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## **The relationship between Sustainable Development and Corporate Social Responsibility**

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### **Abstract**

In recent years, the discussion about sustainability has risen above average and a huge amount of different terms have been established. This leads to a very broad and unspecified discussion about this topic, especially in economic science and business management.

The aim of this paper is to find out – due to an extended literature study – where the focus in the discussion of Sustainable Development (SD), Corporate Social Responsibility (CSR) and their relationship is. Clusters have been identified which intend to clarify whether CSR correlates with the social dimension of SD as defined by Brundtland and the model of the triple-bottom-line; whether CSR represents SD on a corporate level; whether SD and CSR are used synonymously; or whether articles exist which focus especially on the social dimension of SD but do not use terms such as CSR.

A framework is presented in which the relationship between SD and CSR is defined to ease further research in SD and CSR, moreover, to enhance the development of new methodologies and instruments towards the implementation of SD / CSR strategies into companies.

### **Keywords**

Sustainable Development, Corporate Social Responsibility, Corporate Sustainability

### **Introduction**

In recent years, the discussion about sustainability has risen above average. In an international context, the number of articles focusing on these subjects has increased year by year and the terms Sustainable Development (SD) and Corporate Social Responsibility (CSR) have become popular. The number of publications is high, however, there does not exist a common definition, especially of CSR. Often no visible differentiation between these terms is made. This leads to a very broad and unspecified discussion about this topic, above all in economic science and business management.



The aim of this paper is to find out – due to an extended literature study – where the focus in the discussion of SD and CSR and their relationship is. Clusters have been identified which intend to clarify whether CSR correlates with the social dimension of SD as defined by Brundtland and the model of the triple-bottom-line; whether CSR represents SD on a corporate level; whether SD and CSR are used synonymously; or whether articles exist which deal especially with the social dimension of SD but do not use terms such as CSR. Before presenting the extended literature study, the evolution of the terms SD and CSR will be discussed.

## **Evolution of SD and CSR**

### **Sustainable Development**

The origin of the term SD lies in the 18th century and was actually used in forestry. In those times, it was only allowed to cut down a certain number of trees so that a long-lasting protection of the tree population was guaranteed. This method ensured a continuous supply of wood without reducing resources for forthcoming generations. The Club of Rome precipitated an international discussion due to its report “Limits to Growth” (Meadows, 1972). In the course of this discussion, an eco-development approach was created which effected the protection of resources and environment coming to the fore. This development has led to the mission statement of SD we have today. In 1987, the World Commission on Environment and Development defined SD as an ethical concept and has become the major definition of SD: “Sustainable Development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: the concepts of “needs”, in particular the essential needs of the world’s poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organisation of the environments ability to meet present and future needs. Thus the goals of economic and social development must be defined in terms of sustainability in all countries developed or developing, market-oriented or centrally planned.”, cited in “Our Common Future” (World Commission on Environment and Development, 1987). Elkington goes more into detail when arguing that companies should not only focus on enhancing its value through maximising profit and outcome but concentrate on environmental and social issues equally (Elkington, 1998). Therefore SD is defined as a model of triple-bottom-line. In the United Nations Conference on Environment and Development in Rio de Janeiro 1992 and the Johannesburg Summit on Sustainable Development 2002, the Brundtland-concept of the three pillars has been further elaborated on.

### **Corporate Social Responsibility**

Whereas the term SD has mainly started to be used in the 1980’s, the framework of CSR has already been established in the 1950’s and 60’s. Bowen defined CSR in 1953 - as one of the first - as “... an obligation to pursue policies to make decisions and to follow lines of action which are compatible with the objectives and values of society” (Douglas et al., 2004). In the beginning, however, the term Social Responsibility was rather used than CSR. Social Responsibility assumes that economic and legal duties of the companies should be extended by certain responsibilities to society (McGuire, 1963). Carroll argues that Social Responsibility exists of four components such as economic, legal, ethical and discretionary expectations that society has of a company and that companies have to decide which layer they focus on (Carroll, 1979).



On the other hand, Friedman – as most known defender of the neoclassical view of economics – defines Social Responsibility completely differently: “There is one and only one social responsibility of business - to use its resources and engage in activities to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud” (Friedman, 1962). Until today this neoclassical view has been the primary paradigm of business. Concepts of SD and CSR criticize this point of view. Of course, the economic perspective is important but a company also has a burden of environmental and social responsibilities to handle. As Wood puts it, “the basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behaviour and outcomes” (Wood, 1991).

Organizations such as the World Business Council for Sustainable Development (WBCSD) actively take part in the sustainability and CSR discussion. WBCSD regards CSR as engine for the social dimension (social progress) which supports companies to fulfil their responsibilities as good citizens and defines CSR as "business' commitment to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life” (WBCSD, 2006). On the other hand, the Commission of European Communities describes CSR as a “concept, whereby companies integrate social and environmental concerns into their business operations and interactions with their stakeholders on a voluntary basis” (Commission of the European Communities, 2001).

These last examples show how different the several terms are defined. This makes it difficult for researchers and practitioners to guide sustainability science into the same direction.

## **Study**

### **Motivation for the study**

Over the last decades, sustainability has become very popular in modern economics. Due to the strengthened focus in science on sustainability aspects, there has been an inflation on similar terms – especially on corporate level – such as CSR, Corporate Citizenship, Corporate Sustainability or Social Responsibility. All terms seem to go in the same direction: the prime objective is to consider the firm’s environment and its stakeholders which means being responsible to them for the company’s outputs and impacts and meeting not only shareholder’s interests. However, in scientific literature and practice, these terms are used differently which makes it very difficult to emphasize a common „direction“ and to embed SD as a clear, distinguished management discipline in business science.

In the majority of papers, only sustainability literature is taken into account which supports the specific opinion of the author. The purpose of this literature study is to get an overview of “all” actual scientific trends concerning CSR issues, without concentrating on only one special view. Hence, to find out where the focus in the sustainability discussion is and how the relationship between the terms SD and CSR is defined.

### **Methodology**

#### *Collection of data*

For the extended literature study, articles concerning sustainability related issues were chosen. The main research was done by the abstract and citation database Scopus. Articles using terms



such as “SD, CSR, social dimension, social aspects or sustainability” in key words and titles of papers were selected. It came as no surprise to find hundreds of articles concerning sustainability issues from the last decades. However, as the focus of the paper is more on the relationship and the definition of the terms SD and CSR, only articles which tend to concentrate more on the social rather than environmental aspect were considered. A high percentage of papers were actually found in the Journal of Business Ethics; the latter has established itself as an important basis for the ethical, social and sustainable discussion going on during recent years. Also, three articles published in German journals were taken into account, as well as an article presented in the 14<sup>th</sup> IAMOT conference 2004, Washington.

About 55 articles from the last eight years (1998-2006) were selected. Some articles did not offer a kind of definition at all or discussed an issue that was related to the research purpose, therefore got excluded for this study. Finally, 43 articles were taken into account of which 13 concentrated on SD and 30 focused more on CSR related aspects. Also, each author was picked once to guarantee a broad basis for the research. The following table (Tab. 1) shows the distribution of the selected articles across the journals.

**Tab. 1: Quantity of articles and journals.**

Quantity	Journal	Quantity	Journal
21	Journal of Business Ethics	1	Int. Journal of Management and Decision Making
3	European Management Journal	1	Int. Journal of Sustainable Development
2	Corporate Governance	1	Int. Journal of Operations & Production Management
2	The TQM Magazine	1	International Journal of Life-Cycle Assessment
1	Business Strategy and the Environment	1	Journal of Cleaner Production
1	Corporate Social Responsibility and Environmental Management	1	Journal of the Academy of Marketing Science
1	Ecological Economics	1	managermagazin
1	European Journal of Marketing	1	The Journal of Corporate Citizenship
1	Harvard Business Manager	1	Zeitschrift für angewandte Umweltforschung
1	14th IAMOT Conference		

### *Research design*

The purpose of the literature research intends to clarify whether

- CSR correlates with the social dimension of SD as defined by Brundtland and the model of the triple-bottom-line
- CSR is developed and integrated based on the SD-model
- CSR is used synonymously for SD
- articles exist which deal especially with the social dimension of SD (based on Brundtland) but do not use terms such as CSR.

Due to the analysis, different clusters, which picture the different hypotheses, were established and articles assigned to them depending on the author’s definition of SD or CSR. The detailed discussion of the definitions within each cluster and the relationship between the clusters itself finally indicates the trend in scientific sustainability management. Research trends which might exist due to the geographical position of the scientists were not analysed.



Papers were additionally investigated in regards of the main aims within SD or CSR. The purpose is to find out whether articles propose frameworks and models by which it is possible to implement and manage sustainability on a corporate level. For further research, it is important to prove the positive effects of sustainability in the performance of the corporation. Therefore, it was also of interest whether SD or CSR have impact on the company's (financial) performance. Additionally, the articles are analysed concerning interactions between SD and CSR. This is of importance when designing the framework of significance and relationship between SD and CSR.

In the following, each cluster is described to present how the articles have been assigned to.

*Cluster 1: SD: basis is Brundtland or the triple-bottom-line*

The first cluster represents papers in which the definition of SD is based on Brundtland or other definitions such as the Business Summit of Rio de Janeiro and Johannesburg. Their principle understanding of SD is the concept of triple-bottom-line which believes in an equal consideration of ecological, social and economic aspects to meet present and future needs. To make a clear distinction between the first and other clusters, only articles which concentrate on SD are allowed to be in the first one. This gives an overview of how many papers focus only on the social dimension of SD without mentioning CSR or other terms.

*Cluster 2: CSR as social strand / stakeholder approach*

Cluster two presents CSR as a kind of social strand of SD. These articles focus on social aspects such as the responsibility companies have to people who are affected by the firm and to society in general. Also, the stakeholders of corporations and the measures companies should undertake to satisfy them are dealt with in cluster two. Ecological aspects or the economic dimension of SD are omitted from the CSR framework. However, some ecological measures are accepted, if stakeholders put pressure on the company to realize them. CSR is presented as the "new" stakeholder-approach. Advocates for CSR as social argument refer to the evolution of CSR or Social Responsibility and stakeholder concepts from some decades ago and argue that CSR is the new way how companies should treat their stakeholders today. The shareholder value concept is not in the fore of the discussion. This cluster represents articles and definitions of CSR which focus on the social strand of SD and/or define CSR as a stakeholder-approach.

*Cluster 3: SD as basis for CSR*

Another trend in the sustainability discussion is the opinion that SD or Corporate Sustainability provides the basis for Corporate Responsibility or CSR. The arguments of this cluster are that SD represents a broad basis due to its concept of triple-bottom-line. The framework of SD is ethically justified as it attaches importance to an intra- and an intergenerative aspect. SD is rather seen as an ethical concept for institutional issues – a society related concept, whereas the ideas of SD on a corporate level are seen as CSR.

*Cluster 4: SD and CSR are used synonymously*

Cluster four includes articles which indicate that CSR and SD can be used synonymously. Advocates of cluster four do not distinguish different frameworks or definitions. They believe in an ethical concept of triple-bottom-line in which stakeholders are in the focus of a corporation. This means that CSR, too, has to consider all three dimensions, although it is not always explicitly put like this. Regardless which term is used, it always means the same. Advocates of this cluster want to ease the sustainability discussion. Cluster four has the same basis as cluster one, but the discussion is taken further.



### *Cluster 5: Miscellaneous*

Some articles could not be assigned to any of the four clusters. Therefore, the fifth cluster is a “melting-pot” of various opinions.

## **Findings**

### **Cluster 1: SD: basis is Brundtland or the triple-bottom-line**

Nine articles could be assigned to cluster one. All these papers focus on SD aspects and base their definitions mainly on the ethical concept of Brundtland which is seen as the most common definition of SD. This model of SD is often referred to as the triple-bottom-line which represents an economic, ecologic and social pillar (Elkington, 1998). The bottom line of this model is continuously in flow (Hardtke and Prehn, 2001). The advantage of the Brundtland definition is its holistic and generic view, whereas other definitions only see sustainability as an isolated system or specific aspects.

The articles in cluster one only deal with SD related issues and do not make any comments to other sustainability terms such as CSR or Corporate Responsibility. Their starting point is always the concept of triple-bottom-line. As a common definition of SD exists, the majority of advocates does not define it anew. They offer integrated frameworks in which all dimensions are equally considered, provide arguments why SD should be dealt with on a corporate level and argue that SD can cause positive long term effects for the company. Also, the social dimension has been highlighted, which has not been done satisfyingly in the past, when the environmental pillar has namely been in focus of the sustainability discussion. To sustainable development, a huge amount of papers can be found, but due to the research limitations and the database Scopus, only this number of articles has been selected. Nevertheless, they give a good overview about actually research trends.

A major argument of Payne and Raiborn, 2001 concerning sustainability aspects is that without SD “neither business nor the societies in which they exist will have a long term future”. However, others use the Brundtland definition to develop the framework on SD further, such as Fergus and Rowney, 2005 who present a semantic framework which clearly defines the terms and logical meanings of sustainability and its three dimensions as it is understood today. MacDonald, 2005 proposes a framework on how SD aspects can be implemented into the ISO 14001 standard. Baumgartner, 2004 suggests a generic concept for business management with key elements and implications for strategic management, organizational structure and culture.

Dyllick and Hockerts, 2002 use the term Corporate Sustainability which represents SD on a firm level. This “can accordingly be defined as meeting the needs of a firm's direct and indirect stakeholders without compromising its ability to meet the needs of future stakeholders as well. Towards this goal, firms have to maintain and grow their economic, social and environmental capital base while actively contributing to sustainability in the political domain.”

The social dimension of SD is still the weakest pillar and has been neglected in discussions over the years in comparison to the other two aspects. Labuschagne and Brent, 2006 focus on sustainability criteria and design a comprehensive framework which is used to assess the social sustainability performance of projects, technologies or the company itself. Lehtonen, 2004 highlights the economic-social interface due to capability approach and social capital. Bizer,



2000, too, proposes to include the social dimension in a theoretical concept of the social capital for further development of sustainability indicators. Both focus more on societal than on corporate problem-solving methods within the social dimension.

Dyllick and Hockerts, 2002 describe social sustainability on a corporate level and define that “socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities. They manage social capital in such a way that stakeholders can understand its motivations and can broadly agree with the company's value system.” In the opinion of Wilkinson et al., 2001, the concept of SD should additionally “include an ethical dimension of fairness of trade-off between current economic pressures and future needs on environment.”

The basic principle of the cluster-one-advocates is to keep Brundtland and the concept of triple-bottom-line at the heart of the sustainability discussion. They do not focus on other modern terms such as CSR. One author argues that Corporate Sustainability is SD on a corporate level. It is surprising that in a time of numerous sustainability expressions one solely focus on SD. No trend is recognizable that the solitary use of SD is going to be replaced by a broader view concerning other terms of responsibility and social awareness. Every year, a constant number of scientists write on SD aspects (with focus on the social dimension) without employing CSR-related terms.

### **Cluster 2: CSR as social strand / stakeholder approach**

The second cluster contains 12 of the reviewed articles. The major statement of the scientists here is that CSR is a social issue and tends to focus on stakeholders. Often CSR is defined as the new stakeholder approach, referring to the “evolution” of stakeholder management. The stakeholder theory originates from Freeman who argues that “in a narrow sense, the stakeholders are all those identifiable groups or individuals on which the organisation depends for its survival, sometimes referred to as primary stakeholders...On a broader level, however, a stakeholder is any identifiable group or individual who can affect or is affected by organisational performance in terms of its products, policies and work processes.” (Freeman, 1984).

Others do not specify CSR as purely stakeholder focused. They define CSR as a social issue that companies have to take into account; it is obvious that the main aspect is on the stakeholders of the corporation. There is one thing all articles of this cluster have in common. If they discuss CSR, it is not evident to the reader that other aspects apart from the social dimension have to be considered under the term of CSR.

In literature, there is no common agreement on the question if CSR should be defined as a purely voluntarily concept or an approach which should be strictly regulated and to which companies should be obliged (Hopkins, 2005).

Six of the 13 papers focus more on the correlation of CSR with the social dimension of SD. The aim of Morimoto et al., 2005 is to find out whether CSR is the social strand to SD as defined by Brundtland. They conclude that in literature CSR is likely to be interpreted as the social strand of SD as for example the World Business Council does for SD and the European Parliament for CSR. Korhonen, 2003 declares that although the definition of SD has been discussed a lot and many advocates disagree, “the notion of sustainability has nevertheless become the basis for CSR and corporate environmental management”. This is an opinion also shared by Gauthier, 2005. Moir, 2001 identifies CSR as an ethical basis which should satisfy the needs of the stakeholders.



His definition of CSR is based on Business Impact, 2000 and he argues that a company which focus on CSR has to “treat employees fairly and equitably, operate ethically and with integrity and to respect basic human rights”. Hopkins, 2005 declares that “CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. The aim of Social Responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation.” He develops a concept to measure CSR which consists of principles of Social Responsibility, principles of social responsiveness and outcomes of social responsibility. For Welford, 2005 CSR is a business concept and he presents twenty elements such as internal and external aspects, accountability and citizenship which should be fulfilled by CSR-companies. Due to these indicators, his concept can be seen as a description of the social dimension of SD.

Whereas the above mentioned scientists rather define CSR as the social pillar of SD, others tend to focus on the stakeholder aspect of CSR such as Jones, 1999 or Bazin and Ballet, 2004. Zambon and Del Bello, 2005 argue that without identifying the needs of the stakeholders, no company can act in a social responsible way. Therefore, sustainability concepts are the natural evolution on the basis of the stakeholder theory.

Kok et al., 2001 define CSR as “the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large and improving welfare of society at large independent of direct gains of the company.” Snider et al., 2003 mention that “stakeholder theory provides a useful framework to evaluate CSR through social reporting activities.” Knox et al., 2005 focus their empirical study on CSR on stakeholder aspects. Together with Maignan and Ferrell, 2004 they argue that CSR is a concept of corporations to meet stakeholders interests effectively which has an impact on the company’s success in the long run.

Concerning the articles which can be assigned to cluster two it is to see that their publication has slightly increased in last years. Whether this is the result of a concentrated focus on CSR-related issues or the replacement of the before neglected social dimension of SD by CSR can not be detected.

### **Cluster 3: SD as basis for CSR**

Cluster three contains articles in which SD is seen as the ethically justified basis for CSR. Three articles were found based on this argumentation. These advocates believe that SD represents a broad basis because of the three-pillar-concept of the economic, ecological and social dimension, but, as DesJardins, 1998 describes, it is a concept for governments and individuals and does not focus on companies. CSR discuss this subject on a corporate level as a corporate sustainable orientation to meet the needs of its stakeholders and the environment. van Marrewijk, 2003 argues that Corporate Sustainability – which he uses as a synonym to SD – and CSR are nearly the same although he proposes to keep a small but essential distinction. Corporate Sustainability is related to the agency principle and is meant to focus on “value creation, environmental management, environmental friendly production systems, human capital management and so forth”. However, CSR is associated “with the communion aspect of people and organisations” and relates to things such as “transparency, stakeholder dialogue and sustainability reporting”. He depicts three concepts of Corporate Sustainability and CSR. The first, corporate societal



accountability is more likely to define CSR as SD; the concept of Helsinki University of Technology defines CSR as social dimension of SD (which accords with cluster two), whereas Erasmus University propose SD as being the basis for CSR. Zwetsloot, 2003 states that CSR seems to be a leading principle in innovating business practices with a positive image on “people, planet and profit” which also seems to refer to the model of the Erasmus University. He declares that a main aspect is the continuous collective improvement and learning.

The nucleus of cluster three is similar to the one of cluster four. Nevertheless, the difference is that cluster four does not differ between the terms SD and CSR, whereas cluster three proposes CSR as deriving from a model of sustainable economics (“rather than the prevailing neoclassical model”, DesJardins, 1998), which means that CSR is SD on a corporate level – with specific focus on corporate related issues and targets. For these advocates, CSR and SD are in a strong relationship to each other with high interdependences. The articles are equally allocated over the analysed period, therefore no specific trend towards cluster five is recognizable.

#### **Cluster 4: SD and CSR are used synonymously**

Cluster four represents 16 of 43 articles which indicate that the terms SD and CSR (or others such as Corporate Sustainability or Corporate Responsibility) can be used synonymously. It is surprising that such a huge amount of scientific papers is based on this hypothesis. It reflects some kind of trend as more and more companies define their social and environmental commitment as CSR. The trend of using this term comes from the USA, although American companies focus more on social commitment than on achievements and programmes on sustainability issues including environmental concerns (Baumgartner and Ebner, 2005). As the research sample shows, especially in the last three years a trend to define CSR similar to SD has come up.

Perrini, 2005 bases his definition on CSR on the manifestation of the Commission of European Communities 2001 whereas de la Cuesta González and Valor Martínez, 2004 adopt the definition of SD by the Johannesburg Summit on Sustainable Development as CSR description. Others do not refer to definitions made by EU, Business Summits or other NGO’s, they only state the synonymous character of SD and CSR (van der Woerd and van den Brink, 2004, Kröher, 2005, Whitehouse, 2006, Székely and Knirsch, 2005 or Muller, 2006). Salzmann and Steger, 2006 define CSR as synonym for Corporate Sustainability and SD (on a corporate level), and state that stakeholder management is nowadays seen as social responsibility of companies.

Other scientists do not indicate that SD and CSR are used as synonyms but characterize CSR as a three-dimensional-model (which is commonly seen as SD), as Cramer et al., 2004 do. Castka et al., 2004 define CSR as a concept to behave profitably through social and environmental commitment by meeting stakeholders’ needs. Douglas et al., 2004 add that ethical values and compliance with legal requirements have to be considered as well. Dawkins and Lewis, 2003 describe Corporate Responsibility as a synonym for CSR, in which responsibility includes employee treatment, community commitment, ethics and environment. Their argumentation is that every company has to face a huge CSR-complexity and has to set own CSR-efforts. Jenkins, 2004 understands CSR as a concept which makes it possible for companies to “frame their attitudes and strategies towards, and relationships with, stakeholders, be they investors, employees or communities, within a popular acceptable concept.” This concept also includes environmental commitments a company has to undertake. Igalens and Gond, 2005 say that CSR



has a set of responsibilities which is more than the company's purely legal and economic duty as the environment in which they operate is also "social, political and ecological in nature". Quazi and O'Brien, 2000 do not deliver their own definition of CSR or SD but present different possible CSR-initiatives such as social and environmental programmes. Due to this fact CSR can be seen as being the same as SD.

### Cluster 5: Miscellaneous

As three articles could not be assigned to any of the before mentioned groups, cluster five was established. This cluster does not show a homogenous picture. Articles implying different ideas and frameworks are put together. One article supports the hypothesis that Corporate Responsibility builds an ethical framework for SD on a corporate level which denotes the opposite of cluster three concerning the dependence of the terms SD and CSR. It focuses on CSR and ethics as a preliminary concept for sustainable behaviour. Daub and Ergenzinger, 2005 state that "Corporate Responsibility is ethical responsibility applied to all three dimensions of sustainable development".

The other two articles are difficult to assign as they do not deliver a significant definition of CSR or SD. Gond and Herrbach, 2006 develop a framework concerning CSR which is, as a learning tool, based on the concept of organisational learning. Verschoor, 1998 realized an empirical study on the 500 largest public U.S. companies. The results demonstrate a significant linkage between a commitment to strict controls in the management, which emphasize an ethical and socially responsible behaviour, and a good corporate financial performance.

### General findings

Tab. 2 gives an overview of the selected articles and their distribution to the different clusters.

**Tab. 2: Overview of reviewed articles.**

Authors	Title	Journal	Year
<b>Cluster 1</b>			
Baumgartner	Sustainable Business Management: Conceptual Framework and Application	14th IAMOT Conference	2004
Bizer	Die soziale Dimension in der Nachhaltigkeit	Zeitschrift für angewandte Umweltforschung	2000
Dyllick; Hockerts	Beyond the Business Case for Corporate Sustainability	Business Strategy and the Environment	2002
Fergus; Rowney	Sustainable Development: Lost Meaning and Opportunity?	Journal of Business Ethics	2005
Labuschagne; Brent	Social Indicators for Sustainable Project and Technology Life Cycle Management in the Process Industry	International Journal of Life-Cycle Assessment	2006
Lehtonen	The environmental-social interface of sustainable development: capabilities, social capital, institutions	Ecological Economics	2004
MacDonald	Strategic sustainable development using ISO 14001 Standard	Journal of Cleaner Production	2005
Payne; Raiborn	Sustainable Development: The Ethics Support the Economics	Journal of Business Ethics	2001
Wilkinson; Hill; Gollan	The sustainability debate	Int.Journal of Operations & Production Management	2001
<b>Cluster 2</b>			
Bazin; Ballet	Corporate social responsibility: the natural environment as a stakeholder?	Int. Journal of Sustainable Development	2004
Gauthier	Measuring Corporate Social and Environmental Performance: The Extended Life-Cycle Assessment	Journal of Business Ethics	2005
Hopkins	Measurement of corporate social responsibility	Int. Journal of Management and Decision Making	2005
Jones	The Institutional Determinants of Social Responsibility	Journal of Business Ethics	1999



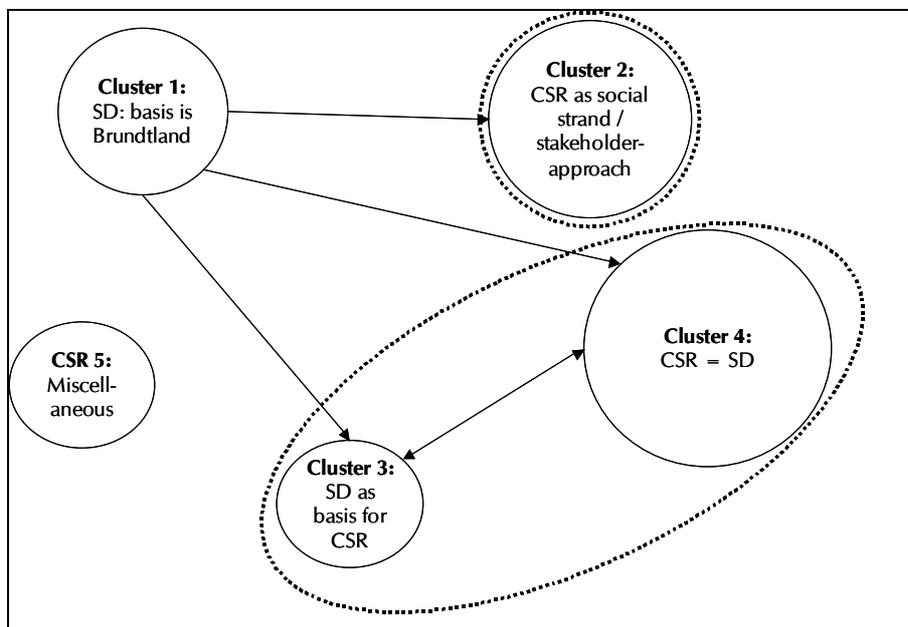
Knox; Maklan; French	Corporate Social Responsibility: Exploring Stakeholder Relationships and Programme Reporting across Leading FTSE Companies	Journal of Business Ethics	2005
Korhonen	On the Ethics of Corporate Social Responsibility - Considering the Paradigm of Industrial Metabolism	Journal of Business Ethics	2003
Maignan; Ferrell	Corporate Social Responsibility and Marketing: An Integrative Framework	Journal of the Academy of Marketing Science	2004
Moir	What do we mean by Corporate Social Responsibility?	Corporate Governance	2001
Morimoto; Ash; Hope	Corporate Social Responsibility Audit: From Theory to Practice	Journal of Business Ethics	2005
Snider; Hill; Martin	Corporate Social Responsibility in the 21st Century: A View from the World's Most Successful Firms	Journal of Business Ethics	2003
Welford	Corporate Social Responsibility in Europe, North America and Asia. 2004 Survey Results	The Journal of Corporate Citizenship	2005
Zambon; Del Bello	Towards a stakeholder responsible approach: the constructive role of reporting	Corporate Governance	2005
<b>Cluster 3</b>			
DesJardins	Corporate Environmental Responsibility	Journal of Business Ethics	1998
Van Marrewijk	Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion	Journal of Business Ethics	2003
Zwetsloot	From Management Systems to Corporate Social Responsibility	Journal of Business Ethics	2003
<b>Cluster 4</b>			
Castka; Bamber; Bamber; Sharp	Integrating corporate social responsibility (CSR) into ISO management systems - in search of a feasible CSR management system framework	The TQM Magazine	2004
Cramer; Jonker; van der Heijden	Making Sense of Corporate Social Responsibility	Journal of Business Ethics	2004
Dawkins; Lewis	CSR in Stakeholder Expectations: And Their Implication for Company Strategy	Journal of Business Ethics	2003
de la Cuesta González; Valor Martínez	Fostering Corporate Social Responsibility Through Public Initiative: From the EU to the Spanish Case	Journal of Business Ethics	2004
Douglas; Doris; Johnson	Corporate social reporting in Irish financial institutions	The TQM Magazine	2004
Igalens; Gond	Measuring Corporate Social Performance in France: A Critical and Empirical Analysis of ARESE data	Journal of Business Ethics	2005
Jenkins	Corporate Social Responsibility and the Mining Industry: Conflicts and Constructs	Corporate Social Responsibility and Environmental Management	2004
Kok; van der Wiele; McKenna; Brown	A Corporate Social Responsibility Audit within a Quality Management Framework	Journal of Business Ethics	2001
Kröher	Tue Gutes und profitiere davon	managermagazin	2005
Muller	Global Versus Local CSR Strategies	European Management Journal	2006
Perrini	Building a European Portrait of Corporate Social Responsibility Reporting	European Management Journal	2005
Quazi; O'Brien	An Empirical Test of a Cross-National Model of Corporate Social Responsibility	Journal of Business Ethics	2000
Salzmann; Steger	Die soziale Verantwortung von Unternehmen	Harvard Business Manager	2006
Székely Knirsch	Responsible Leadership and Corporate Social Responsibility: Metrics for Sustainable Performance	European Management Journal	2005
van der Woerd; van den Brink	Feasibility of a Responsive Business Scorecard - a pilot study	Journal of Business Ethics	2004
Whitehouse	Corporate Social Responsibility: Views from the Frontline	Journal of Business Ethics	2006
<b>Cluster 5</b>			
Daub; Ergenzinger	Enabling sustainable management through a new multi-disciplinary concept of customer satisfaction	European Journal of Marketing	2005
Gond; Herrbach	Social Reporting as an Organisational Learning Tool? A Theoretical Framework	Journal of Business Ethics	2006
Verschoor	A Study of The Link Between a Corporation's Financial Performance and Its Commitment to Ethics	Journal of Business Ethics	1998

In sustainability literature, a general trend concerning the use of definitions is difficult to recognize, however, two major streams exist (marked with a dotted circle in Fig. 1). A large number of scientists describe CSR as stakeholder-oriented, social pillar of SD, slightly more, though, tend to replace the term SD by CSR without restrictions which then pictures CSR as a



three-dimensional concept of sustainability. It is impossible to say if CSR is more likely to be used as a synonym for SD in future or if it is rather seen as the new stakeholder approach or as the social dimension of SD.

It is important to say that a stakeholder orientation is necessary for all defined clusters as the concept of SD or CSR mainly concentrates on the needs of the affected parties of corporations. Yet cluster two represents CSR as stakeholder approach which is limited to questions concerning the social dimension. Cluster three and four present a consideration of the stakeholders over all dimensions of SD. Cluster one can be seen as pre-stage for all others. It is interesting that the term SD is still used – also for describing the social dimension which is often replaced by the term CSR or others. The term SD seems to be used especially for articles in which the environmental pillar is focused on. In general, CSR is seen as ethical concept but is not defined as the basic framework for SD on corporate level.



**Fig. 1: Interdependences between the clusters.**

The findings of the literature study are shown in Fig. 1. Representing the relationship between the clusters (the diameter indicates the number of articles found), some circles stand in logical position to each other. Cluster one delivers a basic assumption for cluster two, the latter which describes CSR as the social pillar of the triple-bottom-line. Cluster one also affects the hypothesis of the synonymous character, or that CSR is based on SD. A link between cluster three and four is possible, too, as a loose interpretation of cluster three (CSR as SD on corporate level) can result in an identical definition of SD and CSR. Only cluster five is not interdependent with others.

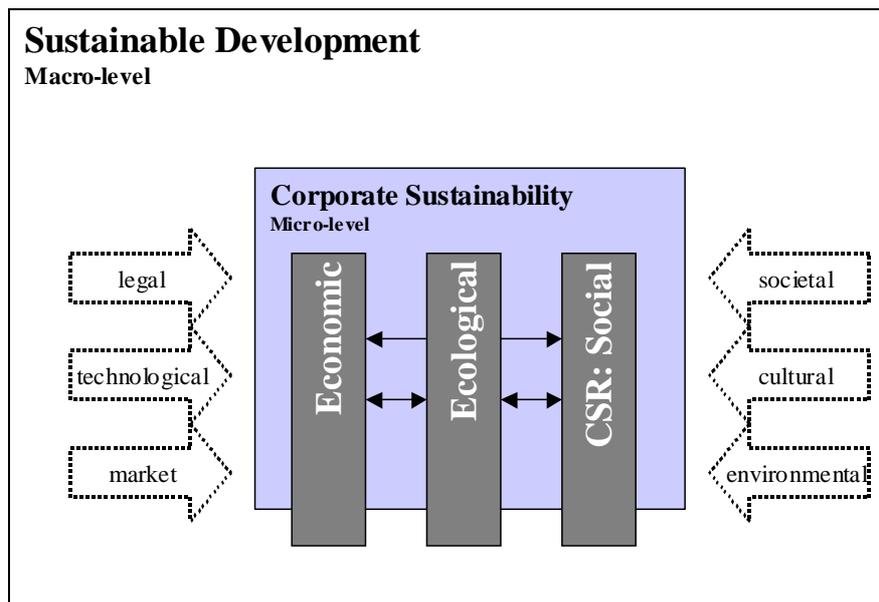
From the reviewed articles, about a quarter present models of how sustainability might be implemented into business management or demonstrate findings of empirical studies. In literature, it is often stated that commitment to sustainability impacts the economic performance of companies in the long-term (e.g. Kröher, 2005, Schwarz et al., 2006, Dawkins and Lewis,



2003, Salzmann et al., 2005, Hopkins, 2002). Nevertheless, it is difficult to measure if an increasing financial performance is (only) related to SD activities.

## Recommendations

In our opinion the terms should be used in their original semantic sense. Scientists, who use CSR synonymously for SD or argue that SD is the basis for CSR, mix up terms and alter their original meaning. As there is a trend to describe CSR as umbrella term for sustainability issues – especially in practice – sustainability science is becoming more diffuse.



**Fig. 2: Relationship between SD, Corporate Sustainability and CSR.**

The basic idea to incorporate the sustainability aspect into business management should be grounded in the ethical belief of give and take to maintain a successful company in the long-term. As the company is embedded in a complex system of interdependences in- and outside the firm, this maintaining character should be fulfilled due to the company's commitment in protecting the environment or reducing its ecological footprint and due to the general acceptance of its corporate behaviour by society in- and outside of the firm.

We recommend using CSR as social strand of the SD-concept which is mainly built on a sound stakeholder approach. CSR focus especially on the corporate engagement realizing its responsibilities as a member of society and meeting the expectations of all stakeholders.

Fig. 2 shows our proposed framework. We see SD as defined by Brundtland and the model of the triple-bottom-line as an ethical concept which offers ideas concerning sustainable orientation on a macro-level. The concept of SD on a corporate level is stated as Corporate Sustainability which is based on the three pillars economic, ecological and social issues, therefore, the social dimension is named CSR. The corporate orientation on sustainability is specially affected by external influences due to the specific sustainability orientation on a macro-level:

- Legal/Institutional: laws, human rights, etc.



- Technological: new technologies
- Market: suppliers, competitors, customers, trends
- Societal: NGO's, society
- Cultural: attitudes, behaviour
- Environmental: nature, availability of resources

Not only does society influence the company, the implementation of Corporate Sustainability in companies also has positive effects on society in the long-term, as indicated by the grey columns which reach into the white area of figure 2.

For future research, it is of tremendous importance that sustainability terms are used similarly within the scientific community – and practice. This necessitates the adaptation of definitions in which the semantic meaning of CSR and related terms should be the main focus on an institutional level, within NGO's or other organisations (WBCSD vs. EU).

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