

# Global CSR/ESG/SCD Day

## Ensuring Effective, Responsible and Sustainable Responses to Shared Existential Challenges

*Friday 18<sup>th</sup> February 2022*

Prof (Dr) Colin Coulson-Thomas

MSc, DPA, MSc. (Econ), MA (FS), MA (IR), MPA, PhD, Hon DHL, BFP, FCA, FCCA, FCIS, Dip M, FCIM, Hon FMS, CMA, FCMI, Dip CAM, FCIPR, FCIPD, FAIA (Hon), FloD (UK), Hon FIOD (India), FIKE, FIRL, FRSA, FRGS

Fellow, World Academy of Productivity Science

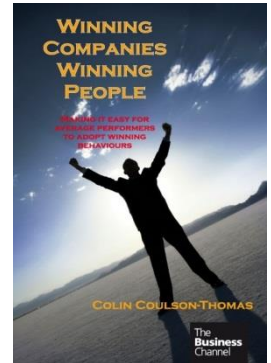
Honoured Fellow, Institute for Responsible Leadership

President, Institute of Management Services

Leader, OSLJ International Governance Initiative

Distinguished Prof, SRISIIM / Honorary Prof, AICAR Aston University

India CSR Ambassador for Sustainability



# Greetings from the United Kingdom



# Preface

## Understanding CSR, ESG and SCD

- **C** Corporate? Collective? Collaborative?
- **S** City? Community? Society? Lifestyles?
- **R** Responsibility to whom and for what?
- **E** Eco-systems? Protect or Restore/Re-wild?
- **S** Social: local, regional, national or global?
- **G** Governance of networks/collective responses?
- **S** Running down of natural capital?
- **C** Corporate? Collective? Stakeholders?
- **D** Measurement of progress/negative externalities?
- **What should CSR / ESG / SCD be about?**

# Ensuring Sustainable Responses

## Agenda

- Shared existential challenges & their root causes
- The need for collaboration & collective responses
- Advantages and disadvantages of companies & markets versus public bodies & Governments
- Requirements for effective collaboration and collective action and successful adaptation, mitigation, transition and transformation
- Obstacles to their achievement
- Implications and questions for CSR / ESG / SCD community and how it and we may need to change



# Consequences of collective human activity

- We face shared existential challenges:
  - Environmental degradation
  - Reduction of biodiversity
  - Running down of natural capital
  - Spread of contagious disease
  - **Global warming and climate change**
- Who or what is to blame for the various existential challenges facing humankind?
- What are their root causes? (Where is CSR, ESG, SCD?)
- With the challenges come associated opportunities
- Embracing them both can require collaboration



# Root Causes of Existential Challenges: Who or What is Responsible?

- Human population growth and needs, such as for food and shelter (Another 2B by 2050)?
- Human selfishness, greed & habits (e.g. food waste)?
- Human aspiration and desire (social influences and/or the impact of advertising/role models)?
- Are companies creating wants and/or responding to our needs, aspirations and/or requirements?
- Competitive capitalism & markets spur innovation but can result in inequality, exclusion & eco-system harm
- What can we do to identify and address the negative externalities of our corporate and collective activities?

# Consequences of Existential Challenges

- We are all directly impacted and/or indirectly affected
- Common and shared concerns create the potential for aligned interests and a common and shared purpose
- Collective responses are needed and these require collaboration and cooperation
- Search for scapegoats (Are companies at fault for creating demand or are they just responding to our requirements?)
- Alternative Varieties of Capitalism: Stakeholder, Responsible, Inclusive, Equitable, Sustainable, Cooperative or Collaborative Capitalism?
- Can we repurpose and refocus our companies and capitalism to be a solution rather than the problem?

# What should Companies/Capitalism be for?

- Importance of Purpose and Asking Questions:
  - What should be the purpose & priorities of companies and capitalism?
  - Sustainable and inclusive development?
  - Survival in the face of existential threats?
  - Addressing negative externalities?
  - Climate change mitigation and adaptation?
  - Transition and transformation to more sustainable and inclusive activities, operations and lifestyles?
- Enterprise and entrepreneurs can be innovative
- Public bodies and Governments alone cannot innovate to solve existential challenges
- What are their disadvantages compared with companies and markets?





# Disadvantages of Public Sector Bodies

- Purpose tightly defined by enabling statute
- Limited parliamentary time for changing laws and remits
- Discretion limited by Government policy/Ministerial intervention
- Annual competition for budget allocation
- Bureaucratic planning processes
- Requirement for standard services/treatment for all citizens
- Centralised decision making and approval
- Communication through common circulars and framework, legal, rule or guideline changes
- Functional silos and departmental structures
- Departmental, organisational and national perspectives
- Elections and Political changes: consistency of policy when longer-term adaptation or transition is required?

# Some Potential Advantages of Companies and Markets

- Broad and wide ranging 'objects clauses' in many company constitutions
- Boards have greater discretion to review and change purpose, priorities and strategic direction
- Boards can delegate to executives and business units to do what they feel is best in situation/circumstances
- Greater budget flexibility and resource fluidity when requirements and priorities change
- Intelligent steering in real time can replace periodic planning exercises as and when required
- Corporate responses and diverse and alternative offerings can be tailored to context and customer requirements

# More Advantages of Companies and Markets

- Greater tolerance of variety and different ways of working, operating and organising
- Greater freedom to question, challenge, be creative and to innovate
- Decision making, initiation and response responsibilities can be delegated closer to the front line
- Communication through price and relative price movements which can be continually changing
- Greater use of multi-functional and inter-organisational teams
- Relative freedom to form relationships and collaborate
- Customer, supply or value-chain, inter-organisational and international perspectives
- **Multiple advantages more conducive of needed innovation**

# Requirements for Effective Collaboration, Cooperation and Collective Action

- Trust, legitimacy and compatible values
- Shared or compatible interests, purpose and priorities
- Compatible systems can be advantageous
- Compatible cultures should not be at the expense of healthy diversity
- Mutual respect and mutually beneficial relationships
- More openness and information sharing
- Arrangements for the governance of cooperative and collective activities, including collaborations and value chains
- Multiple points of contact and low level dispute resolution processes
- What is the CSR / ESG / SCD community doing to enable and support beneficial collaboration and collective responses?

# Requirements for Effective Adaptation, Transition and Transformation

- Shared purpose, trust and persistence
- Flexibility, creativity, innovation and entrepreneurship
- Collaboration, co-operation and collective action
- Disruptive or enabling technologies and new business models
- New ways of working, learning, operating, organising, etc.
- Vigilance, questioning, challenge, learning and adaptation
- Continuing evolution, review, rethinking and reinvention
- Investigation, evaluation, exploration and experimentation
- Individual and collective initiative and problem solving
- Agility, fluidity, openness, imagination and enterprise
- How should collaborations, collective responses and transition and transformation journeys be managed and governed?



# Obstacles to Effective Adaptation, Transition and Transformation

- Narrow departmental and/or organisational perspective
- Groupthink and lack of diversity and energy
- Incompatible interests, motivations and priorities
- Fragmentation due to lack of shared purpose / trust
- Vested interests in the status-quo
- Bureaucratic and legal impediments
- Resistance and other obstacles to change
- Lack of unity, understanding, commitment and action
- Mutual suspicion and jealousy
- Laggards and resisters
- Boredom and people and parties dropping out
- **Are we doing enough to support required collective transitions?**

# Grasping the Opportunity

- A shared existential challenge such as climate change affects all people, organisations and communities
- It creates a rare opportunity for a wider alignment of interests and a common purpose.
- Cooperation and collaboration are essential for addressing it, unlocking related opportunities (e.g. circular economy) and achieving UN Sustainable Development Goals.
- CSR, ESG and SCD criteria need to be built into our corporate and shared purposes, visions, values, goals and objectives
- The perspective and contribution of the CSR / ESG / SCD community needs to embrace value chains, corporate networks, stakeholder relationships, public-private partnerships and adaptation, transition and transformation journeys to more sustainable operations, lifestyles and collaborative capitalism

# Transition/Transformation Questions

- Are our current activities and lifestyles sustainable?
- Can we turn challenges into opportunities to move towards a more sustainable and shared future?
- Can we evolve, transition and transform to more sustainable and inclusive models of development that have positive rather than negative externalities?
- What role could and should we play in the transition to more responsible and collaborative capitalism?
- How should our perspectives also embrace shared challenges, collaboration and collective responses?
- How should our activities encompass supply and/or value chains and public-private partnerships?

# Postscript

## Becoming Part of a Collective Solution

- **C** Corporate? Collective? Collaborative?
- **S** City? Community? Society? Lifestyles?
- **R** Responsibility to whom and for what?
- **E** Eco-systems? Protect or Restore/Re-wild?
- **S** Social: local, regional, national or global?
- **G** Governance of networks/collective responses?
- **S** Running down of natural capital?
- **C** Corporate? Collective? Stakeholders?
- **D** Measurement of progress/negative externalities?
- **Review, Rethink and Reinvent CSR / ESG / SCD?**

# Further Information

- For information on ‘Winning Companies; Winning People’, ‘Developing Directors’, ‘Talent Management 2’, ‘Transforming Knowledge Management’, ‘Transforming Public Services’, and reports on creating and exploiting knowledge, customer and client relationships, purchasing, winning business, pricing, etc. briefings, tools and related benchmarking services:
- [www.policypublications.com](http://www.policypublications.com)
- [www.coulson-thomas.com](http://www.coulson-thomas.com)
- [colin@coulson-thomas.com](mailto:colin@coulson-thomas.com)

