

Ouverture de ‘Integrated Corporate Social Responsibility’*

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Abstract

The globalisation phenomenon entangles issues of different kinds affecting attitudes and actions of individuals, corporations, smaller enterprises, communities and governments of both developed and emerging markets. In particular, lower boundaries and higher freedom of sourcing have enabled companies to opt, in many cases, for a wild and often unregulated growth by exploiting resources all over the world. This has become one of the most relevant causes of the proliferation of energy and environmental crises, for instance, and an increased consciousness toward fair treatment of resources and people spread by key local and international stakeholders.

Keywords: Corporate Social Responsibility; Integrated CSR; Global Markets; Stakeholder; Sustainability; Integrated Reporting

1. Overture

Before introducing the concept of Integrated Corporate Social Responsibility (Freeman et al., 2010) and the multifaceted nature of its applications and transformations, an overview of the contemporary scenario within which companies cope with sustainable and responsible matters in their everyday business is due and needed. Clearly, several phenomena that have been characterizing the economic, political and financial panorama of the last three decades mostly, have strongly influenced the emergence of new paradigms of social responsibility and the increasing usage of integration as a means to favour new linkages, dialogue and collaborations among stakeholders (Visser & Kymal, 2015; Freeman & Phillips, 2002).

Above all, the globalisation phenomenon entangles issues of different kinds affecting attitudes and actions of individuals, corporations, smaller enterprises, communities and governments of both developed and emerging markets (Brondoni, 2009). Companies appear to be the very protagonists of the globalisation process, both because they are greatly affected by consequences such as openness of boundaries, enlarged competitive spaces, higher flexibility and establishment of new

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competitive and collaborative relationships with stakeholders (Brondoni, 2010) and because they contribute themselves to the strengthening of such process.

Markets becoming global expose to new imperatives not only the companies directly participating to the globalisation process but also, indirectly, the communities and groups of stakeholders that mostly withstand its outcomes. This clearly modifies traditional rules and relationships (Salvioni & Bosetti, 2014) and puts extra responsibilities on the actors that actively operate globally and deal with various stakeholder groups in foreign and domestic markets. The consequences of a growing and global dynamism have certainly been positive on the one hand – if we think about the possibility to market easily, trade at minor costs and better exchange knowledge (Brondoni, 2014) – but on the other hand, they have generated prominent issues that need to be dealt with urgently as well as more complex firm-environment relationships (Brondoni, 2006). As a matter of fact, the context in which business operates is changing at an increasingly rapid pace and market globalisation puts new challenges to Corporations. New stakeholders and different national and international legislations¹ puts higher expectations on the corporate world and modify the way social, environmental and economic responsibilities should be undertaken in a balanced and fair decision making process (Dahlsrud, 2008).

2. The Pressure of Contemporary Phenomena

In particular, lower boundaries and higher freedom of sourcing have enabled companies to opt, in many cases, for a wild and often unregulated growth by exploiting resources all over the world. This has become one of the most relevant causes of the proliferation of energy and environmental crises, for instance, and an increased consciousness toward fair treatment of resources and people spread by key local and international stakeholders. The idea of destroying value by ‘extracting value’ from all over the world is nowadays acknowledged from both scholars and practitioners as well as from global corporations. The logic of value creation and co-creation is slowly becoming the imperative if a company wants to benefit communities, all stakeholders and, ultimately maintain a sustainable competitive land, panorama and environment, where it can operate in a long-term perspective (Soundararajan et al., 2016). To this regard, socially responsible behaviours need to be sitting at the core of companies’ core business and put extra accent on the role that the company plays in reaching social equilibrium – that has been delineated, strengthened and modified ever since the 50s (Brondoni, 2014).

Furthermore, one of the main features of globalisation is to speed up the economic and social processes. Hence, it has contributed to greatly increase the effects of the most devastating economic and financial crisis since the Second World War. As a consequence, like a *domino effect*, market shock and the economic downfall starting in 2008 are pushing the largest Western countries one by one – and the developing ones– towards an even more severe period of recession. This, together with the shortening of product lifecycles and the excessive competition in some markets (Perrini & Tencati, 2008) imposes a greater pressure on innovation based on sustainable drivers, which may be seen as a key to economic recovery, employment development as well as a way of serving new potential clients previously unable to access other types of products or services.

Another relevant characterization of globalisation is connected to the faster development of information and communications technology which, in turn, has a great impact on consumers' behaviour and public opinion. At the same time, as public scrutiny, governmental regulation and customer expectations intensify, corporates are asked to be more transparent and accountable (Salvioni & Astori, 2013). As a part of the evolutionary process of human interaction globalisation contributes to increases in the range of traditional stakeholders' involvement and the emergence of new ones. Accordingly, business should act and react for more than just legal requirements and ethical expectations of shareholders, employees, suppliers and customers. Thus, traditional rules of finance and business need to be reviewed according to the mounting pressures of individuals involved in and affected by companies' decisions and activities with the aim of balancing their various interests (Freeman & Phillips, 2002).

To this regard, sustainable development and growth seem to be recognized as ways to reconcile various stakeholders' interests and different powers in a global perspective and, more in detail, balance profitability objectives with responsible and sustainable business models within companies (Lambin, 2009). The weaknesses of the capitalist system, linked to the loss of capacity in creating value for all, is clear and the integration between economic and social purposes can enact a process of business models and priorities redefinition for dealing with new challenges and make greater, concrete changes.

The concept of Integrated Corporate Social Responsibility (Freeman et al., 2010) groups together management practices and approaches that might represent an innovative and breakthrough way of responding to the current crises and yet being proactive in the achievement of fair economic and social changes, in a contest of high market competition and research for long term value creation for Corporations.

3. Integration and Corporate Social Responsibility

As extensively highlighted by academic literature and global researches, for the past three decades mostly, corporations have started realizing the importance of playing a role as good citizen in the society (Crane et al., 2014; Carrol, 2008) by including social, ethical, environmental concerns and strategic philanthropic activities in their business. What is commonly defined as Corporate Social Responsibility (CSR) represents the set of formalized activities and practices implemented by corporates towards all the above issues of concern, in order to respond to the on-going social, economic and environmental challenges (Taneja et al., 2011).

The characterizations of CSR – as well as the business terminology utilized to refer to those management practices – are vast and differentiated. Under the umbrella of Corporate Social Responsibility, Corporate Responsibility, Company Stakeholder Responsibility (Freeman & Velamuri, 2006) or Corporate Sustainability and Responsibility (CSR 2.0) (Visser, 2012), it is possible to identify similar activities and practices that companies (depending on their size) carry out with different impacts and implications for their stakeholders.

No matter the various meanings and terminologies, what it is commonly accepted is that Corporate Social Responsibility, in the above described current market

scenario, has multiple objectives that aim at responding to multiple stakeholders and, for this reason, it has strengthened both its managerial implications (Carrol, 2008) and its relevance outside the company's boundaries.

Nowadays, the effort is for companies to modify traditional ways in which social and environmental concerns were undertaken in the past and move from residual logics of implementation – that were mainly serving image and brand purposes – to more integrated approaches of CSR. The integrated CSR approaches look at the whole business model, redesign and concretely reinterpret companies' role in all societies that they operate, domestically and globally.

Integration referred to social responsibility has various meanings and can be considered a specific way of thinking about how activities are carried out before even deciding which actions are to be undertaken. In other words, at first, integration means that all CSR strategies need to be coherent with the core business and integrated in all decision-making processes: from the sourcing of materials, the relationships established along the supply chain to the transparency of information spread to end-users (Mosca et al., 2015) and all stakeholders at different levels. Integrated CSR should, therefore, strive for long-term social, environmental and economic sustainability at the same time (Crane et al., 2014; Visser, 2012; Freeman et al., 2010) by developing new products and services, which are sustainable, ethical and responsible in their supply chain, processes, components, materials and objectives. Accordingly, integration of CSR should manifest into all strategic functions of the company, from the production to the communication. Governance, also, has the task to favour and control that CSR strategies are coherent with the core business and guarantee that transparent set of information to internal and external stakeholders are communicated adequately in order for CSR to be understood correctly (Salvioni, 2003; Salvioni & Astori, 2013; Salvioni & Bosetti, 2014; Vitolla et al., 2016, 2017). In this way, Integrated CSR can become one of the most impacting activities in improving stakeholder perception about a company's brand and can largely contribute to make them engaged with its values (Sen & Bhattacharya, 2001; Brondoni, 2003; Pomeroy & Dolnicar, 2009). Stakeholder engagement is one of the main pillars of Integrated CSR and refers to the capacity of the company to fully involve groups of individuals that are affected by and affect company's activities. Engagement is the means to favour collaborations and partnerships of value between the company and its stakeholders, given that businesses cannot rely solely on their own resources, knowledge and skills (Brondoni, 2009) but they need, more and more, the cooperation of various actors at different levels. Integrated CSR implies that throughout the supply chain, such collaborations are put in place with low-power stakeholders, suppliers and competitors, all aligned with company's values. This can create a network that has joint interests and greater positive social and environmental impacts (Visser & Kymal, 2015). The relevance of integration when considering social responsibility appears crucial also in reference to the accounting system. The newly introduced concept of Integrated Reporting (IR) started by European Commission in 2014 and embraced by the Italian law in 2016 is expression of a common strategy for integrating social and economic objectives while disclosing company's information and will, gradually, modify not only the way CSR is designed but also its communication.

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Notes

¹ The legislations companies need to align with are mainly related to the environmental impact of their operations, products and processes; the quality, which has to embrace the whole corporate management system, from the choice of suppliers and resources to the products or services final shape and features; and the respect of human rights as basis within a human resources management system implementation which concerns the respect of ethical practices in hiring and treatment of employees. Each country has its own different legislations concerning the topics, some of them are voluntary and some other compulsory. Voluntary International legislations or standards try to conform all the different applications of the national ones.