

# **A holistic perspective on corporate sustainability drivers**

Rodrigo Lozano\*

\* Programme Leader and Lecturer in Corporate Sustainability  
Sustainability Research Institute  
School of Earth and Environment  
University of Leeds  
Leeds  
LS2 9JT  
Tel: +44113 343 7432  
email: [R.Lozano@leeds.ac.uk](mailto:R.Lozano@leeds.ac.uk)

## **Abstract**

As corporate social responsibility (CSR) and corporate sustainability (CS) become concepts gradually more important in corporate discussions, it is important to understand what is driving them externally and internally. This paper is aimed at providing a more holistic perspective on different CSR and CS drivers. Empirical data was collected from company leaders and expert. The results show that internally leadership on the business case are the most important drivers, whilst the most important external drivers are reputation, customer demands and expectations, and regulation and legislation. The paper proposes a CS driver's model, which provides a more holistic perspective by considering internal and external drivers, but also complementing them with drivers that connect the company to the outside, i.e. connecting drivers, which offers a more holistic perspective on how the company can become more sustainability orientated, becoming more proactive whilst reducing the risk of external stimuli.

## **1. Introduction**

The last two decades have seen the expansion of corporate economic and political power, mainly determined by privatisation, deregulation, and liberalisation, which have reduced trade barriers and facilitated globalisation (Amoroso, 2003; Dunphy, Griffiths, & Benn, 2003; Korten, 2001; NGLS & UNRISD, 2002). These changes have in many cases been detrimental to the environment and societies' welfare (Carley & Christie, 2000; Dunphy, *et al.*, 2003; Reid, 1995; WCED, 1987).

Although many sustainability categorisations can be found, Lozano (2008) presents one based on different perspectives, which includes the following types: (1) The conventional economists' perspective; (2) The non-environmental degradation perspective; (3) The integrational perspective, *i.e.* encompassing the economic, environmental, and social dimensions; (4) The inter-generational perspective, *i.e.* the time dimension; and (5) The holistic perspective, This paper is based on the holistic perspective, which proposes two dynamic and simultaneous equilibria, the Two Tiered Sustainability Equilibria (TTSE): The First Tier Sustainability Equilibrium (FTSE) is a depiction of the interactions of three dimensions, the economic, environmental, and social, in the present. The TTSE incorporates the fourth

dimension, time, where the FTSE interacts dynamically with the dimensions in the future (*i.e.* the short-, long- and longer-term perspectives) (Lozano, 2008).

In recent years, corporations, especially large ones, have become a key focus of attention in the sustainability debate (Cannon, 1994; Elkington, 2002, 2005; S. Hart, 2000), since they are perceived to be responsible for many negative impacts on the environment and on societies (Dunphy, et al., 2003). Increasingly corporations and their leaders are recognising the relations and inter-dependences of economic, environmental and social aspects (C.E.C., 2001; Elkington, 2002) and the short-, long- and longer-term effects (Lozano, 2008), *i.e.* the four dimensions of sustainability (economic, environmental, social, and time) and their interactions.

Interest in sustainability from the corporate sector is evidenced by over 7,700 companies in 130 countries (UNGC, 2010) that have signed the UN Global Compact (UNGC, 2008), with discussions under headings such as Corporate Responsibility, Corporate Social Responsibility (CSR), Corporate Citizenship, Business Ethics, Stakeholder Relations Management, Corporate Environmental Management, Business and Society (Hopkins, 2002; Langer & Schön, 2003), and Corporate Sustainability (Dyllick & Hockerts, 2002; Weymes, 2004). However, embedding sustainability principles, such as the Global Compact, into companies' systems represents significant challenges, especially due to their complexity and the multi-dimensional issues (Langer & Schön, 2003). Hart (1997) proposed a three stage approach to incorporating sustainability, starting with pollution prevention, followed by product stewardship, and ending with clean technology. However, this approach is biased towards technocentric solutions, and it does not consider the other issues aforementioned (Lozano, 2012).

This article is aimed at providing a holistic perspective to answer the question: *What have been the drivers for Corporate Sustainability (CS) within the context of large corporations?* It starts with a brief discussion on Corporate Social Responsibility (CSR) and Corporate Sustainability (CS), followed by discussion drivers for sustainability, and uses the responses from a number of interviews to try to answer the aforementioned question.

## **2. Corporate Social Responsibility, and Corporate Sustainability**

Corporate Social Responsibility (CSR) can be considered to be one of the first initiatives to contribute to sustainability (Lozano, 2009). There is no clear consensus in the literature as to when the Corporate Social Responsibility (CSR) concept originated. While CSR practices can be traced back almost as far as the French Revolution (Frankental, 2001), the origins of the 'modern' form of CSR are subject to debate. Some argue that it began in the wake of the Great Depression, during the late 1920s (Carroll, 1999; Dodd, 1932; Lantos, 2001; Millon, 1990). One of the first academics to explicitly mention CSR was Dodd (1932). Since then, several CSR discussions and debates have arisen. This has mainly resulted in two divergent interpretations of the concept. In the U.S.A., CSR is usually considered a synonym for corporate philanthropy (Porter & Kramer, 2003; Smith, 2003). In Europe, CSR tends

to be more open and flexible, encompassing, in general, environmental and social aspects, and thus CSR tends to be less controversial (C.E.C., 2001, 2002).

From the many CSR definitions that have appeared, it is possible to extract the following common elements:

- It is by nature voluntary (C.E.C., 2001);
- It goes beyond legal expectations and compliance, investing more into human capital, the environment, and stakeholder relations (C.E.C., 2001, 2002; Frehs, 2003);
- CSR is about the way businesses are managed, and not an optional ‘add-on’ (C.E.C., 2002);
- It integrates social and environmental concerns, and stakeholders interactions, into business’ operations (C.E.C., 2001; Frehs, 2003);
- CSR is not a substitute for governmental regulations and legislation (C.E.C., 2001; Raynard & Forstater, 2002; Swift & Zadek, 2002);
- It is about the long-term prosperity of the corporation (Holme & Watts, 2000); and
- CSR is about ethical behaviours (Frehs, 2003).

The myriad CSR definitions have resulted in several critiques, such as: difficult to demonstrate its positive correlation to the ‘bottom line’ (Avi-Yonah, 2005; Langer & Schön, 2003); difficult to evaluate performance against the issues required by CSR (Avi-Yonah, 2005); considered a panacea for world problems (van Marrewijk & Hardjono, 2003); confusing due to the large number of definitions and interpretations (Lozano, 2009); equated with corporate philanthropy (see Porter & Kramer, 2003; Smith, 2003); engaged in only by profitable companies (Laffer *et al.*, 2004); not well defined (Frankental, 2001; Frederick, 1994; Welford, 2005); focused only on social issues, *i.e.* not explicitly mentioning the environment in the CSR term (Fukukawa & Moon, 2004; Willard, 2002); and, in general, focused on strategy and management (Lozano, 2012).

Although CSR has considerable potential to contribute to sustainability, it is limited by three major issues: having been defined and interpreted many times, so that the definitions are sometimes confusing, and at others contradictory; being, in many cases, equated to philanthropy; and being perceived, usually, as referring only to the social dimension.

Recently, the term Corporate Sustainability (CS) has emerged as an alternative to CSR, where CS is being considered to be a precondition for doing business, as a ‘business case’ (Dyllick & Hockerts, 2002), and the desirable path for organisations (Dunphy, *et al.*, 2003; Weymes, 2004).

An analogy to the Sustainable Development (SD) concept posits CS as: “...*meeting the needs of a firm’s direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities etc.), without compromising its ability to meet the needs of future stakeholders as well*”, (Dyllick & Hockerts, 2002). This definition, as with Brundtland (WCED, 1987), has the advantages of being simple, powerful and appealing, but the disadvantages of being vague, having little emphasis on consumption, not specifying whether meeting stakeholders’ needs is to be based on competition, whether the needs of tomorrow would be different from

those of today and, most importantly, making no explicit reference to stakeholder feedback.

Although CS aims to solve the conceptual and historical crises of CSR, it borrows much of its vocabulary and principles from the latter. This follows the ideas of Kuhn (1970) who indicates that new paradigms retain much of the vocabulary, apparatus and semblance of the old one, even though they use borrowed elements in a different way and may be entirely different from the old one.

For the purposes of this article, CS<sup>1</sup> should be understood as: Corporate activities that proactively seek to contribute to sustainability equilibria, including the economic, environmental, and social dimensions of today, as well as their inter-relations within and throughout the time dimension (*i.e.* the short-, long-, and longer-term), while addressing the company's system - Operations and production, Management and strategy, Organisational systems, Procurement and marketing, and Assessment and communication; as well as with its stakeholders.

### **3. Corporate Sustainability drivers**

The CS concept has been driven mainly by large corporations, with some complementary efforts by SMEs and co-operatives (C.E.C., 2001, 2002; Farmer & Hogue, 1973). CS is being driven by many factors (Hopkins, 2002; Oskarsson & von Malmborg, 2005), such as climate and population changes, and economic factors (Cannon, 1994). These can be divided into: (1) External, which according to DeSimone & Popoff (2000) tend to result in reactive measures, being less likely to help move towards Sustainability, and (2) Internal, which are more proactive.

External to the corporation, or extra-mural, national policies have played an important role in driving CS. For example, the proactive measures of some European Union countries, such as the French government requiring all corporations listed on the French Stock Exchange to report on CS issues (MacLeod & Lewis, 2004). In Japan CS is driven by social action under administrative guidance (*gyosei-shido*), imperatives in Japanese society, business leadership, government, and universities (Fukukawa & Moon, 2004). Other external drivers are NGOs and stakeholder pressure (Frehs, 2003; Zadek, 1999). As it can be observed, CS is being fostered by representatives of the three societal dimensions (civil society, corporations, and government).

Internally, or intra-mural, one of the main drivers in large corporations has been ethical leadership (Szekely & Knirsch, 2005). Other internal drivers include: risk management and protection of business reputation (Lantos, 2001), improvements in economic values (C.E.C., 2001; Carroll, 1999; Lantos, 2001), and enhancements in corporate image (Frehs, 2003).

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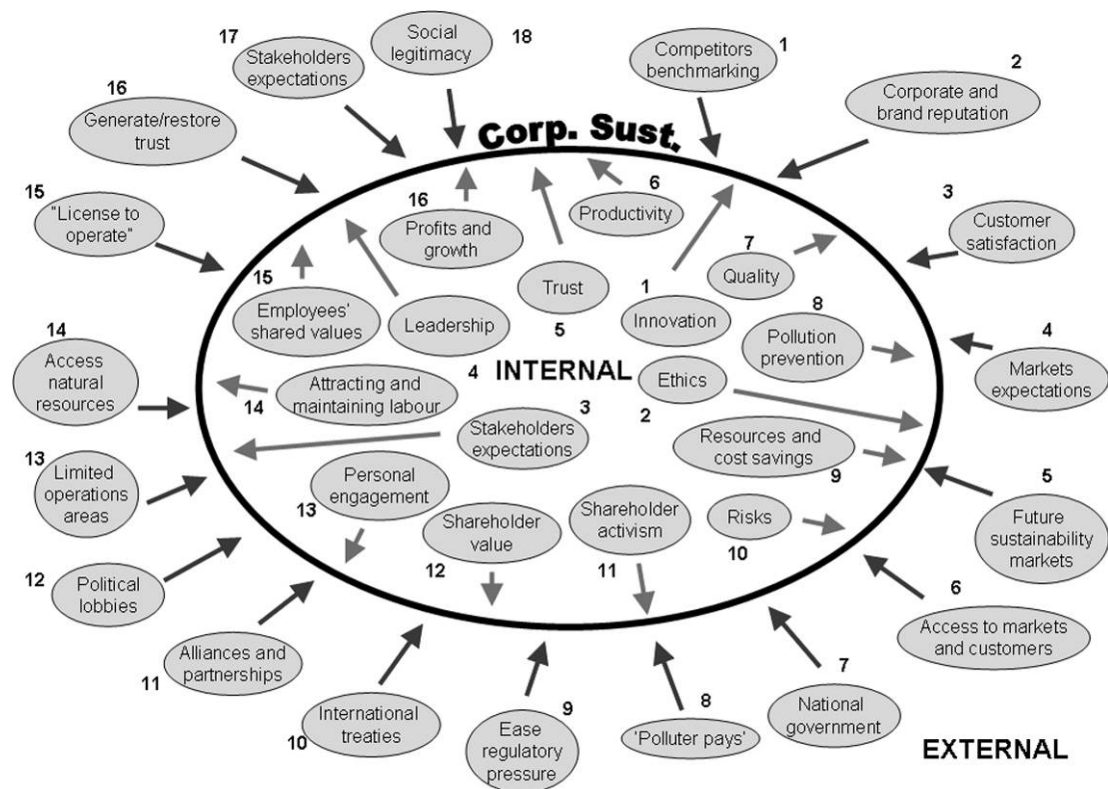
<sup>1</sup> A caveat is in order; CS should not be confused with the term 'sustainable corporation', which refers to sustaining practices and corporations that are simply long-lived (Afuah, 2003; Hill & Jones, 2001), or with the term 'viable', but not necessarily the integration of SD principles.

Some of the most characteristic motivations for corporations to engage in CSR are presented in Table 1. They are divided into Internal motivations (dealing with processes inside the corporation); and External motivations (relations with external stakeholders). Fukukawa & Moon (2004) indicate that latterly, motivations have shifted from internal concerns to more global and external ones. Figure 1 is designed to pull together and illustrate a range of external and internal drivers extracted from different literate sources. As it can be observed, there is approximately the same number of internal and external drivers. Some drivers are mentioned by more than one author; internal drivers: ethics (4 authors); resources and cost savings, profits and growth, and employees' shared values (3 authors); and leadership, and quality (2 authors); external drivers: corporate brand and reputation (5 authors); market expectations, national government, ease regulatory pressure, and generate/restore trust (3 authors); access to markets and customers, 'licence to operate', competitors benchmarking, and customer satisfaction (2 authors).

**Table 1 Internal and external motivations to engage in CSR**

| <i>Internal motivations</i>   | <i>External motivations</i>   |
|---|---|
| <ul style="list-style-type: none"> <li>• Attract and retain employees</li> <li>• Help improve trust within the company, <i>i.e.</i> stronger employee motivation and commitment</li> <li>• Have a more compliant workforce</li> <li>• Increase employee productivity</li> <li>• Help to increase product quality</li> <li>• Help boost innovation and innovative practices</li> <li>• Help manage risks, intangible assets, and internal processes</li> <li>• Improve performance and generate more profits and growth</li> <li>• Reduce costs while improving process efficiencies and reducing waste</li> </ul> | <ul style="list-style-type: none"> <li>• Avoid fines and penalties</li> <li>• Help improve trust outside the company, <i>i.e.</i> with business partners, suppliers, consumers, and others</li> <li>• A belief that corporations must earn their 'licence to operate'</li> <li>• Meet and exceed stakeholder expectations</li> <li>• Behave ethically</li> <li>• Improve relations with regulators and ease access to permits</li> <li>• Improve access to markets and customers</li> <li>• Improve customer satisfaction</li> <li>• Help to restore trust in corporations</li> <li>• Help enhance corporate and brand reputation</li> <li>• Reduce or eliminate pressures from NGOs</li> </ul> |

Sources: (Collected from C.E.C., 2001, 2002; Frankental, 2001; Frehs, 2003; Fukukawa & Moon, 2004; Laffer, Coors, & Winegarden, 2004; Lantos, 2001)



**Figure 1 Corporate Sustainability internal and external drivers**

Sources: **Internal:** 1 (C.E.C., 2002; Frehs, 2003); 2 (C.E.C., 2002; Frankental, 2001; Frehs, 2003; Lantos, 2001); 3 (Busse, 2004); 4 (Gill, 2003; Porter & van der Linde, 2000); 5 and 10 (C.E.C., 2002); 6 (Laffer, et al., 2004); 7 (Laffer, et al., 2004; Quazi, 2001); 8 (S. Hart, 2000); 9 (Henriques & Richardson, 2005; Lovins, Lovins, & Hawken, 2000; Quazi, 2001); 11 (Doppelt, 2003); 12 (Weymes, 2004) 13 (Oskarsson & von Malmberg, 2005) ; 14 (Quazi, 2001) ; 15 (Frankental, 2001; Frehs, 2003; Quazi, 2001); 16 (C.E.C., 2001; Frehs, 2003; Laffer, et al., 2004)

**External:** 1 (McIntosh, Leipziger, & Jones, 1998; Quazi, 2001); 2 (Dunphy, et al., 2003; Frehs, 2003; Hopkins, 2002; Oskarsson & von Malmberg, 2005; Quazi, 2001); 3 (Frankental, 2001; Laffer, et al., 2004); 4 (Biscaccianti, 2003; Dunphy, et al., 2003; McIntosh, et al., 1998) 5 and 18 (DeSimone & Popoff, 2000); 6 (Frehs, 2003; Quazi, 2001); 7 (Atkinson, 2000; Dunphy, et al., 2003; McIntosh, et al., 1998); 8 (Cannon, 1994); 9 (Cannon, 1994; Frankental, 2001; Frehs, 2003); 10 and 11 (Dunphy, et al., 2003); 12 (Biscaccianti, 2003); 13 (Cannon, 1994); 14 (Busse, 2004); 15 (C.E.C., 2002; Fukukawa & Moon, 2004) ; 16 (C.E.C., 2001; Frankental, 2001; Frehs, 2003); 17 (Busse, 2004).

## 4. Methodology

Thirteen interviews were conducted to corporate top-level managers, and complemented by three interviews to experts in the field from different organisations (see Table 2 for details); thus allowing multiple perspectives and triangulation on CS drivers. The interviews ranged between 30 and 90 minutes. Most of the interviews were done face-to-face, digitally recorded and backed up by note taking.

**Table 2 Details of interviewees**

| <i>Name</i>              | <i>Position</i>                    | <i>Company or organisation</i> |
|--------------------------|------------------------------------|--------------------------------|
| <i>Ruben Rodriguez</i>   | Human Resources (HR) Director      | Grupo IMSA                     |
| <i>Eugenio Clariond</i>  | President and CEO                  | Grupo IMSA                     |
| <i>Rebecca Andrew</i>    | Senior ESH/ Sustainability Advisor | Johnson Controls Inc.          |
| <i>Mark P. Chatelain</i> | Manager, Blue Sky Program          | Johnson Controls Inc.          |
| <i>Jeff Werwie</i>       | Director Environmental Control     | Johnson Controls Inc.          |

|                         |  |   |
|-------------------------|--|---|
| <i>Mario Arrellin</i>   | Executive Vice President Finance, Planning & IT                    | Peñoles   |
| <i>Mario Huerta</i>     | Corporate Manager of Environmental Planning and Development        | Peñoles   |
| <i>Octavio Alvidrez</i> | Executive Vice President Exploration, Engineering and Construction | Peñoles   |
| <i>Rafael Rebollado</i> | HR director  | Peñoles   |
| Dawn Rittenhouse        | Director of SD   | <i>DuPont Chemicals</i>                                   |
| Mark Wade               | Principal consultant leadership director                           | <i>Royal Dutch/Shell</i>                                  |
| Michael Tost            | SD advisor   | <i>Rio Tinto</i>  |
| Scott Noesen            | Director of SD   | <i>Dow Chemicals</i>                                      |
| Marcel Engel            | Regional Network Director  | <i>World Business Council for Sustainable Development</i> |
| Sandra Vijn             | Research Coordinator   | <i>Global Reporting Initiative</i>                        |
| Sheila von Rimscha      | Senior Associate   | <i>Cambridge Programme for Industry</i>                   |

\* The opinions of the interviewees are personal and may not represent the opinion of their organisation.

The responses from interviewees were compared against the drivers presented in Figure 1. The drivers that were mentioned by the interviewees and indicated in the literature were highlighted in yellow, and those that add to it were highlighted in green.

One of the major limitations of this research was access to companies. Three in-company gatekeepers facilitated the contact with the other company interviewees, Mark P. Chatelain, Eugenio Clariond, and Mario Huerta. The other interviewees were identified as key actors in CS. One of the main constraints on the number of people interviewed was accessibility.

## 5. Results

Table 3 presents the internal drivers mentioned by the interviewees. As it can be observed the majority of the interviewees considered leadership to be the main internal driver, for example Rodriguez indicated that “an example from leadership is better than just words”, Tost mentioned “What happened, in the case of Rio Tinto in the late 80s, was Bougainville copper, in Papua New Guinea, where we became involved in a civil war. At that time the chairman said: Stop. There is an outside world; we have to engage with the outside world. There is an environment. We have to take care of the environment. If we don’t do this, we’ll go out of business.”. This is followed by the business case, for example Noesen indicated: “[you can] spend 1 billion dollars but save 5 billion on the long term, most due to raising energy prices [through eco-efficiency measures]”.

The other internal drivers mentioned by interviewees, as presented in Table 3, included: the precautionary principle (Rittenhouse, Chatelain, Engel, Rittenhouse); the company culture (Andrew, Chatelain, Clariond, Noesen); an ethical and moral case (Huerta, Noesen, Wade); sustainability reports (Rebollado, Rittenhouse, Vijn); avoiding risk (Tost, Engel, Werwie); employees wanting to know what’s going on in the company (Chatelain, Rittenhouse), e.g. employees’ point of view, who do not

want to work for a company that is a major polluter or destroyer of the ozone layer (Rittenhouse); sustainability champions (Huerta, Vijn); and economic considerations (Clariond).

**Table 3 Internal drivers mentioned by the interviewees**

| <i>Internal drivers</i>                              | <i>Number of interviewees who mentioned the driver</i> |
|--|--|
| Proactive leadership                                 | 10   |
| Business case  | 7  |
| Precautionary principle                              | 4  |
| Company's culture                                    | 4  |
| Moral and ethical obligation to the contribute to CS | 3  |
| Sustainability reports                               | 3  |
| Avoiding risk  | 3  |
| Champions  | 2  |
| Demands from employees about companies CS efforts    | 2  |
| Economic considerations                              | 1  |

The interviewees identified 5 out of 16 internal drivers mentioned in the literature review. They complemented these with four others: the business case, company culture, sustainability reports, and the precautionary principle. Of the external drivers, they mentioned 14 out of 18 found in the literature review, and complemented them with another two: raising student awareness, and environmental and social crises.

Table 4 presents the external drivers mentioned by the interviewees, where the most mentioned were: reputation, customer demands and expectations, and regulation and legislation. For example, Rittenhouse indicated “We were the largest producers of CFCs in the world, and when the toxic release inventory came in the late 1980s, we were also the largest polluter in the US. I think those two things were huge drivers for DuPont, even though we were in compliance with all laws and regulations, what we were doing was clearly not acceptable to the public and we needed to change the way we did”; whilst Wade mentioned that “If you damage the environment and anger the natives then you're going to damage your reputation, that is the negative element of the business case.”

**Table 4 External drivers mentioned by the interviewees**

| <i>External drivers</i>                        | <i>Interviewee(s)</i> |
|--|-----------------------|
| Reputation, e.g. corporate or brand reputation | 6                     |
| Customer demands and expectations              | 6                     |
| Regulation and legislation                     | 5                     |
| Society's raising awareness                    | 3                     |
| Access to resources                            | 2                     |
| Collaboration with external parties            | 2                     |
| Raising awareness in the student population    | 2                     |
| Negative publicity                             | 2                     |
| NGOs activism                                  | 2                     |
| Environmental or social crises                 | 2                     |
| National or regional contexts                  | 2                     |
| Market opportunities                           | 1                     |
| Market positioning                             | 1                     |
| Shareholder activism                           | 1                     |
| Institutional shareholders                     | 1                     |
| Peer-pressure                                  | 1                     |



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## 6. Discussion

The discussion of the literature review helped to propose a model attempting to depict the myriad CS drivers, as depicted in Figure 1, where the drivers are divided into internal and external.

As it can be seen from empirical data, leadership is considered to be the main driver. The other drivers can be divided into:

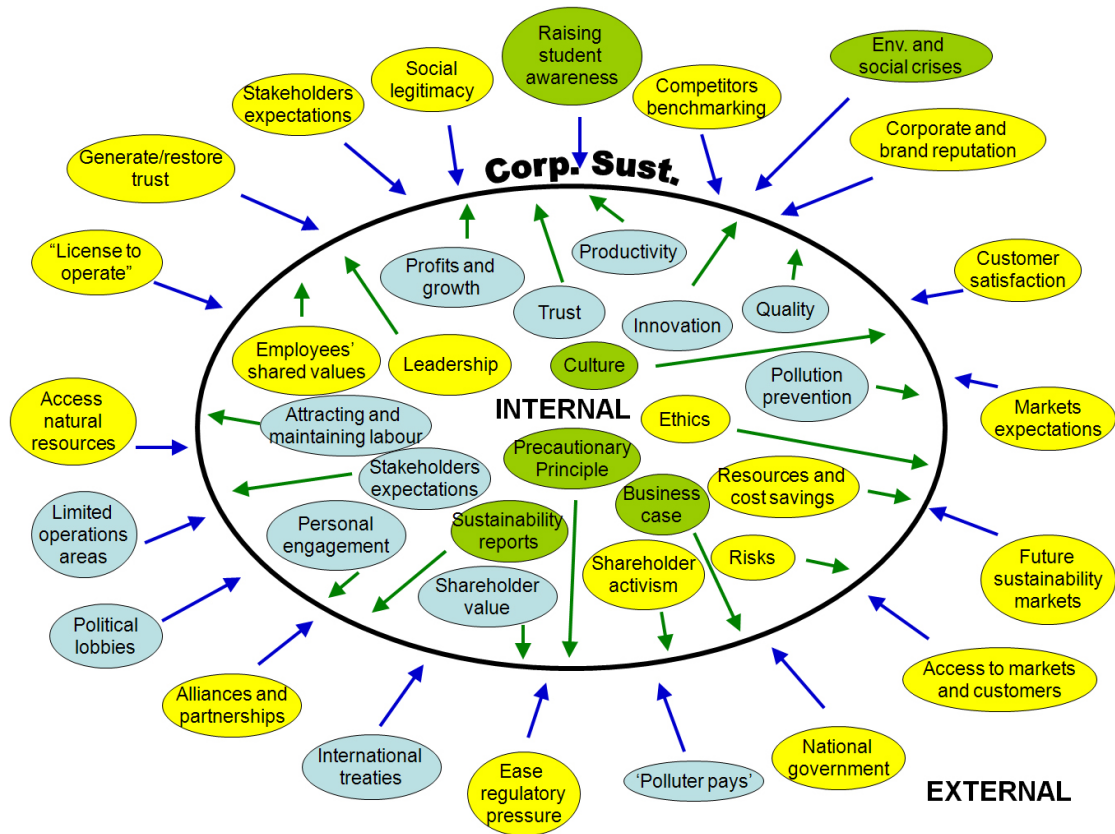
- **Internal:** Shared values, resources and cost saving, company culture; Sustainability Reports; customer demands and expectations; moral and ethical obligations to contribute to CS; and champions;
- **External:** National government; raising student awareness; access to resources; environmental crises; regulations and legislation; raising society awareness; and collaboration with external organisations.

The drivers that complement the literature included:

- **Internal:** The business case, company culture, Sustainability Reports, and the precautionary principle; and
- **External:** Raising student awareness, and environmental and social crises.

The empirical data concurred with the literature review about the importance of reputation as an important driver. However, only two authors indicate the importance of leadership, whilst most interviewees indicated leadership to be one, if not the most important sustainability drivers. This could be due to its importance within the company [CHECK CHANGE PAPER], or due to the top-level positions of the interviewees.

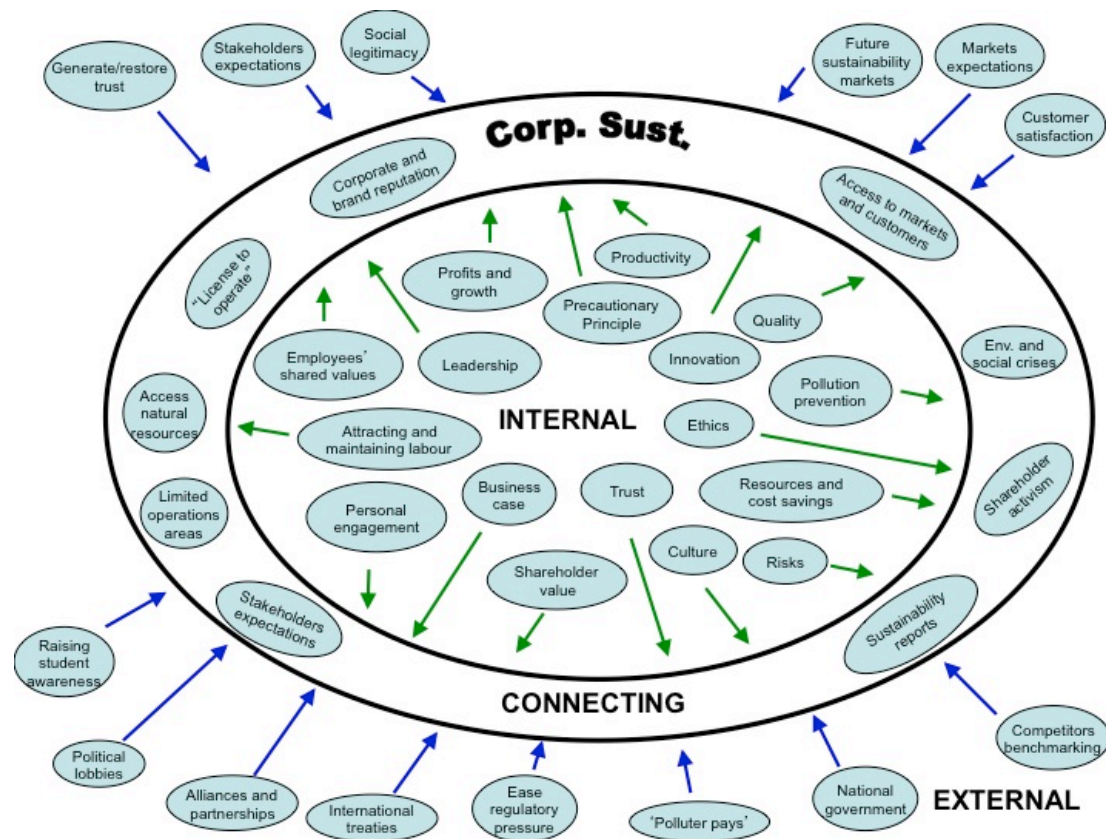
The empirical research confirmed the existence of many, but not all, of the drivers highlighted in the literature. Most of the external drivers were identified (14 out of 18), but relatively few internal (6 out of 16). This could indicate that, although there is recognition that corporations need to change from within, external stimuli tend to be better identified than internal ones, or that there is a reactive mentality, instead of a proactive one. The empirical research also provided new drivers not mentioned in the literature. The drivers are presented in Figure 2, where those that were mentioned in the literature are highlighted in yellow, and those that add to it are highlighted in green.



**Figure 2 Corporate Sustainability drivers mentioned in the primary data highlighted in yellow, and green**

It is interesting to note that there were 4 internal drivers that were mentioned by 4 or more interviewees (leadership, the business case, the precautionary principle, and the company's culture), whilst there were only 3 and external drivers (reputation, customer demands and expectations, and regulation and legislation). However, there were a total of 9 internal drivers, whilst there were 14 external drivers. This could imply that thing done at once might have more leverage, and yet the company is affected by a large number of external stimuli. This is in line with Fukukawa & Moon (2004).

The sustainability model presented in figure 1 implies that there is a limiting barrier that separates the internal and external stimuli for sustainability in companies. As indicated previously, sustainability is based on holistic thinking and approaches, including the company system and its internal and external stakeholders. Considering this and the data from the empirical research, a new category of drivers can be proposed, 'connecting drivers', that can offer a better understanding of CS drivers. This includes corporate brand and reputation, operation areas, access to natural resources, 'licence to operate', access to markets and customers, and environmental and social crises. Adding this category to Figure 1 result in Figure 3 ,which offers a more integrative and holistic model of CS drivers.



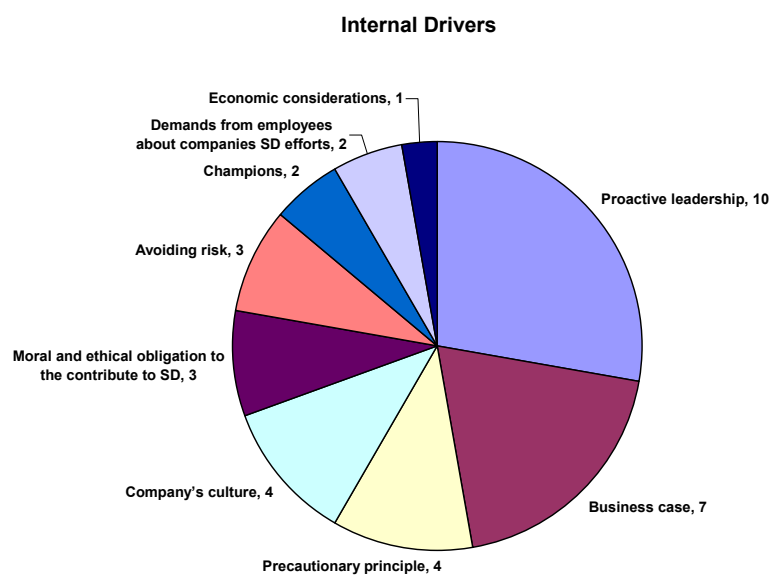
**Figure 3 Corporate Sustainability driver model**

The drivers mentioned as helping CS move forward are presented in Table 5. They are organised according to the number of interviewees who mentioned them, and divided according to the convention set up in Figure 4, Figure 5, and Figure 6 present the number of interviewees who mentioned a particular driver. The ones mentioned most frequently were: proactive leadership, and the business case (in internal drivers); reputation (in connecting drivers); and customer demands, and regulation and legislation (in external drivers).

**Table 5 Internal, connecting, and external drivers mentioned by the interviewees**

| <i>Internal drivers</i>                              | <i>Number of interviewees who mentioned the driver</i> |
|--|--|
| Proactive leadership                                 | 10   |
| Business case  | 7  |
| Precautionary principle                              | 4  |
| Company's culture                                    | 4  |
| Moral and ethical obligation to the contribute to CS | 3  |
| Avoiding risk  | 3  |
| Champions  | 2  |
| Demands from employees about companies CS efforts    | 2  |
| Economic considerations                              | 1  |
| <b>Connecting drivers</b>                            |  |
|  | <i>Interviewee(s)</i>                                  |
| Reputation   | 6  |
| Sustainability reports                               | 3  |
| Access to resources                                  | 2  |
| Environmental or social crises                       | 2  |
| Market opportunities                                 | 1  |

|  |                       |
|--|-----------------------|
| Market positioning                           | 1                     |
| <b>External drivers</b>                      |                       |
|  | <b>Interviewee(s)</b> |
| Customer demands and expectations            | 6                     |
| Regulation and legislation                   | 5                     |
| Society's raising awareness                  | 3                     |
| Collaboration with external parties          | 2                     |
| raising awareness in the student population  | 2                     |
| Negative publicity                           | 2                     |
| NGOs activism                                | 2                     |
| National or regional contexts                | 2                     |
| Shareholder activism                         | 1                     |
| Institutional shareholders                   | 1                     |
| Peer-pressure                                | 1                     |
| Market demands for non-financial information | 1                     |



**Figure 4 Number of interviewees who mentioned each internal driver**

### Connecting Drivers

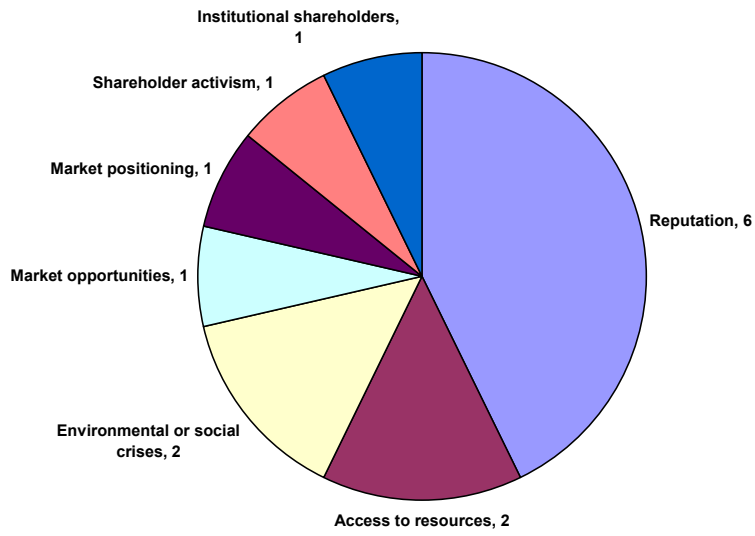


Figure 5 Number of interviewees who mentioned each connecting driver

### External Drivers

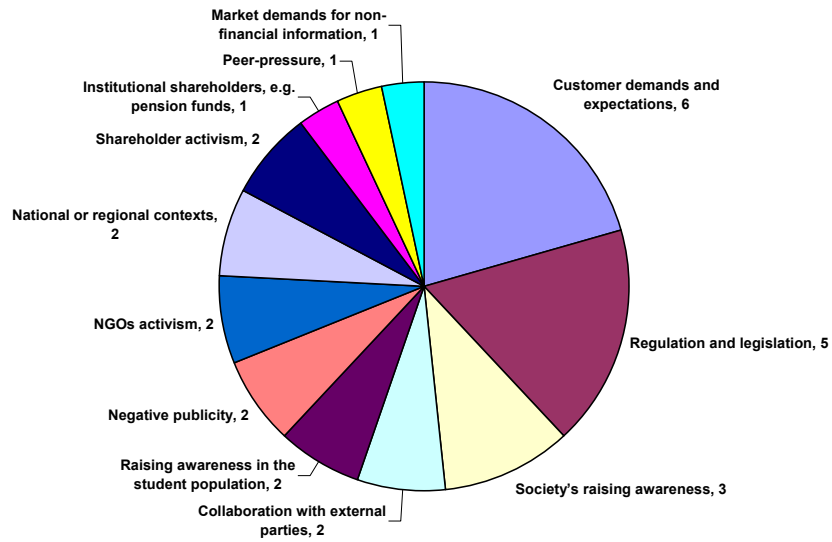


Figure 6 Number of interviewees who mentioned each external driver

## 7. Conclusions

Corporate social responsibility and corporate sustainability have become better and better integrated into companies' activities and culture. CSR, as one of the first concepts dealing with company responsibilities, has great potential to contribute to sustainability. Yet it is limited by three major issues: having been defined and interpreted many times, so that the definitions are sometimes confusing, and at others contradictory; being, in many cases, equated with philanthropy; and being perceived, usually, as referring only to the social dimension. The CS concept (as outlined in this paper) seems to offer the potential to be more encompassing, both in terms of the company system (including operations, strategy, organisational systems, etc.) and in terms of stakeholders (internal, external, social, and environmental). Its advantages include: being a newer term free of over-definition and interpretations, explicitly referring to sustainability in its terminology, thus reducing the confusions of referring only to social or environmental aspects; and, it addresses the relationships between business practices and stakeholders, based on the real entity theory of the firm.

Although there have been a number of authors discussing the drivers for CSR and CS concepts, they have, mainly, taken either an external or internal perspective. A limited number of authors have considered a holistic perspective of sustainability, where there are interactions between the economic, environmental, and social dimensions in the short and long-term, as well as, between internal and external stakeholders.

This paper has tried to answer the question "What have been the drivers for CS within the context of large corporations?" As it can be seen from the literature review and empirical research, there is large number of drivers recognised. This poses a challenge for corporate leaders and champions, and also an opportunity, in fostering sustainability within the companies. The challenge is how to manage and balance the internal, connecting, and external drivers and stimuli, so that the company can respond quickly to external stimuli, and promote and reward the internal drivers, so that the company can become more proactive to helping societies become more sustainable.

The research presented in this paper was limited by access to companies and experts; it would be interesting to follow-up this research with a quantitative one, which could provide more information on the drivers and their importance. Another interesting topic to research is the types of leadership that promote sustainability changes.

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