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Awareness and sustainability in business organisations: Leaving economic instrumentalism and stakeholder thinking behind

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We humans have a major problem. This problem is an undesired outcome of what we have referred to as development. The scientific community is increasingly unanimous that our organised actions are pushing Earth's ecosystem beyond its safe boundaries, with detrimental and catastrophic consequences (e.g. Rockström

et al., 2009). The worst-case scenario is a sixth mass extinction and the consequent collapse of human civilisation (see Barnosky et al., 2011).

To avoid a nemesis naturalis of sorts that Georg Henrik von Wright warned us about, wherein nature strikes back because man has destabilised the delicate balance of the ecosys-

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tem, we need development that does not endanger our existence but ensures it. Given our dependency on highly complex ecological processes that lie beyond current scientific understanding, for mankind to endure we must embrace the diversity of all forms of life – in their existence and beauty. In other words, the development of humanity must be aligned with nature (Myers, 1993). Development should proceed with caution and with care to steer clear of irreversible harm and critical transitions in the biosphere.

In the quest for more desirable development, the UN's Brundtland Commission made famous the concept of sustainable development. Their report has been rightly criticised (see e.g. Lele, 1991). Besides ignoring the needs of the non-human world, it reinforces the false assumption that economic development is a necessity for solving of environmental problems. And, in so doing, the report falls short of identifying the root causes of unsustainability: the expansion of human needs and economic activity.

While there are clear inadequacies in the report, it importantly legitimised the temporal dimension in the sustainability debate through the notion of future generations. If we are to ensure that future generations can meet their own needs, we have to start conserving nature's resources and fostering the vitality of our planet's ecological processes. Manmade labour, technology, or economics are no substitute for these resources and processes (Daly, 1992).

A common-sense interpretation in this connection is that, if we are to achieve development that can be sustained, we humans must adapt the nature of our activities to the carrying capacity of the planet (Hueting, 1990). This has radical implications for our economy and poli-

tics, as it leads to the conclusion that there are limits to economic activity (e.g. Victor, 2008).

It is commonly acknowledged that the root causes for our sustainability problem are the growth of the global population, which has already passed 7 billion, and, even more importantly, our continuously increasing rate of consumption. These, particularly the latter, have led to growing material and energy demands and to increased pressure on land and water resources.

In attempts to meet these growing demands, priority has been given to the role of markets and private actors in many contexts. While privatisation and market mechanisms are desired for their ability to boost efficiency, socio-economic questions and matters of environmental justice have remained unresolved. The replacement of state actors and players in civil society with market actors has had implications for the power structures in much of society (Ketola, 2011). For instance, large corporations are now able to lobby for their political interests, and the largest multinational companies are even able to 'shop around' between nation-states in order to obtain the offer best suited to their interests (Fuchs and Clapp, 2009). Economic logic then tells us that the state must compete with other nation-states if it is to satisfy the customer – in this case, the corporation. In consequence, the roles of market, state, and civil actors have been reshaped such that powerful corporations can no longer be steered by the democratic logic and processes of a democratic nation-state.

Regardless of this turn, all actors – be they in the spheres of the state, market forces, or civil society – have, in effect, contributed to the sustainability problem and could therefore be deemed responsible for becoming part of the solution. And without specific finger-pointing,

the corporation is not excluded here. As we have witnessed an upsurge in the power of the corporation, the question of the responsibility of the corporation has never been as acute as it is today.

The dissertation *Reframing Strategic Corporate Responsibility: From Economic Instrumentalism and Stakeholder Thinking to Awareness and Sustainable Development* examines corporate responsibility as a strategic issue. The dissertation is positioned in the field of strategic corporate responsibility, in a synthesis of the literature on corporate responsibility and strategy.

On account of the dominant position held by some early scholars in the field of strategic corporate responsibility, that discipline has developed a rather 'monotheistic' view of how strategy and corporate responsibility can and should be connected. That view is that consideration for others – whether humans or other beings – is mainly a means for profit. Seeing such consideration for others as purely a tool is problematic, however. Firstly, it limits the understanding of responsibility, reducing it to instrumental logic and utilitarian ethics, and, by doing so, it fully excludes and ignores the idea that any organisation could perceive intrinsic value in others. Secondly, if consideration for others is merely an organisational means, it is likely to cease whenever the end (or the means) is no longer available. For instance, ecologically favourable behaviour might cease as soon as it no longer contributes to the firm's bottom line. And the implication is that a firm does, and should, engage in business activities that reduce harm to the environment if that results in increased economic returns or competitive potential.

Since this egoistic, economically oriented instrumentality is the most popular and preva-

lent way of seeing strategic corporate responsibility, it can be labelled conventional.

In the dissertation, the conventional perspective was found inadequate for transformation into a responsible corporation that contributes to sustainable development. This is because, firstly, in the conventional approach ethics consideration are outsourced to external stakeholders (see Heikkurinen and Ketola, 2012). The organisation is then considered an amoral actor that merely acts as a puppet responding to diverse demands from customers and other stakeholders. It is rather dangerous to support this view, as there are countless contexts wherein corporations can operate behind the scenes, contexts in which critical stakeholders are absent or silenced.

Secondly, the conventional perspective is insufficient in itself for arrival at sustainable development, since that perspective only offers a lens to changes in the business environment (see Heikkurinen and Bonnedahl, 2013). As such, it addresses the planetary problems only indirectly, through failing market mechanisms. Also, besides being anthropocentric at best, this approach reinforces the growth fallacy, that a) there are no limits to economic development potential and b) economic development is a prerequisite to solving environmental problems.

Since natural resources and processes are only complementary to manmade resources and processes, our finite planet sets limits to human activity. We can build fishing boats, but there is no use for them if there are no stocks of fish left in the sea, as former World Bank economist Herman Daly aptly pointed out. Such development, depleting nature's resources and making ecosystems collapse, is unsustainable. And as long as economic development is strongly correlated with harm to the environment, it cannot

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be considered a precondition for resolution of environmental problems of any kind. Quite the opposite.

To address the shortcomings of the conventional perspective in the field of strategic corporate responsibility, the dissertation project developed an awareness-sustainability perspective. This perspective furthers the shift from economic instrumentalism and stakeholder-based thinking toward a landscape of responsible business actors that contribute to sustainable development.

While the conventional perspective takes consideration for others as a means, the awareness-sustainability perspective assumes consideration for others to be an end. For corporations that wish to become responsible and contribute to sustainable development, the latter alternative suggests the following. Firstly, the organisation should insource its ethics considerations, and, secondly, it should abandon the growth fallacy. Thereby, the new approach can tackle the above-mentioned problems related to economic instrumentalism and stakeholder-centric thinking.

As for managerial implications, this means that it is not enough to reconsider the strategic means of the organisation. The strategic ends too must be redefined, so that the organisation is able to embrace the ethical development of its members and operate within the bounds of the planet.

It is quite peculiar and a bit frightening that business practitioners have got themselves into a position from which they are acting as significant harbingers of the future. This is not a modest responsibility. For the sake of human and other beings, the potential and pitfalls of

the responsibility of the corporation must be scrutinised in detail.

Even though the study focused only on examining the responsibility and strategies of private actors, the message for the public debate is not that corporations can lead us to sustainability if we 'just set them free'. Yet, since corporations do consist of human beings, they also have potential to start acting responsibly. This potential should be supported and embraced, not just subjected to criticism that highlights the pitfalls.

The role of public actors is to continue their important legislative task. This need not translate into a larger pile of regulations and can mean, instead, regulations of higher quality. The study indicates that high quality would mean regulations that ensure environmental and socio-cultural justice. For instance, an energy-tax reform that is progressive in relation to consumption and substantially higher for fossil energy sources. Similar measures could be undertaken with regard to the use of other natural resources and their consumption, along with the sanctions related to use and incentives linked to reuse. In other words, there is a need for policies that support implementation of the awareness-sustainability perspective in diverse organisations – whether public or private organisations, or anything in between.

As a final remark, raising the level of compliance in relation to ecological issues is necessary if we are to reach sustainable development. Ensuring competitiveness is not equivalent to ensuring the existence of humanity. We need visible hands to save the ecosystem from collapse. Until then, there is a lot of room for a corporate moral imperative. ■

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