



A Review on Social Sustainability and Corporate Social Responsibility

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Abstract

Over the last century, world population has tripled with an accompanying massive economic development and vast environmental degradation. Thus, the concepts of “sustainability” and “sustainable development”, which have first formally been introduced by World Commission on Environment and Development (WECD) in 1987 as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”, have become the most significant concepts at all levels of decision-making. Sustainability has three pillars, namely environmental, economic and social, the latter gaining attention relatively later than the others. There are various definitions of social sustainability in the literature, some of which have approached to the concept as being synonymous with Corporate Social Responsibility (CSR) and some considering it separately, with “creating value for the society” at the intersection. Consequently, the aim of this study is to elaborate on the existing definitions of social sustainability and its relationship with CSR through the investigation of the respective objective indicators used to measure the social sustainability performance in different mediums (i.e. supply chain, cities, organizations etc.).

Keywords: Corporate Social Responsibility, Social Sustainability, Social Sustainability Indicators, Sustainability

Introduction

In the past 100 years, world population has tripled, and the world economy has grown 20 times with an increased fossil fuel consumption by a factor of 30 and industrial expansion by a factor of 50 [1]. The accompanying massive economic development and vast environmental degradation have placed “sustainability” and “sustainable development” at the center of decision-making in all mediums including product/service production, management, marketing and urban planning. As such, in order to generate environmentally conscious products/services, companies have integrated sustainability into their supply chains through systematic approaches such as “green supply chain management” and “sustainable supply chain management”. In doing this, they have gained significant competitive advantages including decreased system costs and resource use together with increased productivity and profitability [2].

World Commission on Environment and Development (WCED) [3] defines sustainable development as “a development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Dehghanian and Mansour [4] state that the following objectives should be met for a sustainable development:

- Maintain a high and stable level of economic growth and employment;
- Effective protection of the environment; and
- Provide social progress, which recognizes the needs of everyone.

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“Sustainability” differs from “Sustainable Development” in that it describes a stage (or state of being), while the latter points at processes towards or within that state [5][6]. Sustainability, with its many interacting factors and processes, is a complex system [7]. The connections and interactions among the above-mentioned pillars of sustainability, namely society, the environment, and economic/industrial development, should clearly be defined in order to achieve sustainable development in both industrialized and developing nations [8]. On the other hand, one major criticism of sustainable development research, which covers a wide range of issues including public policies, political systems, corporate citizenship, international trade, social equity/justice, economic growth/development, is the lack of clarity regarding its definition and its applicability [9]. This is mostly due to the fact that, besides the critical benefits it provides, sustainability is a challenging concept to systematically integrate because it spans through the whole organization including product development, procurement, manufacturing, maintenance, sales, distribution and customer services. Thus, different perceptions are formed in different departments even within the same company, making sustainability a complex concept to holistically define and apply [10][11]. This challenge has led academicians and practitioners to a more systematic, robust and trans-disciplinary systems perspective, integrating all three dimensions of sustainability [12][13][6]. Consequently, the social aspect of sustainability has recently been acknowledged as significant alongside the environmental and economic dimensions and emerged as a field of research, policy and practice over the past decade [14]. Companies have started to place more emphasis on creating social values along with profit generation and environmental protection [15][9].

As being a relatively new addition to the academic literature about the theory, policy and practice of sustainable development [14], there is no consensus on the definitions and boundaries of social sustainability. The concept is “undertheorized”, with the related literature being described as “fragmented” and “conceptually chaotic” [14]. Missimer et al. [6] stress the inherent challenges of studying social sustainability with the following statement: “The social world is much too complex and far too interwoven with value statements, morals, and other intangible, non-measurable aspects to be studied as one would study an ecological system with traditional scientific methodologies.”

In the light of the above-stated facts, the aim of this study is to investigate the existing definitions of social sustainability and its relationship with Corporate Social Responsibility (CSR), a concept associated with the social aspects of sustainability in the corporate context. To this end, the second part of the study provides a brief review on social sustainability definitions and indicators. The definitions and concepts of CSR are provided in the third part. The fourth part focuses on the different perspectives regarding the relationship between social sustainability and CSR. Finally, the fourth part elaborates the conclusions of the study and possible areas of future research.

Social Sustainability: Definitions and Indicators

The cross-disciplinary nature of social sustainability has resulted in multiple, often conflicting, interpretations based on a wide array of philosophical, political and practical issues [14]. Vallance et al. [16] have grouped these under three main categories. According to their perspective, some studies focus on meeting basic needs and address underdevelopment, while others are equally concerned about the promotion of stronger environmental ethics. There are also those studies, where social sustainability has been considered in terms of maintaining or preserving preferred ways of living or protecting particular socio-cultural traditions. Consequently, they provide a threefold schema of social sustainability including the following (see Figure 1):

- *development sustainability* addressing basic needs, the creation of social capital, justice, equity etc.;
- *bridge sustainability* concerning changes in behavior so as to achieve bio-physical environmental goals; and
- *maintenance sustainability* referring to the preservation – or what can be sustained – of socio-cultural characteristics in the face of change, and the ways in which people actively embrace or resist those changes.

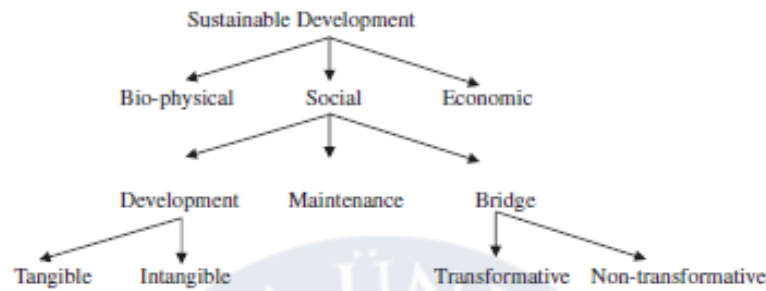


Figure 1. Three Strands of Social Sustainability [16]

McKenzie [17] defines social sustainability as “a life-enhancing condition within communities, and a process within communities that can achieve that condition” and lists the following issues as indicators:

- equity of access to key services (including health, education, transport, housing and recreation);
- equity between generations, meaning that future generations will not be disadvantaged by the activities of the current generation;
- a system of cultural relations in which the positive aspects of disparate cultures are valued and protected, and in which cultural integration is supported and promoted when it is desired by individuals and groups;
- the widespread political participation of citizens not only in electoral procedures but also in other areas of political activity, particularly at a local level;
- a system for transmitting awareness of social sustainability from one generation to the next;
- a sense of community responsibility for maintaining that system of transmission;
- mechanisms for a community to collectively identify its strengths and needs;
- mechanisms for a community to fulfil its own needs where possible through community action;
- mechanisms for political advocacy to meet needs that cannot be met by community action.

Social sustainability, as an emerging area of urban planning policy and practice, is increasingly used by governments, public agencies, policy makers, non-governmental organizations (NGOs) and corporations to frame decisions about urban development, regeneration and housing [14]. Dempsey et al. [18] list the urban social sustainability factors as depicted in Table 1. Table 2 presents the classification of social sustainability indicators within the general context (i.e. not limited to urban planning and design). As it has previously been stated, social sustainability, in the corporate sense is associated with CSR, which is introduced in the next section.

Table 1. The Social Dimension of Sustainable Development:
Defining Urban Social Sustainability [18]

Non-physical factors	Predominantly physical factors
✓ Education and training	✓ Urbanity
✓ Social justice: inter- and intra-generational	✓ Attractive public realm
✓ Participation and local democracy	✓ Decent housing
✓ Health, quality of life and well-being	✓ Local environment quality and amenity
✓ Social inclusion (and eradication of social exclusion)	✓ Accessibility (e.g. to local services and facilities/employment/green space)
✓ Social capital	✓ Sustainable urban design
✓ Community	✓ Neighborhood
✓ Safety	✓ Walkable neighborhood: pedestrian friendly
✓ Mixed tenure	
✓ Fair distribution of income	
✓ Social order	
✓ Social cohesion	
✓ Community cohesion (i.e. cohesion between and among different groups)	



- ✓ Social networks
- ✓ Social interaction
- ✓ Sense of community and belonging
- ✓ Employment
- ✓ Residential stability (vs turnover)
- ✓ Active community organizations
- ✓ Cultural traditions

Table 2. United Nations Division of Sustainable Development (UNSD) theme/sub-theme framework for social dimension of sustainability as cited in [8]

Theme	Sub-theme	Indicator
Equity	Poverty	Percent of population living below poverty line
		Gini index of income inequality
		Unemployment rate
	Gender Equality	Ratio of average female wage to male wage
Health	Nutritional Status	Nutritional status of children
	Mortality	Mortality rate under 5 years old
		Life expectancy at birth
	Sanitation	Percent of population with adequate sewage disposal facilities
	Drinking water	Population with access to safe drinking water
	Healthcare delivery	Percent of population with access to primary healthcare facilities
		Immunization against infectious childhood diseases
Contraceptive prevalence rate		
Education	Education level	Children reaching grade 5 of primary education
		Adult secondary education achievement level
	Literacy	Adult literacy rate
Housing security	Living conditions	Floor area per person
	Crime	Number of recorded crimes per 100,000 population
Population	Population change	Population growth rate
		Population of urban formal and informal settlements



Corporate Social Responsibility: Definitions and Basic Concepts

There has been an increasing focus both by companies and by society on the actions and outcomes of business [20]. Consequently, the concept of CSR has evolved since the 1970's [20], and it has become a significant corporate agenda around the world [21]. By the year 2004, almost 90% of the US-American Fortune 500 companies already had explicit CSR initiatives [22]. Parallel to this development, researchers have paid considerable attention to this topic, and it has become a prominent concept in management literature over the past two decades [23]. However, despite the large body of literature on CSR, there is still no unified and precise definition [23], and Armstrong and Green [24] argue that no such thing is possible because social responsibility to some people is irresponsible to others. They also state that views on what is socially responsible change over time. On the other hand, despite the lack of a clear definition, all opposing definitions of CSR agree on one thing, which is that firms must meet the expectations of society when planning their environmental management strategies [25]. According to Van Beurden and Gössling [26], CSR answers the uncertainties that business corporations have to cope with in terms of the social context of the dynamic, global, and technological business arena that we witness today. A similar perspective is provided by [27], who state that CSR is a component of a corporate policy to undertake the sustainability imperative.

Aguinis and Glavas [28], in a comprehensive review of the CSR literature based on 588 journal articles and 102 books and book chapters, elaborate on the its highly fragmented nature, pointing out that CSR has been studied through different disciplinary and conceptual lenses (e.g. [29]-[31]). While stating that CSR, in the general sense, is the ethical behavior of a company towards society, the World Business Council for Sustainable Development (WBCSD) defines it as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” [32]. Furthermore, they argue that CSR is an integral part of sustainable development and consequently, provide the context depicted in Figure 2.



Figure 2. CSR in the Context of Sustainable Development [32]

Aguinis [33] defines CSR as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance.” Aguinis and Glavas [28] emphasize the fact that such policies and actions are influenced and implemented by actors at all levels of analysis, i.e. institutional, organizational, and individual. Consequently, they offer a multilevel and multidisciplinary theoretical framework that synthesizes and integrates the literature at these three levels (see Figure 3). The framework includes reactive and proactive predictors of CSR actions and policies and the outcomes of such actions and policies, which they classify as primarily affecting internal (i.e., internal outcomes) or external (i.e., external outcomes) stakeholders. The framework also includes variables that explain underlying mechanisms (i.e., relationship- and value-based mediator variables) of CSR – outcomes relationships and contingency effects (i.e., people, place, price, and profile-based moderator variables) that explain conditions under which the relationship between CSR and its outcomes change.

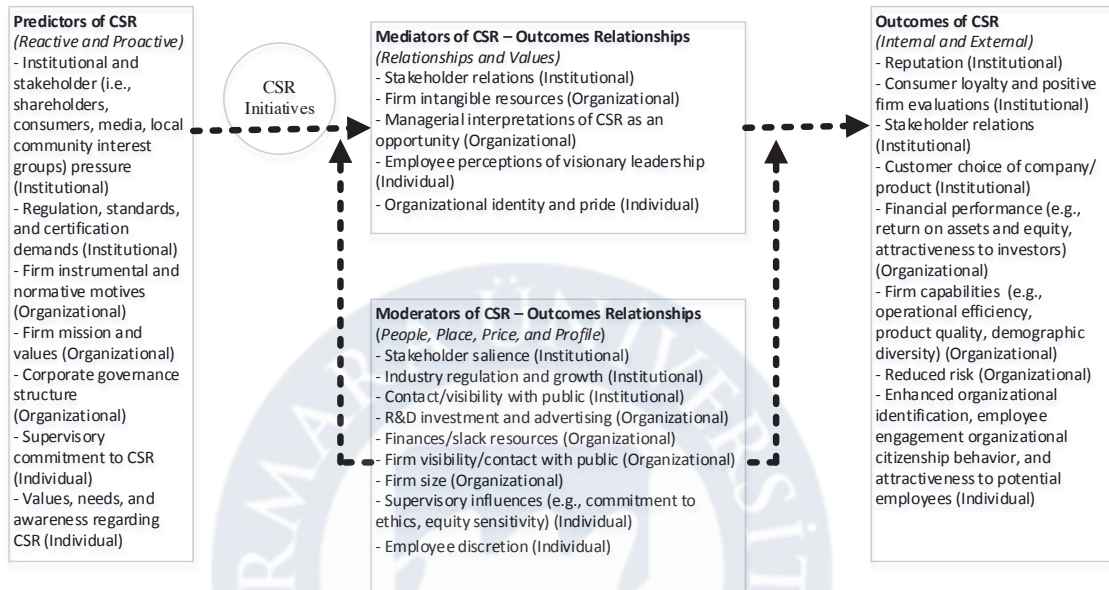


Figure 3. Multilevel and Multidisciplinary Model of CSR: Predictors, Outcomes, Mediators, and Moderators [28]

However, CSR is defined, it is clear that it has become a necessity for many firms in today's highly competitive business environment due to its significant impacts on major stakeholder outcomes, which can be summarized as follows [34]:

- increase customer trust, loyalty, positive word-of-mouth, and purchase intention;
- attract potential employees and enhance the existing employees' satisfaction and commitment by improving their identification with the firm; and
- positive influence on investor decisions and preferences through increasing the trustworthiness of the firm.

The ideal-type of CSR, which provides the above-listed competitive advantages, must incorporate the practices and activities depicted in Figure 4.

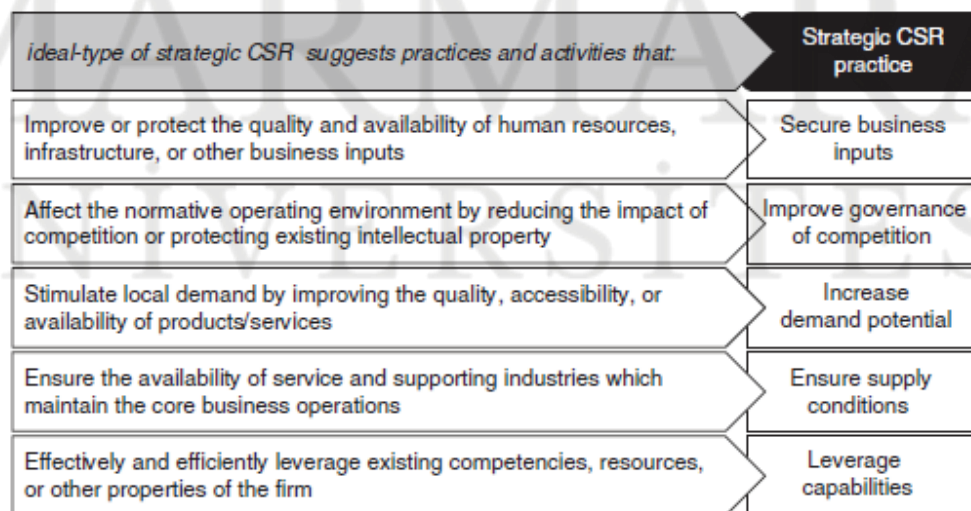


Figure 4. Characteristics of the ideal-type of strategic CSR [35]



CSR and Social Sustainability: How Do They Relate?

There are different perceptions in the literature regarding the relationship between social sustainability and CSR. Vachon and Mao [9] use the terms interchangeably, when they state, “the influence on social sustainability from an organization should extend beyond its boundaries to include not just fair labor practices but also social improvement of local communities and equity in the society within which they are operating”. Despite certain arguments against its practice, even sustainability and CSR are often used as synonyms in a corporate context [36][37]. Hediger [38] state that CSR is different from the concept of sustainable development, but they can contribute to achieving the objective of sustainable development. The author points out to the fact that CSR refers to the way companies manage their internal resources (including shareholders’ expectations) and at the same time contribute to the welfare of other stakeholders (society). Hutchins and Sutherland [8] share a similar view, stating that there are strong linkages between the concepts of sustainability and that the concept of CSR acknowledges the importance of the social dimension of sustainability. They also share their views on how the majority of the CSR definitions include references to ethical behavior related to the environment, society, and the economy. Morimoto et al. [39] strengthen this perspective by saying “CSR seems to be perceived by many as the social strand of sustainable development.” In a comprehensive study, where 37 different definitions of CSR have been analyzed, Dahlsrud [40] has concluded that the definitions of CSR consistently refer to the five dimensions listed as the following:

- The stakeholder dimension,
- The social dimension,
- The economic dimension,
- The voluntariness dimension,
- The environmental dimension.

When the above-listed dimensions are considered, it can be stated that CSR is indeed the perception and adoption of sustainability in the corporate context. However, it is evident in the definitions provided by Dahlsrud [40] that the social, voluntariness, and environmental dimensions became more dominant with time, while the stakeholder and economic dimensions have been considered more within the newly emerging concept of “corporate sustainability”. This view can be supported by Hediger’s [38] statement on corporate sustainability referring to “...an internal objective of maintaining the capital stock and corporate value, rather than fulfilling some arbitrarily determined sustainability criteria. It indirectly serves the objective of sustainable development by its objective of sustainable asset management.”

Conclusions

The aim of this study was to point out to the discrepancies in the “social sustainability” and CSR definitions to ultimately shed some light to the “chaos” observed in the respective literature. As a result of this study, the authors have come to the conclusion that the term “social sustainability” is more commonly used in urban sustainability while CSR relates solely to the corporate arena. In other words, CSR is how social sustainability is managed in the corporate context. However, with the development of the “corporate sustainability management”, it can be stated that CSR has become more about voluntary acts and less concerned with the economic dimension. This particular area, namely the relationship between corporate sustainability, CSR and social sustainability stands out as a new area of research in the literature. The authors share the same view with Dahlsrud [40] in that no matter how they are defined, there is an urgent need for models and approaches regarding the management associated with the challenges within these concepts. Dahlsrud [40] verbalizes this, as “...the challenge for business is not so much to define CSR, as it is to understand how CSR is socially constructed in a specific context and how to take this into account when business strategies are developed.” As such, the authors believe that more studies are needed as the one conducted by Cruz [41], where a decision support framework for modeling and analysis of supply chain networks with CSR, has been developed.



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