Hediger, 2010; Heal, 2005; Beltratti, 2005).

In 2010 the Accenture and UN Global Compact surveyed 766 CEOs worldwide. Based on the feedback, 93% of the participants stated that sustainability is crucial to the long term success of the

company. In addition, three quarters stated that they select sustainability strategies to build and protect the product, enhance corporate reputation and potentially to decrease cost and grow revenue (Boerner, 2010).

Corporate social responsibility (CSR) and Sustainable development (SD) are well-known concepts and are some of the most widely recognized and used business concepts today (Patra, 2008). It seems that the implementation of both CSR and SD is needed in a modern and global business context. Although CSR and SD are regarded as different concepts, there is a clear overlap, interrelationship and interconnectedness between these concepts (Hediger, 2010; Montiel, 2008).

These two concepts have become part of the business buzzwords of our time. Although CSR and SD seems to be part of the terminology within the current business context, one of the first challenges when wanting to implement strategies related to CSR and SD in the practical situation is that there are multiple and vastly different definitions for both CSR and SD. Furthermore, these concepts are broad, sometimes not well defined, and there seems to be a lack of applicable, tested and comprehensive frameworks with applicable guidelines for effective

implementation (Baumgartner and Korhonen, 2010; Becker, 2010; Jabbour and Santos, 2008).

For the purpose of this paper the author used the approach that CSR is more than philanthropy and compliance. This approach includes the motivating CSR principles (values, performance and stakeholders), processes (programs and activities) and a complex and diverse range of organisational efforts and activities to complement economical performance with acceptable levels of both social and environmental performance (Hediger, 2010; Maignan and Ralston, 2002; Fromartz, 2009). In addition the author uses the World Business Council for Sustainable Development (WBCSD) definition that CSR is the continuing commitment by business to behave ethically and contribute to economic development to improve the quality of life of the workforce and their families, the local community and society (Elijido-Ten, 2007; Gelbmann, 2010; Gao and Jhang, 2006). It is evident that a tridimensional (economic, social, environmental) view is advocated.

As there are numerous approaches to and definitions for SD, the author accepted a SD definition consistent with the Brundtland Commission Report's notion that growth, equity, and environmental maintenance are simultaneously possible (World Commission on Environment and Development, WCED, 1987). This definition was widely accepted after the 1992 Earth Summit (Dyllick and Hockerts, 2002) and is consistent with the opinions of Jabbour and Santos, 2009; Sharma, 2003; Hart and Milstein, 2003). This approach to SD also includes a tridimensional (economic, social, environmental) view (Valezquez, *et al.*, 2011; Byrch, *et al.*, 2007).

Following this line of thinking it seems from a theoretical perspective that a company could be able to implement CSR and SD simultaneously as the tridimensional view of SD mimics the tridimensional view of CSR. However, the practical reality raised the following question:

- Although both CSR and SD include a tridimensional view, what are the differences and similarities?
- How does a company implement both CSR and SD simultaneously and in an integrated way in the overall business plan and strategy to enhance outcomes?

The value added contribution of this paper is threefold. Firstly, it could raise awareness among directors, board members, practitioners and managers regarding the importance of an integrated and multi-dimensional approach to CSR and SD. Secondly, it offers suggestions for the simultaneous implementation of CSR and SD principles within a company. Lastly, it provides management and research implications.

The paper is presented in three parts. The first part focuses on the literature review that provides a basis for the arguments put forward in the paper. This

first part answers to the question: Although both CSR and SD include a tridimensional view, what are the differences and similarities? The second part describes actions for practical implementation and answers the question: How does a company implement both CSR and SD simultaneously and in an integrated way in the overall business plan and strategy to enhance outcomes? The last part provides overall management and research implications to encourage further thinking.

## 2. Literature overview

### **Corporate Social Responsibility (CSR)**

Definitions for CSR were formulated as early as 1953. Even in the early definitions the approach was that business policies, processes and procedures need to be multi-dimensional. This means that companies need to continuously consider overall strategies, activities and consequences and not only economic performance (Perrini, *et al.*, 2006).

There is a variety of different definitions for CSR (Longo, *et al.*, 2005; Perrini, *et al.*, 2006). CSR is an approach where companies use the principles to voluntarily contribute to a better society and cleaner environment in addition to their prime responsibility to generate profits. Companies can implement social and environmental objectives by integrating CSR as a strategic investment into their core business strategy and plan, management instruments and operations (Hediger, 2010; European Commission, 2001). CSR is regarded as actions that work towards the social good and are beyond the interests of the company and that which is required by law (Hediger, 2010; McWilliams and Siegel, 2001). Another view is a dynamic approach to CSR which implies that CSR is regarded as a gradual strategy and activity to assist companies (and the involved parties) to adapt to ongoing and new challenges, constantly address new topics and integrate new tasks. Within this view, CSR is not regarded as a once off task but an ongoing and adaptable strategy which adds to the long-term performance of a company (Gelbmann, 2010).

Although there is no generally accepted and unified definition it is evident that most interpretations of CSR include and integrate a business, social or ethical dimension. The economic dimension refers to the companies' responsibility to generate profits, preserve performance and profitability. The social dimension refers to the improvement of the quality of live and well-being for society as a whole, the fact that companies need to act in an ethical way towards society. This approach includes environmental objectives (WBCSD, 2002; Hopkins, 2004; Lyon and Maxwell, 2008; Malovics *et al.*, 2008; Reinhardt *et al.*, 2008; Perrini, *et al.*, 2006). It is clear that participation and activities are voluntary, participation and activities (linked to for example business ethics, sustainable development,

responsible corporate citizenship) go beyond the legal obligations of a company. CSR is not legally binding but it acts as a moral guideline (Jamali, *et al.*, 2008).

In this author's approach CSR is more than philanthropy and compliance but it includes the motivating CSR principles. These CSR principles are driven by values, performance and processes such as relevant programs and activities to provide the desired outcomes. The key domains include the workplace, the marketplace, the community, the supply chain and society (Hediger, 2010; Maignan and Ralston, 2002).

There are many other approaches to CSR and one approach is to differentiate between internal and external parties. The internal parties will include the employees and the company has a responsibility to address aspects such as training, health and safety, acceptable labor rights and working conditions. External parties will include customers, local communities and suppliers and the company has a responsibility to act ethically towards these parties (Jamali, *et al.*, 2008; Smith, 2007). Other approaches are that CSR forms an intrinsic part of the company character and processes, it is not ancillary to business, it involves discussion and engagement between the

company decision makers, managers and the relevant parties, it will require different processes in different companies to ensure that these processes suit the particular context (Basu and Palazzo, 2008; Mittal, *et al.*, 2008; Jamali, *et al.*, 2008; Bhattacharya, *et al.*, 2008; Robins, 2008). All this means that companies need to address social equity, environmental integrity in addition to financial prosperity to be seen as a socially responsible company (Montiel, 2008).

CSR could be a potential and powerful source of competitive advantage, opportunity and innovation. When CSR is embedded in the core business and strategies and the company is doing business in a manner that lowers cost and/or improves the needs of the parties involved in the company, CSR can be a source of social progress (Porter and Kramer, 2006; Gyves and O'Higgins, 2008; Husted and de Jesus Salazar, 2006; Hillman and Keim, 2001).

The analysis of CSR is still in an early stage and critical aspects related to tested and validated frameworks; measurement and empirical methods must still be resolved (Hediger, 2010; Paton and Siegel, 2005). Table 1 summarises main ideas regarding CSR.

**Table 1.** Main ideas regarding CSR

CSR must be defined clearly within the particular company and community
CSR is more than philanthropy and compliance; includes motivating CSR principles, processes and a complex and diverse range of organisational efforts and activities
CSR is the continuing commitment by business to behave ethically and contribute to economic development of their local community
CSR focuses on the needs and demands of current involved parties
Use integrated tridimensional (economic, social, environmental) approach

### **Sustainable Development (SD)**

SD as a concept has been used for many years and is widely applied in the current business environment (Baumgartner and Korhonen, 2010; Becker, 2010; Patra, 2009). In a survey conducted by the Accenture and UN Global Compact in 2010 where they included 766 CEOs globally, it was evident that CEOs select sustainability strategies to build and protect product, enhance corporate reputation, grow revenue and potentially decrease cost (Boerner, 2010).

There are multiple definitions for SD and this creates a degree of confusion within both theoretical discussions and practical implementations. From an economic theory view, SD includes a shift from a growth economy to a steady-state economy and from an environmental view; it means the long-term viability of resource usage and limitation to human impact on ecosystems. From a socio-biological view, SD usually incorporates cultural and social aspects in combination with respect for nature (Velazquez, *et al.*, 2011; Edwards, 2005; Gallopin, 2003). Furthermore, some authors regard SD as a value judgment. It is also evident that SD means different things to different people and this difference is due to

their knowledge, background, perception and values (Becker, 2010; Jabbour and Santos 2008; Wallis, *et al.*, 2010; Velazquez *et al.*, 2011; Prugh and Assadourian, 2003; Filho, 2000). Although there is no universal definition of SD due to different and sometimes incompatible interpretations (Esquer-Peralta, *et al.*, 2008) there is a growing consensus that an acceptable definition and understanding must contain economic, social and environmental dimensions (Valezquez, *et al.*, 2011; Byrch, *et al.*, 2007). This notion is also consistent with the view of the WCED (1987) and numerous other authors (Elkington, 2006; Jabbour and Santos, 2009; Bansal, 2005). One of the key challenges in a tridimensional approach is to find a balance among and achieve excellence in all these dimensions. Economic performance is usually more easily measurable while social and environmental impacts are more longer term and also not always so easily measurable. Although companies might have relevant and valid measures for improving the environmental and social dimensions it seems that these measures are not always linked to the economic dimension (Baumgartner and Korhonen, 2010; Hart and Milstein, 2003; Velazquez, *et al.*, 2011; Jamali, 2006;

Epstein and Buhovac, 2010; Epstein, *et al.*, 2010). Companies are expected to integrate economic, social and environmental goals and draw on the economic, social and environmental information and data to ensure effective and relevant choices. This approach necessitates a wide range of relevant managerial, technological and institutional innovation (Laughland and Bansal, 2011; D'Amato and Roome, 2009).

Another key issue of SD is that companies need to fulfill both the needs and aspirations of the current generations without compromising the needs and aspirations of future generations (Steurer, *et al.*, 2005; Jabbour and Santos, 2008; Becker, 2010). Following this line of thinking, SD provides both short-term and long-term challenges and is crucial to create and maintain a competitive advantage. In rapidly changing internal and external environments, companies need resources and capabilities to survive and thrive over the short and long-term. There is a need to refine the practical implementation of SD strategies, policies, procedures and activities in the day-to-day functioning of companies (Baumgartner and Korhonen, 2010; Clulow, *et al.*, 2003). Although SD is an urgent long-term challenge at global, national and local levels and despite many efforts and implementation varying levels of progress were made. There is also significant difference in the levels of development and implementation of national, regional and international policies (Baumgartner and Korhonen, 2010; Hart and Milstein, 2003; Velazquez,

*et al.*, 2011; Jamali, 2006; Epstein and Buhovac, 2010; Epstein, *et al.*, 2010).

There is evidence (Baumgartner and Korhonen, 2010; Hart and Milstein, 2003; Velazquez, *et al.*, 2011; Jamali, 2006; Epstein and Buhovac, 2010; Epstein, *et al.*, 2010) that over the longer-term sustainable companies:

- are resilient,
- create economic value, healthy ecosystems, stronger communities,
- are better equipped to survive external and internal change,
- are able maintain a dynamic equilibrium,
- are able to effectively balance the economic, social and environmental dimensions.

To accomplish the balance among all three dimensions, a company needs to make the shift from purely maximizing profitability and 'doing things better' to maximizing value, and 'doing better things' (Laughland and Bansal, 2011; D'Amato and Roome, 2009; Wals and Schwarzin, 2012; Sterling, 2004; McKibben, 2007). Many companies claim that they are actively engaged in SD but research evidence indicates that there sometimes is a misunderstanding about what is involved in SD. Some of the current accounting practices work against SD as efficiency is mainly demonstrated through cost cutting. SD efficiency should rather be demonstrated through recognizing value-creating activities (Aras and Crowther, 2009; Smith and Sharicz, 2011). Table 2 reflects the main ideas regarding SD.

**Table 2.** Main ideas regarding SD

SD must be defined clearly within the particular company and community
SD needs to fulfill the needs of current generations without impacting on needs of future generations
To create sustainable companies and communities
SD is a long-term challenge at global, national and local levels
Use integrated tridimensional (economic, social, environmental) approach

### **Differences, links and overlap between CSR and SD**

Based on the current trends and pressures in the modern and global business context there is a need to implement both CSR and SD (Hediger, 2010; Montiel, 2008).

There are definite distinctions and paradigmatic differences between CSR and SD. CSR includes organisational obligations and responsibility, is regarded as a voluntary approach which focuses on the demands of the internal and external parties who are currently involved in the company. On the other hand, SD is regarded as a guiding model depending mainly on the interpretation by society, aims at longer term outcomes and focuses on needs of both current and future parties (de Bakker, *et al.*, 2005; Owen, 2007). In some companies sustainability is becoming the new face of CSR (Clarke, 2007; Garriga and

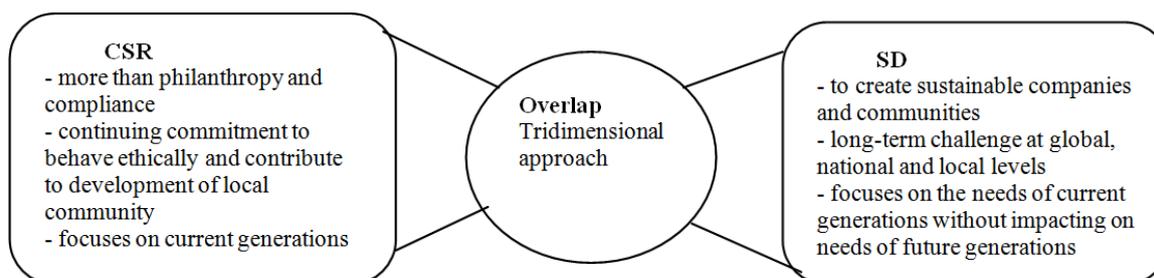
Melé, 2004; Lueneburger and Goleman, 2010; Strugatch, 2011).

Although there are clear differences between CSR and SD, there are definite overlaps and these concepts are interconnected and interrelated. There seems to be evidence in the literature that CSR and SD are converging to similar concepts. This convergence is also evident in the practical situation as some companies use SD and CSR interchangeably (Montiel, 2008; Hediger, 2010; van Marrewijk, 2003) and therefore use very similar variables to monitor CSR and SD impact and outcomes although others use vastly different variables (Hahn, *et al.*, 2010). This convergence appears to be resulting from the growing trend to consider both CSR and SD from a tridimensional approach with both CSR and SD containing economic, social and environmental dimensions with the overall aim to find an equal balance between these three dimensions (Bansal, 2005; Elkington, 2006; Montiel, 2008; Hart and

Milstein, 2003; Steurer, *et al.*, 2005; Husted and de Jesus Salazar, 2006). However, it must be acknowledged that although SD and CSR both include a tridimensional view and are closely connected, there are different conceptual nuances (Steurer, *et al.*, 2005). In some companies, SD is interpreted as one strategy within a range of approaches and activities to conceptualize CSR within that company while CSR is interpreted as the

realization of business contribution to SD goals. Some companies equate SD to and focus on environmental sustainability while others include numerous economic and societal aspects (Sharma and Henriques, 2005; Berns, *et al.*, 2009). Based on all the overlap and similarities it is feasible to implement CSR and SD simultaneously. Figure 1 summarises the main ideas regarding the links between CSR and SD.

**Figure 1.** Links between CSR and SD



### 3. Guidelines for implementation

To simultaneously implement CSR and SD the company needs a combination of different and integrated approaches, strategies and activities to maximize impact and value for the company, its practitioners and the community wherein it operates. For practical and structural reasons of this paper the author described these approaches and strategies separately and in a linear format but advocates that each company is unique and managers need to decide which of these guidelines are suitable to the particular company and in which order they want to implement these guidelines (and add other relevant aspects). However, she advocates that these need to be implemented in an integrated and interconnected way. Additionally, the author acknowledges that other authors, directors, managers and practitioners might group some of the discussed material under different headings. Although the author advocates a flexible and company specific approach, it is highly advisable that the company defines the concepts of CSR and SD as these are relevant to that particular company to provide a consistent and clear basis and common understanding to work from.

#### *Senior management support*

Company directors and managers need to provide the vision for CSR and SD. After directors and managers have chosen CSR and SD as an area of focus or a core value, the relevant systems and processes need to be put in place to support this focus (Liebowitz, 2010).

#### *Definitions*

As there are numerous definitions for both CSR and SD it is crucial that companies and community members (such as policy makers) develop well-defined, commonly agreed upon and clearly bounded definitions for each of these concepts and then

implemented these concepts consistently throughout the company (Montiel, 2008; Bansal 2005; Daub and Scherrer, 2009). The author of this article advocates that the definition for both CSR and SD includes the tridimensional approach. Within this approach the economic, social and environmental are regarded as having equal value.

#### *Simultaneous implementation*

Based on the literature discussion within this article, it is clear that CSR and SD are interdependent and with many overlapping constructs. Therefore, it seems logical that CSR and SD should be implemented simultaneously to maximize the outcomes and the value for all involved parties. Furthermore, a multidimensional and integrated approach encourages and motivates both managers and employees to work across functional boundaries (Chuang and Liao, 2010).

#### *Core business*

Societal demands and expectations regarding more social and environmental responsibility has and will increase over time leading to increased support for CSR and SD (Daub and Scherrer, 2009; Steurer, *et al.*, 2005). For CSR and SD to be effective it is important that the principles and processes to support the needed outcomes form part of the core business, management decisions, systems and daily activities of the company (Hazlett, *et al.*, 2010; Samy, *et al.*, 2010; Epstein, *et al.*, 2010).

#### *Employee recruitment and selection*

One option is to recruit internally before looking externally. This necessitates the need for career plans for all employees. In addition, there needs to be enough time to train and develop current employees towards transition into new roles (either lateral transfers or vertical promotions). Another option is to recruit externally when there are no internal employees suitable to take on a position. When

recruiting for positions it must be ensured that the recruits (either internal or external) are supporting a CSR and SD approach (Goleman, 2010; Johansson, 2006; Liebowitz, 2010).

#### *New employee orientation*

Once recruits are on board, it must be explained to them clearly how CSR and SD are integrated in the business plan, systems and processes. These processes might include performance appraisal and compensation systems (Liebowitz, 2010).

#### *Staff development*

Staff development occurs through both informal and formal training and there needs to be a particular focus to increase the understanding and implementation of the three-dimensional approach to CSR and SD, the meaning of concepts, environmental stewardship, CSR and SD capabilities, and the principles for implementing CSR and SD in an integrated and balanced manner and integrated into the business processes. The training sessions could be included in other sessions or could be done as a stand-alone activity (D'Amato and Roome, 2009; Esquer-Peralta, *et al.*, 2008; Smith and Sharicz, 2011; Liebowitz, 2010).

#### *Leadership*

In the current business environment where there is constant change it is very important that leaders analyse and understand the current trends that might impact on their company and the community in which it operates as these trends and impacts need to be taken into account when making business decisions, forming strategy and designing business plans (Harmon *et al.*, 2010). Companies need effective leadership by the relevant decision makers as these leaders need to initiate, provide the conditions for, implement and evaluate the strategies and activities relevant to CSR and SD programs and outcomes (Epstein and Buhovac, 2010; Epstein, *et al.*, 2010; Rocha *et al.*, 2007;). Authentic, transformational and ethical leadership styles are all either directly or indirectly linked to SD implementation and outcomes (Angus-Leppan, *et al.*, 2010). In combination with a particular leadership style, leaders require particular leadership skills such as innovation, analysis, cross-cultural understanding, reflection, change management, flexibility, adaptiveness and a holistic systems thinking approach. Furthermore, the leaders need to attain the relevant SD capabilities such as recognising trends and patterns, implementing a balanced approach between the economic, social and environmental dimensions (Rocha *et al.*, 2007; Liebowitz, 2010).

#### *Performance management*

The first step in achieving CSR and SD outcomes is to set clear goals to attain these outcomes. Performance management and appraisal systems then need to support the goals for CSR and SD. Some of the relevant skills that would be included are aspects such as teamwork, innovation and environmental stewardship. However, the

particular skills and goals are very specific and unique to every company (Liebowitz, 2010). There must be a clear alignment and consistency between expected outcomes and performance management (Epstein, *et al.*, 2010; Epstein and Buhovac, 2010).

#### *Compensation and recognition*

To support the CSR and SD approach and to provide recognition for employees' successful CSR and SD initiatives it is a good idea to publish these outcomes. Publication could be in internal publications such as the intranet, newsletters or on external publications such as the general website of the company. Compensation programs (eg. bonuses) if applicable are another form of recognition. All compensation and recognition programs must be based on principles such as objectivity, fairness and measurability (Bhattacharya, *et al.*, 2008; Liebowitz, 2010; Epstein, *et al.*, 2010; Epstein and Buhovac, 2010).

#### *Empowerment*

Directors and managers need to create a participative work culture and environment in which employees are allowed to disagree with management and offer alternatives and different perspectives to address issues. The most effective ideas and innovations are usually offered by employees who deal with a particular issue on a regular basis. New ideas are to be fostered and encouraged (Casler, *et al.*, 2010; Liebowitz, 2010).

#### *Succession planning*

It is crucial to the SD of any company to ensure that there is a succession plan in place for leaders and key players in the company. Before an employee retires or when a person raises the possibility that he/she have any intention to leave the company, it is important for the outgoing employee to work with the incoming employee for a period of time. That period will depend on the complexity of the job. In many companies it occurs that the incoming employee only starts in the job months after the outgoing employee has already left. There are many advantages if there were a smooth handover period (Liebowitz, 2010).

#### *Mentoring programs*

A formal mentoring program has many advantages including helping the mentees to develop and strengthen a CSR and SD approach and principles, teamwork, innovation, delegation, diversity management and environmental stewardship competencies. Not only do the mentees benefit but the mentors usually benefit as well, for example learning new perspectives and very often new technology from the mentees (Liebowitz, 2010; Warner, 2002).

#### *Innovation*

In an effort to stimulate and encourage the development and implementation of innovative creative ideas the company needs to create a culture where employees are comfortable to take calculated risks and experiment. Budgets (however small or big) are useful to encourage and support CSR and SD initiatives and projects. These projects might also

encourage the formation of cross-functional SD teams and task forces (Liebowitz, 2010).

#### *Partnerships*

To enhance CSR and SD outcomes companies need to build effective partnerships with the internal and external parties involved in the company. The partnership between the company and its internal and external parties can bring benefits to all the parties involved. However, there are particular challenges including that building partnerships takes time, needs a lot of coordination and cooperation, open and honest communication is advisable but is not always possible, multiple conflicts might arise as a result of a wide range of personalities and strong emotions attached to particular issues, necessitates collaborative innovation and multi-party participation, transparency and accountability. In an effort to build partnerships it usually is a more effective strategy to conduct open meetings and communication instead of formal and traditional exchanges. This allows for the exploration of different perspective and alternative views regarding CSR and SD and to enhance trust and align interests (Hopkins, 2009; Maignan and Ferrell, 2004; Smith, 2007).

#### *Develop a supportive culture*

A strong mission statement accompanied by the relevant strategies, activities, systems and processes need to send a clear and consistent message to support a tridimensional CSR and SD approach throughout all goals, programs, strategies, policies and procedures. Leaders and managers should support the approach by leading through example and communicating a clear, honest and consistent message (Epstein and Buhovac, 2010; Kerr, 2006; Epstein, *et al.*, 2010; Hopkins, 2009). The tridimensional approach needs a shift from conventional and hierarchical models to more open models that encourage and stimulate fresh thinking and new ideas (Hopkins, 2009; Garavan, *et al.*, 2001; Waddock and McIntosh, 2009).

#### *Effective communication*

The best CSR and SD program will be ineffective if the message is not communicated clearly, consistently and effectively internal and external to the company. Leaders and managers need to decide how to use the most relevant and effective communication strategies to maximise CSR and SD outcomes (Hopkins, 2009).

## **4. Management implications and applications**

From the literature it seems clear that the tridimensional approach necessitates a shift from conventional and hierarchical thinking and models to more open and flexible approach that stimulates alternate thinking, using different perspectives and new innovative ideas (Hopkins, 2009; Garavan, *et al.*, 2001; Waddock and McIntosh, 2009).

Based on this shift in thinking, it will be advantageous at a practical company level if

managers (in consultation with directors and practitioners) develop a framework to implement CSR and SD simultaneously within the particular company. This framework needs to incorporate the unique characteristic of the company and the community in which it operates as well as contain the relevant generic principles (for example relevant aspects from the guidelines for implementation presented in this paper). It is well known that a framework does not necessarily guarantee success but it acts as a tool to analyse and compare current approaches and practices, identify relevant linkages, and gain an understanding of the changes that are needed. This means that a framework could assist a company to identify the different dimensions to be included in CSR and SD, develop a systematic and planned approach, create quantitative and qualitative indicators, and assist with continuous monitoring and improvement (Becker, 2010; Wallis, *et al.*, 2010; Mori and Welch, 2008; D'Amato and Roome, 2009).

Once a framework is developed it will be tested, evaluated and refined in the company. After a few rounds of testing, evaluating and refining a company will have a framework best suited to its needs and consistent with the particular approach that it has used for CSR and SD implementation.

## **5. Research implications**

Researchers (through consultation with directors, managers and practitioners) need to develop, test and refine frameworks for the simultaneous practical implementation of CSR and by different companies, within different industries and countries. It is very important that researchers consult with the relevant parties in the practical situation to ensure that theoretical frameworks have practical value. After the development and testing of these frameworks in a practical setting, they can be refined and used in companies to provide direction for action.

## **6. Conclusion**

It is imperative that well-defined, commonly agreed on and clearly bounded explanations for CSR and SD exist within a company, or are developed, and then implemented consistently (Montiel 2008; Bansal 2005). The author argues that although CSR and SD are different concepts and constructs, there is undeniable overlap and advocates for a tridimensional approach to both CSR and SD. It is concluded that there are adequate overlap between CSR and SD to open the idea that these two concepts should be implemented simultaneously and integrated within the overall business strategy and plan.

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