

# Global CSR/ESG Day

## Developing a Sustainable Approach to CSR, ESG and Corporate Governance Issues

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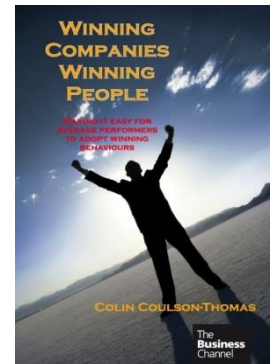
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# Greetings from the United Kingdom



# Developing Sustainable Responses Agenda

- Better understand the nature of contemporary and shared challenges
- Consider collaborative responses for a responsible and sustainable recovery and future
- Reflect on the current and future roles of the CSR, ESG and corporate governance communities

# Challenges Facing Mankind

- We face multiple inter-related and shared challenges:
  - COVID-19 pandemic
  - Environmental degradation
  - Over-exploitation of natural capital
  - Sustainability
  - Global warming
  - Climate change
- With these challenges come associated opportunities
- Addressing COVID-19 and other inter-related challenges and associated opportunities creates problems for organisations and societies





# Our Shared Challenges and Opportunities

- They have consequences for multiple activities
- They cannot be given to one organisation, function or Government department to address
- **Collaboration and collective effort is required**
- There may be winners and losers
- There will be vested interests to confront
- People may want to hang on to what they have, preserve advantages and regain what they have lost
- Lower growth rates and higher costs that may be necessary for sustainability tend not to attract votes

# The Challenge of COVID-19

- Viruses evolve and mutate as required to ensure their own survival
- Contemporary societies are particularly vulnerable
- Population movements increase exposure to disease and contagion
- Encroachment on more of the natural world increases our exposure to new sources of risk
- Cities, crowds and public transport all increase the risk of contagion
- Modern lifestyles (e.g. obesity) can increase our vulnerability to disease

Individual desires < = > Social responsibilities

# Further Challenges Relating to COVID-19

(and some other issues)

- Cultural Differences (Individualistic v Collectivist)
- Reconciling freedom with control of the virus
- Balancing health/life imperatives and economic/livelihood considerations
- Speeding up approvals (e.g. vaccines or treatments) when time is required to assess consequences and build confidence

Trust < = > Confidence < = > Compliance

- Internalising externalities in decision making
- Public and private debt and sharing costs

# Public Health/Issue Crisis Challenges

- Managing high impact but low probability risks
- Handling diverse opinions and split advice
- Reconciling central overview and direction with local engagement and action
- Consistent messaging in an evolving situation
- Responding to fake news
- Responses to guidance (e.g. social isolating)
- Measure (e.g. Vaccine) take-up rates
- Population fatigue with restrictions
- Coping with those who transgress



# Crisis Decision Making Challenges

- Lack of time and current/accurate information
- Reacting to events v/& addressing root causes
- Some people cope better than others
- Keeping a decision-making team tight complicates securing wider engagement
- Shortage of time can lead to reducing inputs and over-simplification
- Risk of significant and valid viewpoints being ignored or excluded (Role of CSR/ESG/CG?)
- Lack of diversity and challenge > Groupthink

Is it night or is it day?



# Socially Responsible Leaders

- Ensure consensus relief does not lead to reluctance to review positions or transform
- Maintain focus on socially responsible outcomes while coping with vested interests
- Represent absent voices (e.g. future generations, other species, the environment)
- Distinguish between: Awareness, Understanding, Commitment and Action
- What role should CSR/ESG/CG community play in ensuring responsible outcomes?

# Achieving a Responsible Recovery

- Shared Purpose and aligned stakeholders
- Agility and flexibility
- Cohesion
- Trust and legitimacy
- Responsible and Caring Leadership
- Resilience
  - We need individual, family, organisational, community, network and social resilience
  - Resilience is about coping, responding and rebounding, but in relation to COVID-19 we want to build back better
  - What support can the CSR/ESG/CG community provide?



# Responsible Recovery Questions

- Were previous activities and lifestyles sustainable?
- Can we turn adversity and tragedy into an opportunity to move towards a more sustainable future?
- Should we look beyond a 'new normal'?
- Can we evolve, transition and transform to more sustainable and inclusive models of development that are less environmentally damaging?
- We need innovation – social innovation as well as business and economic innovation.
- We must create and adopt simpler, healthier and less stressful lifestyles that safeguard natural capital.

# Reviewing Vision and Purpose (of our organisations and CSR/ESG/CG)

Why should anyone be interested in us and our organisations?

- Vision (and purpose?):
    - Stretching, distinctive and compelling picture of a better future
    - Desired and attainable state of affairs that can engage and motivate
  - Clear vision and purpose are of internal/external value:
    - Internally they motivate people to achieve and focus effort
    - Externally they should engage customers and the public
  - Vision/purpose must be communicated and shared
    - They should engage and excite
    - People should be able to judge if actions support them
- Are CSR/ESG/CG and corporate visions and purposes aligned?

- Source: C Coulson-Thomas, *Transforming the Company* (2002 and 2004)



# Reviewing Vision and Purpose (Stakeholder engagement/involvement)



Source: Colin Coulson-Thomas, *Transforming the Company* (2002 and 2004)

# Seizing the Moment

- Crises like the COVID-19 pandemic can create a common and shared exposure to risk, threat, pressure and stress that can cause people to come together
- Cooperation and collaboration are needed to achieve UN and corporate sustainable development goals
- Cohesion and consensus are important for holding people together, but we don't want a dull uniformity.
- Some collectivist societies have appeared more successful than individualistic ones at coping with COVID-19, but as well as collective effort **we also need individual initiative, inspiration and imagination.**

# Inspiring Responsible Innovation

- We need diversity, challenge and questioning and experiment and exploration if we are to bounce back to a better place
- We need socially and environmentally responsible innovation, enterprise and entrepreneurship
- We need you, all of you. What can you do to build responsible innovation into the purposes, visions, values, goals and objectives of organisations?
- Remember your CSR/ESG/CG vision and purpose
- Living sustainably and in harmony with the natural world can offer hope and shine lights into dark places

# Future of the CSR/ESG/CG Community

- More strategic, relevant and collaborative
- Less of an overhead cost concerned with compliance and avoiding risks
- More of a proactive enabler of innovation, enterprise and entrepreneurship and champion of more responsible and sustainable business and organisational models and practices
- Greater focus on issue monitoring and management, stakeholder engagement and internal alignment and external collaboration
- Greater diversity of approaches to reflect stage of development, context and changing priorities



# Finding the end of the Rainbow



Collaboration and Partnership for Sustainable Social Development  
Together let's build a sustainable and responsible future



# 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:
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