

Original Paper

What Purpose Does a Company Serve in the World? Swedish Students and Sustainability Professionals in Dialogue on Corporate Sustainability

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Abstract

Corporate sustainability is a field in rapid development. As our global challenges gain more attention through the overarching strategies forged through for example, Agenda 2030—the role of companies become more important in working towards a sustainable world. Via interviews with students and sustainability professionals, this piece of research examines how the two different groups perceive the future of corporate sustainability and what companies should prioritize to be a part of the solution for a sustainable world. Three different themes per group arose as important, and the result shone a light on how differently the groups perceived responsibility for solving our shared challenges, as well as the need for collective frames as to what a company is and what purpose they serve in the world moving forward.

Keywords

corporate sustainability, holistic value creation, circular economy, strategic values, innovation, consumer choice, Agenda 2030

1. Introduction

1.1 Overarching Strategies for Sustainability

In a world of great shared challenges, such as climate change, social exclusion and unstable financial systems—the issue of pursuing and innovating for sustainability becomes ever more important for all actors in society. Complex systems and global value chains define people, planet and profit. Companies are an important part of the fabric of society—and has an important part to play in transforming operations and business models to adapt to planetary boundaries, new innovations and norms in relations to the field. In response, sustainability has travelled up the hierarchy in businesses, having moved from the communications department, into becoming an important issue for owners, boards and investors alike (Hallin et al., 2018). At the same time, several large-scale initiatives for sustainable development were born and pursued. Seventeen goals have been formulated to describe the UN Agenda 2030, to guide the transformation process that needs to take place for all actors and citizens in society. It is a plan of action in developing a truly sustainable world where all can thrive (UN, 2018). Companies are an important actor to fulfill the Agenda, albeit their role is still unclear. The Swedish delegation for the Agenda 2030 has the mission to propose a plan of action for the Swedish government in how Sweden should work to be aligned with and towards the fulfillment of the Agenda. After their initial work, they propose six action

points relevant for Sweden, one being that there is a need to find business models that expire from the ecosystems framework and social sustainability, while at the same time rendering profitability of the industry maintained or strengthened (SOU, 2016).

1.2 Holistic Value Creation

The corporate sustainability field is in rapid development, and the future of the field is unknown. There is widespread uncertainty amongst business leadership as to what companies should do in their core operations to move towards a sustainable future (Hallin et al., 2018). An increasingly interconnected system further complicates sustainability work and demands new takes on the field. Silvia et al. (2013), amongst many other researchers, has for the past decade highlighted the increasingly complex nature of organizations, institutions and societies. Their actions are impacting each other, are intertwined and therefore we refer to our economy as global. All these organizations are all operating within a shared system—and in the center of that economy are companies, their business models and operations—affecting all components of the system. In an interdependent world, the traditional ways of working with sustainability is flawed—as they often are derived from a linear thinking focused on isolated issues rather than systems. Many companies are still struggling with how to work in core business and operations to understand themselves and the world they operate in in a sustainable way. Research done by the Inter Business Initiative propose a holistic view of sustainability, business and their value creation as one way forward when developing truly sustainable structures. Through published research we have found four abilities or key-components to be of utmost importance when working towards a holistic sustainability agenda; purpose, empathy, systems approach and transformation (Hallin et al., 2017). Understanding the value that companies bring to the world, and understanding their place in the system, how they affect all stakeholders, having the ability to build relationships and understand the information found there as well as having the ability to transform at in relation to a changing environment proved important for company success for future preparedness. There is no one size fits all solution to corporate sustainability, but what is clear is the need for all organizations to have the ability to prioritize and navigate a truly complex map of value chains, stakeholders, shared challenges and legislation on a global scale to successfully work for sustainability. The uncertainty of the field is an object of much-needed research—and as the field develops, we need to grasp how different stakeholders understand corporate sustainability, the strategies forward and the priorities being made to achieve a sustainable world.

1.3 Understanding Stakeholders Using Empathy

Empathy, the ability to place oneself in the shoes of another (Pavlovich & Krahnke, 2012), is a tool to understand relationships and the important information that could be found there. By using empathy, companies and organizations have the possibility to examine how stakeholders understand and value the pressing issues on the table (Gorry & Westbrook, 2011). It enables companies to become more attuned to society outside the organization—and rises the most important questions organizations must ask themselves when moving forward. By using empathy, companies are challenged to understand that stakeholders may inhabit entirely different worlds—which means that companies can't operate solely on their own financial success, but that the skill of empathy must be present in decision making processes throughout. Systematic change is in need of deep knowledge about people, places and context (Hallin et al., 2016).

1.4 Research Objective

Knowing that the corporate sustainability field is in rapid development, that overarching strategies to work towards a sustainable world are being forged on a global scale and that empathy is an important tool to understand stakeholders, we want to look further at two important stakeholder groups and their views on corporate sustainability. In this research, we examine attitudes towards corporate actions in relation to next steps moving to a sustainable world. Through different dialogues we have found that sustainability professionals working in companies and students on their way to the job market have different views on what companies need to prioritize to achieve a sustainable world. By using empathy and appreciative inquiry, we want to find out how these two groups reflect around priorities and what needs to be done to build a sustainable world from their different perspectives, and what role companies hold in that structure. To understand the separate views of two stakeholder groups, give important information in forming strategies moving forward towards fulfilling the Agenda 2030.

2. Method

2.1 Background

To investigate the attitudes and perceptions surrounding corporate sustainability, we interviewed two different groups with different takes on the subject—sustainability professionals and students in Sweden. They have different vantage points, as sustainability professionals understand different approaches and gains from company actions, and students are on their way into the job market—and therefore constitutes the future of the field. Four different sustainability managers at various companies in a range of sectors participated in in-depth structured interviews during the spring of 2018. Four students participated in similar interviews. We conducted the interviews at each respective office of the sustainability managers participating in this project and on-site at Södertörn University. We chose these target groups with the aim to analyze the self-perception of the sustainability professionals but also what perception students have regarding corporate actions and strategies towards fulfilling the global goals of Agenda 2030.

The interviews were in part based on questions gathered through an online survey, where students could pass along questions to sustainability professionals and vice versa. 150 people participated in the online survey, and the most common questions passed along to each group were clustered together and used in the interviews.

2.2 Theoretical Framework

To analyze these two groups and their perception of corporate sustainability, we used the theory of appreciative inquiry to inform our approach. The method was devised by David Cooperrider but is considered a variable tool, suitable to the need of the researcher (Bushe, 2011). It is a strength-based approach rather than problem-based in that it is used to search for what works within an organization, what it is that makes the organization living. It has been explained by other researchers as the cooperative search for the best within the subject, in this case, organizational life. By asking questions that evoke positivity and creativity around the matter, the theory of the method is that it can give insight into what it is that makes an organization unique by singling out its strength based qualities. The method in itself is grounded in the theory of social constructionism, and therefore discourse and narrative are perspectives that laid the foundation of appreciative inquiry. The theory of appreciative inquiry is simply put that with a conversation we also create reality in a postmodern understanding of conversation, that is by steering the discourse and narrative of the conversation to an appreciative understanding (Bushe, 2011).

2.3 Interviews

Based on the questions that the students and professionals sent along to the other group, we conducted interviews with representatives from each group during the spring of 2018. The interviews were structured and were crafted through the lens of the 4D-model, derived from the method of Appreciative Inquiry. Using the 4D-model, the researcher follows a set strategy of appreciative inquiry by implementing the 4D's-Discover, Dream, Design, Destiny (Bushe, 2011). The goal is to craft questions that empower the positive perception of what works within an organization so that further work can be made done to strengthen those aspects of the organization.

3. Result

After qualitatively analyzing our interviews we found three themes that were commonly appearing in each set of interviews. To distinguish the difference in attitudes and priorities in each group, we will present the results in two separate sections below, first looking into the themes that sustainability professionals raised in 3.1, and students in 3.2.

3.1 Sustainability Professionals

The three themes of importance arose in the interviews with the sustainability professionals when asking them about their perceptions the future of sustainability in their company.

- Circular economy,
- Strategic values and,
- Innovations.

3.1.1 Circular Economy

One priority transformation that companies in the interviews are working to incorporate in their business models, is the idea of circular economy. A circular economy is a model that presents two different economic cycles, biological and technical. The biological cycle regenerates the waste material produced from our consumption of such material that is produced by nature. The technological aspect is to restore used hardware and create new material that can be used in the further production of cars, computers, cell phones (Rizos et al., 2015). As found in our interviews, it is imperative for companies to incorporate circular economy successfully to maintain a profitable model, as we are living on a finite planet with finite resources, there is no future where companies can thrive if action is not taken. The sustainability professionals are aware of what can be done within the time frame that lays ahead to 2030 and are actively creating sustainable strategies in alignment with the set global goals. The key to the circular economy, according to business models of companies we interviewed, is to focus on internally developing internal strategies and at the same time finding and endorsing external innovations to support the cause as well. In relation to the need of investing and recycling for a circular economy, the companies expressed that there needs to be a stronger initiative from the politicians' side. They encourage more regulations in the field, as it would expand their mandate both inside the organizations as well as have a true impact on company actions. An example could be laws that prevent companies from acting unsustainable in an economically profitable way. That would also ensure fair market competition, which seem to be a concern of most companies today in relation to sustainability work. For a circular economy to be a successful concept that companies adapt to, there needs to be a somewhat financial beneficial outcome in the end, and for regulations to ensure a fair playing field.

3.1.2 Strategic Values

One theme that arose in interviews with the sustainability professionals was the importance of values for each company. The business opportunity to work towards a sustainable future is manifested by the values, enforcing the importance of these values being strategically chosen and formed. Each sustainability professional interviewed maintained that the successful work towards sustainable development in their company was due to the core values of the companies. The Agenda 2030 goals, for example relating to gender equality or diversity, manifests as tasks that companies can take upon themselves by living their core values. Company values have gained importance inside as well as outside of companies, and they are all well aware of the responsibility they own in their operations. The company values work as safeguards towards rogue potential partners, as they are all scrutinized to make sure that they meet their criteria for fair values. Sustainable investments are another area where values provide guidance—strategies are built around matching values as the monetary and ethical risk is to large if investments are being placed in partners that do not align on the matter. Making sure that employees experience a healthy and meaningful work environment is another important sustainability priority for the company managers interviewed. As is working towards inclusion and diversity in the workforce. Values often present an important part of this work, and are being used to measure and manage employee satisfaction.

3.1.3 Innovations

Another theme current in all interviews was the importance of having a strategy to further invests in sustainable innovations relating to the company's core business, for example innovations to ensure the continuing ability to provide their customers with products and services with a minimal environmental impact. Many seem to consider innovations to be an essential aspect of the future company that they envisioned. The investment in innovation also make more companies want closer collaboration with politicians, they need to know the value of some innovations—and create legislation that support their use. Laws are not up to date with the contemporary need of new ways to think and act regarding these potentially valuable innovations that are being developed. The groundbreaking processes that are taking place, referring to the automatization, electrification and digitalizing development, does and will fundamentally change society and with it, company's business models. Innovations are key to manage the rapidly changing societal structure—as well as the sustainability challenges of modern society. A company alone cannot solve the issues of sustainability, but with innovative solutions creating a sustainable world, it becomes easier to collaborate and develop new strategies together with other actors in society. Companies, therefore, work on innovations that will be solutions to achieving the Agenda 2030 goals by further developing the technological and also commercial aspects of their business.

3.2 Students

Three different themes of importance arose in the interviews with the students when asking them about their perceptions the future needs of corporate sustainability.

- Consumer choices,
- The concept of power and,
- Identifying the knowledge gap.

3.2.1 Consumer Choices

In our interviews with the participating students, one of the leading concerns that they expressed was the environmental issues our world faces. And how they understood companies' sustainability work in relation to themselves was related to consumer choices and the product transparency needed to make those choices. As companies put so much effort into marketing with a clear purpose of selling products,

the students feel insecure of the reliability of corporate communications around sustainability. They want to learn more about product lifespans and how manufacturing a product affects our world. They are looking for a more genuine and honest relationship between consumer and company—they want more information as to how a company's core strategy and business actions reflect on environment and our shared challenges. An important priority as stated by the students would be a stronger commitment from companies to work with transparency in their communications surrounding products, making sure that consumers can make ethical choices that are aligned with their own set of values and norms.

3.2.2 The Concept of Power

Students in our survey feel that companies hold more power than politicians, and to some extent more knowledge of the sustainability field as well. This means that companies have even more responsibility than Sweden's elected officials—and that they need to lead the development. Students expressed that companies themselves should create more initiatives towards informing the politicians about sustainability and value creation—meaning that they should be collaborating, offering expertise and to some extent take part in decision making in the area of sustainable development. The students gave examples of how the companies better could involve themselves in the fabric of society, by perhaps conducting informal initiatives such as visiting schools and local communities in various ways to educate on their business models and ways they do take responsibility. The main issue with the companies' power according to the students did not seem to be that they thought that they did not have enough power to actually make an impact, but that the power that companies have is being mismanaged. For the interviewed students, power meant responsibility in this context. They saw the environmental issue as the primary concern regarding the corporate impact on society and the logic behind politically forcing top-down incitements on companies did not seem lucrative. It was also expressed that politicians and the general mass have to take responsibility for how they spend their money, however to do so, some of the participating students said that they also have to have adequate information regarding this.

3.2.3 Knowledge Gap

In the previous themes above, it stands clear that the students feel that their knowledge does not match that of global companies and their actions. The interviewees perceived that they could only make what they felt were the "right" choices from the context of being a customer. However, the students thought that issues regarding need for sustainable development are ever more significant, and they understand that the shared challenges are greater than that they could be solved by consumer choices. They want and need more information on corporate sustainability work to understand how to value the efforts—and understand how to act themselves. According to students, one main responsibility companies should endorse is the education of students and young people in their knowledge in sustainability work; the challenges they are looking at solving, the actions taken, as well as the affect products and services have on society in all forms.

4. Conclusion

As the interviews groups stem from different ages and roles in society—with an inside as well as an outside view on corporations and their sustainability work, in addition to varying degrees of work life experience—we expected the two groups to mention very different priorities for companies in their work to ensure a sustainable future. Obviously, the professionals would have more insight as to how companies work and a more strategic view point of businesses and sustainability. We expected students to probably have a more idealistic idea of change and transformation. After analyzing the topics that arose from our discussions, ownership proved to be one of the most interesting themes in our conclusion

of these separate views. Sustainability professionals wish more regulations from politicians to get the mandate to change structures, strategies and operations. They assume power to change ultimately is found in the political system. Students believe that companies should take the lead and to some extent side step elected officials to lead in the field, assuming that companies hold true ownership over the issues relating to sustainability. Students also believes that it is up to consumers to decide what to spend money on and support, thus deciding that individuals hold the highest responsibility and making it up to the individual to take responsibility and navigate towards a more sustainable world through their choices. In addition, sustainability professionals are to a very large extent connected to the Agenda 2030 goals in their reasoning and discussion, and holds a strategic perspective of how to prioritize to enable a better future. They are looking up the hierarchy for direction and priorities. Students, on the other hand, express that they feel that they themselves to a large extent are ultimately responsible when they are making their consumer choices. No student even mentioned the larger frameworks such as Agenda 2030 or the Paris Climate deal. There is an interesting strain in the logic of the argument—as to which role a company should have in a rapidly changing society in demand of new solutions for a sustainable development—how much responsibility do they hold? Who owns the responsibility for sustainable development and priorities?

Sustainability professionals are looking at new models needed to ensure the continuance of their companies' business—innovations and new business structures. They are seemingly building the road as they drive along, not knowing exactly what they are to do in the coming years to meet the overarching strategic guidelines for our sustainable planet, like the Agenda 2030. What has been made clear is that sustainability needs to be at the core of the business, in strategy and operations. The students expressed a lot of criticism as to how companies operate, communicate and hold relationships. They were not certain of the authenticity of corporate actions when promoting products as sustainable—but did not see core operations or material aspects as interesting when expressing their critique or as fundamental for sustainability efforts. Company influence becomes obvious as students both feel that companies are more reliable in their know-how about sustainability than politicians, and also expresses a need for them to educate and share about both sustainability as well as the actual impact themselves and their products have on the world. In relation to that conclusion, students had improved corporate communication and transparency top of mind as important priorities for a more sustainable world. None of these is of course related to the actual negative environmental impact a company is responsible for, and has nothing to do with changing what a company actually does through value chains, strategies or operations. Students themselves understand that they need to learn more about sustainability, our shared challenges and how to solve them, but it also becomes evident in our interviews that students lack insight in how a company works, as well as a solid idea about what purpose they think a company should have in a sustainable world. The very dual relationship the students have towards companies are highly interesting. They represent think tanks, innovators, leaders in sustainability, decision makers for good, but also fake, money hungry and deceiving. Students do understand the peril that environmental and social demise creates if left unattended, and they worry significantly about it. Those were often the main concerns expressed by our interviewees which is an ethical standpoint on a matter of subject that they did not know much about. It seems that students, however, don't know whom to hold responsible for the grave challenges ahead, except naming company names when trying to understand how these situations could arise, and how they could be solved.

5. Discussion

The dialogues and discussions we have held as a part of this project shines a light on the need for collective framing of concepts. The views of what to prioritize in working with sustainability for the future in these two groups interviewed was expected to be different—but through the research it has become clear that definitions of what a company is, or should be in a sustainable future and on the path to it, seems unclear to both groups. Purpose seems to be a central underlying theme—what purpose does a company serve in the world? Depending on what we decide, a vast set of options of what this company will do and what responsibility it will take is going to manifest itself. The confusion around what a company is in our modern day, also presents obstacles in the ownership of sustainability. The company structures are being connected to vastly different identifiers, and very different aspects and extents of sustainability responsibility. Maybe a testament to a rapidly changing future. Undeniably powerful and a mandatory part of reaching the Agenda 2030, the corporations' role is as difficult to define as the politicians when handing out responsibility and ownership. As is the amount of responsibility resting on the individual, the company, the state or the UN is unclear, and especially when linked with global value chains, regulations and great challenges needing solving. The UN Agenda 2030 is an interesting framework to benchmark against when regarding students' and sustainability professionals' self-perception and attitudes towards the change we need to live on a sustainable planet. It represents the overarching, top level and big movement that we are working towards, the vision in one way. The awareness in the student group of this global initiative was very low, which seemed to narrow their mind-set of what was possible to achieve in terms of sustainable development. When lacking insight of the big strategy and the gathering movement that the Agenda aspires to be, their conclusions land in their own hands—consumer choices and being on the receiving end of corporate sustainability communication. Although more research is much needed—an interesting question that arose in our work with this article was, purpose a company should serve in our modern day? And maybe more importantly, what do we need a company to be in this changed context?

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