

Sustainable Development and Social innovation through Corporate social responsibility in Business organizations

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Abstract

Sustainable development is a new idea for many business organizations. In most of the cases, this concept remained in theory, rather than being put into practice by the business organizations. With the increasing demand for sustainability, the industrial community is forced to take strategic decisions around the type and scope of their corporate policies. Apart from getting a slice of social as well as environmental benefits, the companies which put forth sustainability as part of their decisions can also reap excellent financial benefits. The overall growth in the financial fortunes of a company can also attract more investment from investors, which always is a key for long term profitability. Business runs with the combined efforts of different factors, which include monetary, human and environment. It's a practice to protect an organization's capital as a matter of principle. But organizations are not keen recognize the possibility of extending this principle to the world's natural and human resources. To achieve the full potentiality of sustainable development, every factor of business must be protected as a matter of principle. Because of the growing demands from customers for those products as well as services, which cause minimum or no harm to ecosystem, corporate houses have started to show interest in sustainable solutions as part of their business. Apart from this, the investors also put pressure on corporate, because they believe that sustainable development is a part and parcel of corporate social responsibility. To be precise; investors believe that those corporate houses, which practice corporate social responsibility, will prosper because of the goodwill they gain in public. Day by day, sustainable investing is becoming a part of capital formation of corporate houses. The process of taking into consideration of both environmental and social governance, along with capital management is known as sustainable investing. Most of the corporations do not possess a sense of urgency about sustainability. Lack of deeper understanding about the subject, may be a primary cause of this. Generally a company following sustainable principles or

implementing sustainable solutions is the one, whose purpose and actions are equally distributed among its financial, social and environmental concerns. But, the road to sustainable solutions is always bumpy in nature with a lot of hurdles coming on the way. Life cycle costing and life cycle management of resources play a major role in the development of sustainable business. However, unless means of making these affordable to small scale industries, we cannot attain full sustainability.

Challenges

Implementation of Sustainable solutions forces the business houses to face certain challenges. Unless, these challenges are met successfully, sustainable solutions will always remain a distant dream for every corporate. The challenges are as follows.

- **Instability:** Cut throat competition among the business organizations to establish a foothold in the market, always prompt the management to change strategies. Conflict of interest between profit motive and sustainability goals may force a few organizations to compromise on sustainability factors. Due to this, an instable situation occurs where, other competitors face the dilemma to, whether to follow suit or maintain the sustainable solutions.
- **Implementation:** Sometimes the sustainable solution programs drafted by companies will remain in papers. Management may not be keen enough to implement these policies. Sometimes the local issues also play a spoil sport. For example, a company based in USA may take a fast decision on implementation of such policies, whereas a company based in a developing nation may take time in its implementation. Similarly, a well established company may easily adopt these policies in comparison to a newly started startup company. Due to this factor, uniformity in implementation of sustainable policies may prop up.
- **Limited Resources:** Companies with limited resources will try to install those machineries which are cost effective, irrespective of the fact that, such machineries

compromise on some safety measures and also cause pollution. Generally this problem may arise in industries operating in developing economies.

- **Governance:** At last the will of the directors, share holders and other stakeholders matters most. If the motive of the stakeholders is just to earn profit and if the management doesn't show keen interest in developing programmes and policies for achieving sustainable development in long term practices, then the whole objective of sustainable development will be lost.

Sustainable Solutions

Most of the businesses organizations don't possess a deeper understanding about sustainability. From a broader perspective, a sustainable company is the one which has equal concern about the financial, environmental and social aspects of the concern. But unfortunately, the road to sustainability for most businesses is not a cake walk. Following opportunities may help in building a sustainable business plan, which will be useful, both for the corporate and the community as well.

- **Business based upon belief**

One must trust own intuitions. Building a base of business with challenges like ignoring polluting agents of production as well as implementing sustainable solutions is not an easy task. Initial hiccups may force the business organization to face losses. Yet, the management must not lose hope and continue with what it believes most.

- **Focus on creating value proposition**

Every business attains a value due to its continuous effort in enriching its value. Sustainable solution methods implemented should be taken among the masses so as to create awareness among the people about the benefits using the products which are more environments friendly or in other words, the products which have been manufactured in an atmosphere which is more environment friendly in nature. It must not be forgotten that, the basic objective of a business is to drive value for the customers. Hence, the focus should be on creation of those products which create high value for the people.

- **Focus on cooperation**

The world is becoming a global village. It's not that just one company is delivering value to every customer at every place; it's all about, becoming a part of an ecosystem. Business management should always try to focus on becoming a part of this ecosystem. Hence, sustainable development is not just the duty of a handful companies. In the global eco system, every player must contribute for this cause. To achieve this, corporate should come together to create an atmosphere, where sustainability is a part and parcel of business.

Summary and Conclusion:

Earth is at risk due to various factors like population explosion, urbanization, global warming, and inefficient waste management. Sustainable solutions have been propounded by experts from different fields. Industries have a lion's share in polluting this beautiful planet. Hence, it is the need of the hour to introduce the benefits of sustainable development in business organizations. A number of solutions have been proposed for sustainability. A few sustainable solutions have been discussed. Life cycle costing and life cycle management of resources play a major role in the development of sustainable business. However, unless means of making these affordable to small scale industries, we cannot attain full sustainability.

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