

Corporate Social Responsibility,
the Triple Bottom Line,
Standardization and Brand
Management in Houston, Texas

Tashiba Dixon

Examensarbete i Hållbar Utveckling 207
Master thesis in Sustainable Development

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Master thesis in
Sustainable Development
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Abstract:

This study examines Corporate Social Responsibility in Sustainable Development and the notion of the Triple Bottom Line as an imperative in today's socially responsible corporation. Standardization is used as a tool for integrating social and environmental costs and benefits into the financial bottom line of an organization. This research aims to discover what standards or methods are used to measure social and environmental progress in three organizations in Houston, Texas and the implied potential for CSR as a driver for profitability. The primary data included in this research was captured through semi-structured qualitative interviews with upper level management of the three companies included in the final study. The results consistently supported positive correlations between CSR and improvements in company image and stakeholder relations. One participant was also able to report evidence of increased profitability through cost containment as a result of their integration of CSR initiatives throughout their organization.

Keywords: Sustainable Development, Corporate Social Responsibility, Triple Bottom Line, Environmentalism, Standardization, Brand Management

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Summary:

An increasing number of companies are incorporating social responsibility into their organization for the perceived benefits it offers to their company brand or image and the potential for increased efficiency in their operations. To move beyond that point, it is important for corporations to be able to quantitatively identify these benefits as well as the true environmental and social costs associated with their operations. The main purpose of this study is to determine the methods being employed by a sample of corporations in Houston, Texas to measure the effects of their social responsibility programs on their organization and surrounding communities, and further to determine the results of their measurements and the overall effects on their bottom line. The results of the study support the idea that CSR can be a useful tool in improving a company's brand and reputation and provide a means for cost containment and increased profitability.

Keywords: Sustainable Development, Corporate Social Responsibility, Triple Bottom Line, Environmentalism, Standardization, Brand Management

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List of Abbreviations

ANSI – American National Standards Institute

BREEAM – Building Research Establishment Environmental Assessment Methodology

CERES – Coalition for Environmentally Responsible Economies

CSR – Corporate Social Responsibility

EIA – Environmental Impact Assessment

EIS – Environmental Impact Statement

EPA – Environmental Protection Agency

GHG – Greenhouse Gas

GRI – Global Reporting Initiative

IPIECA – International Petroleum Industry Environmental Conservation Association

ISO – International Standards Organization

LCA – Life Cycle Assessment

SD – Sustainable Development

TBL – Triple Bottom Line

TIMM – Total Impact Measurement Management

USEPA – United States Environmental Protection Agency

1. INTRODUCTION

The natural environment sustains all life on the planet. Without life nothing is possible. Without the natural environment, no life is possible. Oftentimes, in the complexities of everyday modern day life, the importance of the environment can be easily overlooked. With daily activities dictated by the pursuit of economic well-being, the environment is easily second priority, if one at all. It is only when the lack of environmental regard and foresight result in environmental misfortunes that challenge the economic systems in which we operate, that we are reminded by nature of its delicacy, and the sensitivity of its ecosystem. Some well-known examples of such events are the BP Deepwater Horizon of 2010, Fukushima water contamination, and the Chinese smog crisis of 2014. In the aftermath of the events mentioned, it seems that existing legislation proved inadequate in providing the necessary ecological protection. Instead, the state offers temporary solutions to a clearly larger overwhelming issue of pervasively poor environmental management.

1.1 Background

Corporate Social Responsibility (CSR) is the derivative of Sustainable Development that addresses corporate behaviour and how environmental management strategies are used as tools for growing a company's image and cumulative effects on their environment, as well as their profits. The Triple Bottom Line (TBL) argues for businesses to measure their success according to three perspectives: people, planet and profits. (Elkington, 1998) Their performance in each category represents their perceived commitment to their stakeholders, the natural environment and their economic profits, respectively. It suggests that the relationship between the categories is not necessarily a trade-off where one must be conceded in order to achieve the other, but where a balance must be achieved in order to maximize the potential benefits in each category. As increased efficiency and innovation can lead to advantages that create a competitive edge and in turn leads to its own profitability, without compromising the environment, a company's attention to social issues can earn their brand the respect of communities and loyalty of consumers.

When a corporation is proactive in its approach to resolving social and environmental issues in communities within the sphere of its stakeholders, and when it carries out this approach with positive cumulative effects on these communities, it can be considered to be acting socially responsible. This ever widening sphere of stakeholders arguably includes employees and managers, customers, suppliers, creditor, shareholders, government as well as society at large. Doing so, many companies are opting to take it even a step further. In many cases, companies are not required by law to act responsibly. Regulations are often considered to be inadequate, outdated and lacking enforcement. One alternative to regulatory compliance is standardization. By voluntarily implementing standards into their operations, companies are able to show their alignment with the international community in terms of their regard for the environment and

their commitment to acting with care. This sends a message to the ethical consumer; a valuable message.

CSR on a whole is sometimes considered to be philanthropic as opposed to obligatory. However, one deterrent is that standardization is a voluntary undertaking. And since companies are not required by law to use and implement standards in their operations, many will not.

The TBL has the potential to demonstrate to corporations, in favourable terms, that social and environmental responsibility are relevant factors in their financial statements and that its inclusion can be beneficial to the company. The idea first emerged in the 1990s, when John Elkington introduced the term in his book *Cannibals with Forks: The Triple Bottom Line of 21st Century Business* (1998). It reintroduced the need to look beyond financial accounting and encourage corporations to also account for their environmental and social impact. The major challenge of the model lies in quantifying the true cost/benefit of social and environmental responsibility.

1.2 Triple Bottom Line Arguments

Not all issues or ideas are favourably received when discussing the environment. Different stakeholders have different perspectives upon which they base their opinions and actions. This extends to their views on the right course of action. While the TBL is being championed by supporters as a means for evaluating and improving the approach to social and environmental sustainability within organizations, its critics also question its validity and practical usefulness. One critique regarded the TBL as inherently misleading because of its inability to deliver its literal meaning (Norman and MacDonald 2004).

Further arguments are that social and environmental issues cannot be quantified in the same respect as financial figures that make up the net profit/loss of a company. These issues are qualitative by nature and it would be impossible to find standard indicators to represent them quantitatively on audited performance reports. It is also disregarded as alluring rhetoric that provides no concrete requirements for organizations, and instead provides shelter for firms to hide behind with no real commitment to social and environmental change (Norman and MacDonald 2004). However, Pava, in response, argues that the TBL is used metaphorically to challenge conventional thinking that corporate performance can be assessed or summarized by any single indicator, such as net income; and that it serves as a reminder that “corporate performance is multi-dimensional” (Pava, 2007, p. 108).

Tullberg (2012) commends the ambition of the model but feels that ecological footprint calculations and other reporting indexes are positive indicators that the problems of aggregate measurements being used can be resolved. The model does need further enhancement as academic disinterest is cited as one main reason for its current state of underdevelopment (Tullberg, 2012). All evaluators mentioned appear to agree that the major limitation of the TBL

is the lack of academic exploration to complement the growing corporate interest in the subject area.

1.3 Texas Overview

Texas is the second largest state in the United States, spanning an area of approximately 261,231 square miles. According to the US Census Bureau, the estimated population of Texas in 2013 was 26,448,193, a 5.2% increase from the 2010 figure (US Department of Commerce, 2013). Needless to say, due in part to its size, the state is home to large and diverse industries, along with a vast amount of natural resources. As described by the Office of the Governor Economic Development & Tourism, in the Overview of the Texas Economy, increased industry trends have been categorized in six clusters as follows:

- Advanced Technology & Manufacturing
- Aerospace, Aviation & Defence
- Biotechnology & Life Sciences
- Information & Computer Technology
- Petroleum Refining & Chemical Products
- Energy

The state has reflected favourable performance in Employment growth, Research and Development, Real Estate, Tourism, Gross State Product, Transportation and International Trade (US Department of Commerce, 2013).

1.4 Challenges to the Environment

To highlight some major events taking place with respect to the local environment, in March 2014, the collision of a ship and a barge in the Houston Ship Channel at Galveston Bay, a part of the Port of Houston, resulted in the barge dumping approximately 168,000 gallons of thick, tar-like, fuel oil into the water. Although the overall effects of the spill are difficult to measure, the Houston Chronicle reported over 22 miles of impacted shoreline, affected wildlife population, and underwater ecosystem, and some reports of retail commerce decline. (Rice, 2014) The impact is not easily assessed as overall environmental effects are not always immediate. Although not as severe, the spill and clean-up efforts are reminiscent of the Deepwater Horizon spill of 2010 in the Gulf of Mexico, or the Exxon Mobil spill in Alaska in 1989. Not only were there serious environmental implications, such as water contamination, loss of wildlife, but the social and economic effects were also enormous. Many business owners from the affected local communities could no longer sustain their livelihoods as the impact sent the local fishery industry into decline.

The BP oil spill is one of many environmental disasters and its relevance is simply to highlight the larger issue of accountability in corporate practices as well as corporate contributions to

environmental carrying capacity. The issue is that even though people may forget, the problems persist and the implications are lasting. Various news media outlets adapted the story and reported on the disaster around the clock; media frenzy erupted, and the global society responded with an outpouring of concern for the different affected stakeholders. Sadly, when the sensational news stories became stale and the shock of the events subsided, what remained was an audience forgetful, and unaware of the enduring, and often, irreversible damages sustained by the environment.

According to the Associated Press (2010) "Texas has more oil refineries, chemical plants and coal-fired power plants than any other state and is the nation's leader in greenhouse gases. The state produces more than 20 percent of the nation's oil and one-third of the country's gas is refined along the Texas Gulf Coast." And According to the EPA, Texas ranks first with the highest levels of Carbon Dioxide emissions nationally. Approximately 680 million metric tons, mostly from industrial, electric power and transportation, were measured in 2011 (EPA, 2013). The state is challenged by many of the same environmental threats faced across the world, especially those associated with natural resource use, energy and petroleum refining. While some environmental effects of corporate operations are avoidable, others cannot always be anticipated. All types must be managed and accounted for.

One main area of concern for the state of Texas is its air quality. The Houston-Galveston area (HGA) consisting of eight counties in Texas, including Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller, is categorized as "severe nonattainment" for its poor Ozone quality (City of Houston, 2014). This classification by the US EPA is reserved for areas where ground level Ozone occurs at high levels due to Nitrogen oxides reacting with volatile organic compounds. These emissions are a combination of transportation exhaust, industrial facilities, energy production and other activities taking place in the city. These ozone levels can have negative respiratory effects on the more vulnerable population such as young children or elders. As a result of Texas' severe classification, the State is responsible for submitting plans of action to the EPA, for achieving Ozone attainment by June 2019 (Texas Commission on Environmental Quality, 2014).

In February 2014, a lawsuit against Exxon Mobil went to trial in Houston federal courts. The suit was brought by the groups, Environment Texas and Sierra Club, in an effort to force the company to reduce emissions from their Baytown refinery complex in compliance with the Clean Air Act. The Baytown refinery complex happens to be located in The Houston Galveston non-attainment area and the company is accused of repeatedly violating emission regulations over an eight period since 2005, suggesting a lack of enforcement by regulators. The environmental groups have had previous success in suits against oil giants Shell Oil Company's Deer Park refinery and Chevron Phillip Chemical Company's Cedar Bayou plant, where the companies agreed to take steps to reduce illegal air pollution by 95 percent, spending millions on equipment upgrades. The implications for the current suit are quite significant as it may create a sense of urgency for other companies to find ways of reducing their emissions also. (Tresaugue, 2014)

The Texas Tribune recalls an instance in 2007 when the Environmental Protection Agency admitted failing to enforce action in an oil spill in Edwards Creek, Texas, due to uncertainty as to whether or not the Clean Water Act gave them the necessary jurisdiction to demand cleanup of the stream, as “navigable waters.” The EPA is now proposing a joint rule with the US Army Corps of Engineers to better clarify the agency’s authority over smaller bodies of water that may still fit their criteria for protection. (Sementelli, 2014).

Some of the activity taking place in the state suggests a trend in defence of the environment. It shows that residents are concerned about their health and well-being as it is affected by their surrounding physical environment, and also their demands for corporations to be held accountable for their impact on this environment. If this impact is positive, it must also be acknowledged. This can potentially be supported with the TBL. The events also depict the contention of inadequate or outdated legislation, incapable of resolving the current environmental crises and sufficiently protecting the environment.

1.5 Research Boundaries

The physical boundaries of the study span the major US city of Houston, Texas. Houston is ranked as the largest city in the state of Texas and the fourth largest in the United States. This city was selected for its sizable population and economic activity, as well as for the available network of organization participants for the study. Houston is home to many Fortune 500 companies and is recognized globally for its energy industry. The demographic of the city, wholly, as a model is important. It represents a large type of growing metropolitan city that could serve and benefit from effective CSR strategies and the TBL perspective. Although we can observe an increase in publications related to CSR, TBL and brand management since its introduction, information on the topics are limited with respect to practical applications and methods of measurement. In addition, there are no publications available specific to Houston, in regards to the implementation of CSR there.

CSR is widely applicable across all industries and company characteristics. The companies included in the study are international or global businesses. They represent diverse sizes, revenue, certifications and recognition. Decidedly, companies were not excluded from the study due to absence of certifications. This was to allow the research selection to embody drivers as well as deterrents to CSR and standardization.

1.6 Location and Demographics

Houston is the fourth largest city in the United States in terms of population and is located in the southeastern part of Texas approximately 52 miles northwest of the Gulf of Mexico. 2013 US Census Bureau statistics recorded the population to be 2.19 million; however, the city is grouped as a part of the Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area

(Houston CMSA) which boasted a population of 5.95 million that year. (The City of Houston, 2014)¹. See figure 1 below.



Figure 1. Map of Houston CMSA. (US Department of Transportation. Federal Highway Administration)

Houston's U.S. Census Bureau: State and County QuickFacts, captured from the United States Census Bureau, reported the city's median household income in 2012 to be approximately \$44,648 and its per capita monetary income to be \$27,029, approximately \$1,220 greater than the state's average of \$25,809. (US Department of Commerce, 2014)

1.7 Nature of Industries

Houston is home to a prosperous and booming economy, somewhat unhindered by the worldwide looming financial crises. The economy has experienced tremendous growth in medical, technology and professional services industries. Although once predominantly comprised of energy related companies, it is now balanced with approximately fifty percent of jobs in non energy sectors to complement its strong energy industry. Today its diverse industry base is built up with oil and gas exploration and refining, petrochemical production, healthcare and biomedical research, agriculture and commercial fishing, banking and finance, federal, state and city government, education, media and entertainment, manufacturing and distribution, international import and export, as well as many professional service related industries. It also thrives on the development of high tech industries related to computer, environmental, aerospace technologies. (The City of Houston, 2014.)²

The city serves as headquarters to many corporations due to its developed infrastructure and extensive distribution channels. The benefit of access to US markets through these channels is also a driver for international corporate presence. Land, aviation and marine transportation networks link the south, central and western parts of the United States. (The City of Houston, 2014.)³ The port of Houston is notably the world's 10th largest port, with highest international marine tonnage. Its port system is complemented by a well developed trucking and rail system, supported by over 600 trucking companies. And in 2011, its three major airports

accommodated approximately 50 million passengers, 7 million of which were international travelers. (The City of Houston, 2014.)¹

Many factors have contributed to the overall growth and desirability of Houston. Houston has a reputation of being the energy capital of the world, as it houses over 5000 firms in energy related fields. As a consequence of its notable growth rate, its population also increases as professionals migrate to the city to take advantage of its development. The city also caters to the culturally rich and diverse population, with over 500 cultural, visual and performing arts museums, galleries, art institutions and organizations present. Its employment growth rate and relatively lower cost of living, in comparison with the national average, coupled with a diversely skilled, professional, multicultural population makes for economic welfare that translates into enjoyable social life. In essence, Houston is a great type of environment to promote business success. (The City of Houston, 2014.)¹

The Houston Economy is boasted as being comparable to some independent nations. With the volume that suggests, it does leave room for income disparity between the upper and lower earning income brackets. This in turn contributes to high crime rates and homelessness associated with typical large urban areas. Also, air quality is compromised as a result of industry and transportation emissions. As earlier mentioned, the Houston-Galveston area ozone is categorized as a severe nonattainment area, as the air quality was measured to be lower than the National ambient air quality standards, with respect to the Clean Air Act of 1970. (Green Houston, Texas, 2014)

1.8 Purpose of Study

The study aims to explore some critical elements of CSR. Specifically, to determine if and how socially active companies are employing forms of the Triple Bottom Line concept as a tool for measuring and managing the environmental and social challenges in Houston, Texas. Further, to determine if these efforts are being used to enhance corporate image through rebranding, and ultimately benefitting economic profits. The study is relevant since the Triple Bottom Line has been so rapidly embraced by many corporations as the tool of choice for expanding their social and environmental strategy as a part of their core functionality. The ideas have embedded themselves as a cornerstone of the CSR initiative. It must be further developed and assessed in order to provide the most accurate picture and to deliver the most benefits to all stakeholders involved, including the environmental at large.

1.9 Research Questions

- 1) What are the driving factors for Corporate Social Responsibility in Houston?
- 2) What methods are used by the investigated companies to measure social or environmental performance and impact on the communities or on the company?
- 3) How are the companies' brands or image affected?

- 4) Is there any evidence or instance of increased profitability due to increased social responsibility?

These questions are obviously not expected to be answered definitively for the entire city of Houston through the quantitatively limited case study presented here of only 3 companies claiming to practice CSR in their corporations. However, the study is expected to shed some theoretically relevant light on the subject matter by asking valid questions.

1.10 Research Significance

If CSR and environmental management standards can be demonstrated as a tool for positively influencing a company's image and economic profitability in the case of Houston's industries, a large sections of which is highly energy based and driven, then these results can be used as a source of incentive for other corporations to implement environmental management systems which can help to support transitional rebranding opportunities inherent in the TBL, encouraging these companies to better serve the natural environment and their surrounding communities.

As a by-product the study will result in a deeper understanding of corporate perception of responsibility and sense of corporate environmental accountability relative to operations and environmental impact. The perceived and/or realized benefits and disadvantages will be highlighted, as well as the driving factors and deterrents to the TBL in CSR. The study will be useful in a corporate setting, by demonstrating forms of TBL measurement, as well as potential outcomes for both small and large companies facing environmental, economic and social challenges. The study will also be beneficial in the social environment. This is due to the fact that healthy corporate practices tend to benefit all stakeholders in society.

1.11 Thesis Outline

In the Introduction to this study, the background and problem statement have been introduced in order to give the reader some idea of the discussions surrounding the practical nature of the Triple Bottom Line concept of CSR. It highlighted some of the issues being faced in Houston with respect to the by-product of environmental compromises usually associated with the complex every day operation of organizations, notably in a highly industrial business base.

The purpose and the significance of the study were predicted to highlight the possible usefulness of the Triple Bottom Line concept in measuring social and environmental performance in socially responsible businesses in Houston. The research questions have also been determined in part 1 to serve as a guide in achieving the objectives of the study.

In the next section, part 2, the methods and boundaries will be defined and discussed as well as some of the limitations and other considerations in carrying out a study of this nature. The

theoretical framework, which forms the foundation for the study, will be defined in Part 3. Part 4 will present the results of the case studies and the primary data obtained through the interviews and Part 5 will facilitate the discussion section, where conclusions and recommendations will be presented based on the study with respect to the theoretical frameworks discussed in part 3.

2. METHODS

The primary and most significant methods of data collection employed in this study are semi-structured, qualitative interviews and open-ended survey questionnaires. The companies chosen to be included were companies that expressed CSR as a core component in their values, and which furthermore, were also available to this author within the time constraints of the present study. The study does not aim to assess the validity of these claims, but is a limited case study of a randomly selected group of three companies that have attached corporate social responsibility to their company brand. The survey questionnaires are complemented with detailed text analyses in instances where companies have published CSR Reports that are available. These methods are all complemented with secondary literature reviews, using relevant books, peer reviewed journals, articles, and reports to make use of existing research on CSR. Text analysis strategies are further used to interpret the results, taking into account the contextual environment of participating corporations.

2.1 Narrowing the Scope

One issue or limitation considered in this combined method survey selection of telephone and email responses was population accessibility. It was important to find companies willing to cooperate in a study that could possibly bring up matters of unhealthy environmental practices highlighting sensitive topics potentially threatening to their branding or corporate image. In order to combat this, the study offered anonymity to participating employees and corporations who required it as a condition of participation. However, in such cases, relevant information about the organizations such as industry, size and description are still included. Also, the structured line of questioning could be expected to support interview objectivity and eliminate the threat of bias in that respect.

Having narrowed the geographical boundary to the city of Houston, Texas, adjustments still had to be made to accommodate participants who, due to daily responsibilities, were unable to commit the time required for personal interviews. In these instances, survey questionnaires via email and telephone interviews were employed using the same questions as the personal interviews.

Sampling considerations were also taken into account. Initially, a sample of 13 randomly selected companies within the Houston area describing their corporation as socially responsible was chosen for the study. However, some companies declined to participate in the study and others were unresponsive. The final study included 3 corporations, small, medium-sized and large. Interviews were conducted with managerial level employees, who could be believed to have a clearer overall knowledge of the company's corporate, and enterprise strategies and how their concept of social responsibility translates into their functional operations. The questions were open-ended, fairly simple, with sequential sub-questions based upon responses. The answers were predictable only to the extent that they would display a range of dispositions from apathy to profound interest, as well as the constraint of undertaking

economic expenses beyond those required for meeting regulatory compliance standards. The interview participants were given advanced notice of interview topics to facilitate a reasonable expectation of knowledge base on the subject matter.

2.2 Reliability and Validity

In social research, reliability refers to the ability to achieve similar results if the study is recreated using the described methodology. Gomm describes it as “consistency of measurement or non-numerical descriptions, where consistency is warranted.” (Gomm, 2009) The semi-structured questionnaire somewhat safeguards the internal validity of the study, as all participants are being presented with the same questions. However, with the advantage of follow up questioning, afforded in the face to face scenario, the interviewer becomes, in part, a representative of the measurement instrument, giving room for inconsistencies. Also, over time, the results may tend to change, as corporate goals and strategies may be modified or evolve in correspondence with transforming social values of the general population in which the business operates.

The question of validity would be assessed based upon the nature of the interview and questions used as indicators for the research questions. This is addressed in the formulation of the interview questions.

The major theories of focus applied in the analyses are those of Sustainable Development, Corporate Social Responsibility (CSR), Corporate Environmentalism, Triple Bottom Line (TBL), Global Reporting Initiative (GRI) and Brand Management. These are further discussed in the Theoretical Framework section in part 3 of the study.

3. THEORETICAL FRAMEWORK

3.1 Sustainable Development

Sustainable Development is an idea of using our resources towards our continued progress in a way that will not impede upon the basic needs of those who are yet to come, a concept of putting people first by placing the necessary value on the environment. Sustainable Development focuses on three major areas in development; economic, environmental and social. However, the principle of sustainability can be widely applied to many aspects of our societal functions, most of which can be arguably categorized under one of these three defined areas, pictured below in figure 1. The economic element pertains to the sustainability of economic growth and profitability, the social element deals with socially equitable development and the environmental aspect focuses on issues of natural resource use and preservation.

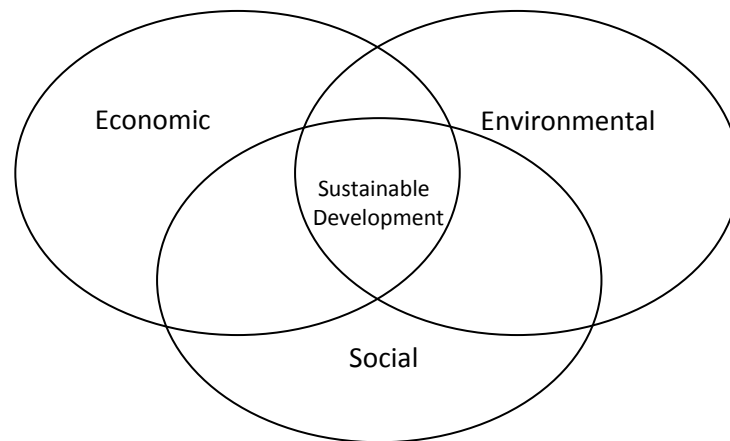


Figure 2. Pillars of Sustainable Development

Some key factors have influenced the emergence of sustainable development as an area of great importance. One major precursor occurred in 1962, when Rachel Carson's book, *Silent Spring* was published. It highlighted many of the destructive methods and counterproductive approaches to environmental management. These methods included toxic chemicals used as food fertilizers and pesticides for biological control, inadequate disposal of chemical and biological waste by-products, resulting in significantly reduced wildlife populations, and increased instances of human illnesses and death. The book further highlighted the failing institutional standards for regulating them. It changed public perception about the environment and spawned an environmental movement.

The United States Environmental Protection Agency (USEPA) is the primary environmental regulatory agency within the United States, assigned authority by the US Congress to write regulations affecting business, state or local government or institutional practices related to air, waste and water pollution prevention issues in the environment. The agency provides policy

guidance support, which assists with compliance by individuals and organizations that are legally subject to the regulations also enforced by the USEPA (USEPA, 2014)¹. The USEPA was founded in 1970, in the wake of the environmental movement sweeping across the US, spawned from the public displeasure with declining environmental quality; due in part to urbanization, industrialism, increasing birth-rate, growing suburban settlements, as well as the publishing of Rachel Carson's *Silent Spring*.(USEPA, 1992)

Even today *Silent Spring* is still regarded as a book that changed the world. Jack Lewis in his 1985 journal article "The birth of the EPA" featured on the EPA website, wrote that the "EPA today may be said without exaggeration to be the extended shadow of Rachel Carson". The book brought light to a critical failure in environmental management, identified the issues and challenged the government to actively or effectively regulate the use of harmful pesticides and insecticides in the environment. It became a blueprint for environmentalists, raised public interest and forced the government to be accountable to the public for the environment.

Another milestone occurred when the first photograph of the world was published by the National Aeronautics and Space Administration (NASA) in 1972 (Figure 3). This simple image, featured below, contributed to a transformation of the public's perception of the world, which could now be visualized as a whole and finite entity with limited resources; resources that are necessary for life.



Figure 3. NASA "Image of the earth from Apollo 17"

The third catalyst was the publication of the Brundtland report in 1987. In an official capacity, it defined the concept of sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland et al, 1987). The international document was written with input from high level government officials, expert scientists and researchers, non-governmental organizations, as well as the general public, in pursuit of sustainability during a time of mounting environmental crises. These crises included the threats of natural resource depletion, climate change, droughts, tropical deforestation, challenges to food security, energy crises, threatened species and ecosystems, population crises, human rights and peace and conflict issues. As these crises became more visible, it was no longer easy or prudent to ignore the accumulating issues. The report helped to

transform sustainable development from an abstract idea into a framework interlinking development with the environment as the separation of the two was a significant factor in creating many of the environmental issues facing the 21st century.

One common element in the three major events leading up to the emergence of SD is awareness. Each catalyst brought to public attention shocking truths giving pause for reflection on what was taking place in their surrounding environment and revealing areas of vulnerability and threats to our way of life. Combined with increasing visibility of environmental changes, the result was an increase in awareness of the critical need to preserve the natural environment in a way that maximizes our current benefits but that is also compatible with the existing ecosystems.

Today, Sustainable Development is a major discussion point, both for governmental as well as private and corporate sectors. However, addressing the mounting concerns requires a change in the way we view ourselves and our actions in relation to the environment. Sustainable thinking must be applied to all areas in which we function. Specifically to the way we consume products. Every day we make decisions about the environment, often times without even being aware. Every purchase is either leading closer or farther away from sustainability and it is not always easy to tell which direction. The purchasing choices made by us as consumers in products such as vehicles, appliances, food, clothing, electronics etc all have implications beyond the immediate environment. Consider the ecological footprint, which provides a tool for estimating a population's use of resources in consumption and waste integration (Wackernagel and Rees, 1996). The accounting tool tracks land and water area needed to support the current levels of consumption and these measurement allow for comparisons to be made of human functional demands in relation to the earth's biosphere and carrying capacity. It also considers the volume of resources that are imported from outside areas and assesses the future ability of the natural environment to support growing population sizes at current rates of consumption (Wackernagel and Rees, 1996). Each person has an ecological footprint and this highlights the significance of creating individual awareness so personal choices can be tailored to reduce resource consumption to an overall level compatible with nature's ability to renew itself.

3.2 Corporate Social Responsibility

In most environments, each individual, group, institution, corporation, political party can potentially impact the society in which they live and operate in many ways. In cases of global corporations and international organizations, they clearly have larger implications as their actions can have sizeable reactions far beyond their immediate environment. With this in mind, it can be argued that in terms of reach, scope, significance or consequence, corporate practices have even greater responsibilities when it comes to their responsibility to sustainable development and the social environment at large. Although the term CSR is fairly new and modern, it describes a practice that has been in effect, informally, for centuries. However in modern usage, CSR and charity are not interchangeable. CSR refers to a company's ability to

expand its agenda beyond economic profits by taking part in progressive social initiatives and including responsible environmental practices as a part of its internal operations or functionality. And it is considered by many to have positive cumulative effects on corporations by enhancing corporate images and increasing efficiency in operations.

Hart's resource-based view supports this (Hart, 1995). By creating a core competitive advantage, proactive environmental strategies can lead to inimitable product and operational capacities (Barney, 1991) that translate into increased financial performance or profitability (Russo & Fouts, 1997). External demands on a corporation determine the value of these core capacities, either through compliance with existing legislation or preventative approaches toward the environment. From various contributions to the resource-based viewpoint, Russo and Fouts conclude that a firm's competitive advantage is derived from that firm's invaluable and inimitable assets (Russo & Fouts, 1997). These inimitable elements are often intangible resources, such as a firm's reputation, political acumen, technology, human resources and organizational culture, as well as the ability of the firm to manage these resources to the benefit of the corporation. Such capabilities are very difficult, if not impossible to duplicate over short periods of time (Russo & Fouts, 1997).

Figure 3 shows Carroll's Pyramid of Corporate Social Responsibility (1991), which illustrates the different obligations of a company and their opposition to each other. At the foundation of the pyramid are the firm's economic obligations. The company has a basic obligation to its stakeholders of operating profitably. The legal component refers to the obligation to operate in compliance with the existing laws. The ethical component pertains to a firm's obligation to act ethically even in instances where such actions may not be required by law. And the philanthropic responsibilities, at the peak of the pyramid, are not considered obligatory but are desired from the company as acts of good corporate citizenship.

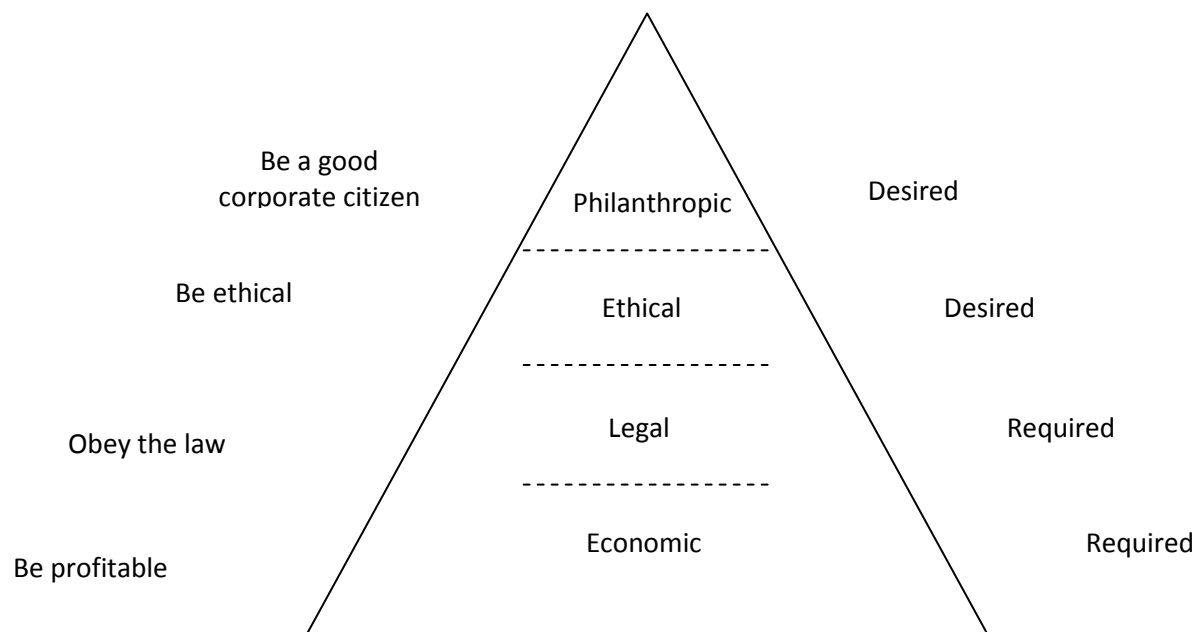


Figure 4 Carroll's (1991) Pyramid of Corporate Social Responsibility

Alternatively, Carroll later provided a three-domain model of CSR (2003) condensing the philanthropic obligations into the ethical sphere in an attempt to more “accurately portray the relationship between the three central CSR domains” and to help “eliminate the inherent assumption of a hierarchical relationship among the domains”. (Carroll and Schwartz, 2003, p. 525)

3.3 Corporate Environmentalism

Corporate environmentalism refers to the way an organization defines its relationship with the natural environment, integrates this perceived relationship into its organizational planning, and implements the plan as a part of its overall strategy in a range of environmental situations (Charter and Polonsky, 1999). It is important to note that the environmentalism component refers to the organization’s action towards the environmental issues not simply the attitude toward it. Its actions can be influenced externally by legislation and public concern and propelled internally by the desire for competitive advantage and a commitment from top management.

The corporation is driven by its relationship with its internal as well as its external environment. Internally, its strategy determines how the environment is integrated into the organization. Functional strategy refers to the coordination between and within departments of a company, such as marketing, accounting, information technology and human resources.

Business strategy entails the use of tactics aimed at maximizing a firm’s competitive advantage, using the functional departments by integrating them with the values associated with environmentalism. Corporate Strategy determines the business lines which are most beneficial for meeting overall strategies. Enterprise strategy determines the firm’s overall role in society as a whole. At this level the company’s mission is determined. (Charter & Polonsky, 1999). All strategies within a corporation are interlinked and must be complementary of each other.

The company’s external environment refers to the economic, legal, political, socio-cultural, biophysical, and technological. While it is commonplace for a firm to adhere to the boundaries of all the external forces, the limitations of the biophysical surroundings have largely been ignored. With more recent developments of environmental legislation, it is more difficult to ignore as companies are forced to incorporate consideration for these elements in their internal strategies to meet these demands. (Charter & Polonsky, 1999)

Stakeholder groups include internal stakeholders such as management, board of directors, shareholders and employees, and external stakeholders such as customers, suppliers, local communities, regulatory agencies, public interest groups, competitors and society at large. The stakeholder theory, which favours a multi-stakeholder approach, encourages a company to strive to satisfy needs beyond only the profits of their stockholders. Instead the needs of all stakeholders must be taken into account and managed strategically.

Some potential results of corporate environmentalism are a positive company image and enhanced competitive advantage. Responsible environmental marketing, communicated to a company's stakeholders, reflects positively provided that the company supports those practices. A commitment to corporate environmentalism may demand an increase in research and development investment for a company. This research is necessary for developing niche products and finding the most efficient methods for their production for the least environmental impact. It can also lead to green product launches paying close attention to cost and waste reduction and energy conservation. Strategic co-operative alliances are a good way of increasing the effectiveness of a firm's corporate strategy by taking advantage of the competitive advantage of other external stakeholders and can lead to opening of new markets for the firm. The company also stands to experience increased customer satisfaction. As customer values expand to include environmental concerns, a firm's attention to these needs can capture a significant niche market for products and services tailored to those needs. This positive image and increased efficiencies in production and development of niche products can become a source of competitive advantage for a company. (Charter & Polonsky, 1999)

3.4 Triple Bottom Line

As explained in the introduction, the Triple Bottom Line (TBL), in congruence with sustainable development and corporate social responsibility, incorporates three dimensions, often referred to as the three Ps, people, planet and profit. The TBL is an accounting framework aimed at moving beyond traditional profit measures or reporting corporate performance to incorporate social and environmental measures. The major challenge is that while economic performance is easily measured in dollars, environmental and social performances are not easily quantifiable in these terms.

John Elkington in *Cannibals with forks* (1998) strongly asserts that as the world of business increases in complexity, ignoring social justice and environmental quality, and the global cultural revolutions that propel the alignment of these factors with the financial bottom line could result in extinction for businesses and suppliers unprepared for the challenges. Further, that a company's economic sustainability would be dependent on its ability to simultaneously incorporate these values into its practices in order to yield higher overall profitability. He describes an evolved seven dimensional sustainable future marked by seven Revolutions summarized as follows in figure 5.

<u>Revolution</u>	<u>Focus</u>	<u>Old Paradigm</u>	>	<u>New Paradigm</u>
1	Markets	Compliance	>	Competition
2	Values	Hard	>	Soft
3	Transparency	Closed	>	Open
4	Life-cycle Technology	Product	>	Function
5	Partnerships	Subversion	>	Symbiosis
6	Time	Wider	>	Longer
7	Corporate governance	Exclusive	>	Inclusive

Figure 5. Old and New paradigms (recreated from Elkington, 1998)

The first revolution refers to the transformation from compliance with existing market conditions to more competition through markets. Businesses become the agents of change as shifting market mechanisms demand the increased environment and social targets. (Elkington, 1998)

The second revolution focuses on the shift of values from “‘hard’ commercial values to ‘softer’ triple bottom line values” (Elkington, 1998, p. 5) as businesses conform to the globalized shift in societal values. These values are characterized by unwillingness to complacently allow environmental or social compromises once tolerated. (Elkington, 1998)

Globalization and information technologies are two propellers of the transparency revolution. Increased demands are being made on corporations to provide information on their current operations and future plans. These actions and plans are scrutinized by stakeholders and competitors and used to make decisions in comparisons. Companies find it more difficult to keep secrets and hide abuses of public trust and instead are encouraged to embrace openness and disclosure in their interactions with all stakeholders. (Elkington, 1998)

Driven by the increased transparency, the fourth revolution is focused on life-cycle technology. Companies are being held accountable at all levels of their supply chain as well as their product life cycle. Not only must they take responsibility for their products from “cradle to grave” but further from “cradle to cradle” to include product disposal and recycling. Products are more susceptible to assessments which include the social and environmental elements critical to the triple bottom line. (Elkington, 1998)

Increased rates of partnerships represent the fifth revolution as corporations embrace the benefits of strategic relationship in achieving their sustainability goals in order to thrive in the triple bottom line environment. By doing so they are able to reap the advantages of core capabilities and efficiencies of other companies and groups not previously available or deemed necessary to them. (Elkington, 1998)

The sixth Revolution is centred on time. Technological advances have made information more accessible at faster rates. Speed is now an important commodity. Many processes are taking place more quickly and businesses are responding at a faster pace. The focus is also in

perception from broader to longer term thinking and planning and managing. This includes the excessive rates of resource exploitation and environmental degradation usually associated with short-sighted visions. (Elkington, 1998)

The seventh revolution relates to corporate governance, as it must become inclusive of environmental and social factors. The more corporations and their boards embrace their responsibility for the triple bottom line standards in their organization, the more the likelihood of surviving its transition into a sustainable future. (Elkington, 1998)

Built into these seven Revolutions are thirty-nine steps to sustainability aimed at providing a corporation with a set of guidelines to navigate its transition to sustainability and to aid in building these values into the core of its operations and practices. (Elkington, 1998)

3.5 Standardization

Standardization is a tool for propelling CSR and TBL practices in an organization. It provides a means for companies to communicate and share operational information with other organizations in a universal way. Standards can be defined as a “uniform set of measures, agreements, conditions, or specifications between parties” (Spivak & Brenner, 2001, p. 16). The International Organization for Standardization (ISO) defines standards as providing “requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose” (ISO, 2014)¹. ISO 14000 is the family of ISO standards governing environmental management.

Some benefits of standardization are environmental benefits, increased market share, access to new markets, cost savings and enhanced customer satisfaction. The main drawback or disadvantage of standardization as a means for environmental management is that standards are largely voluntary endeavours undertaken by organizations. Organizations can be deterred by the perceived high costs of implementation and level of documentation required.

The American National Standards Institute (ANSI) is the US counterpart to the ISO, overseeing the national establishment and dissemination of a plethora of voluntary standards applicable to almost every sector of business in the United States (ANSI, 2014). They encourage the use of US standards internationally as well as conformation to international standards when it is thought to be beneficial to the national community.

3.6 Global Reporting Initiative and Sustainability Reporting

The Global Reporting Initiative (GRI) is a framework for standardizing sustainability reporting. Sustainability reporting refers to a company’s reporting on its environmental and social performance and governance. In the 1990’s organizations were faced with three major challenges in this type of reporting. They were experiencing heavy and dissimilar demands for

information on their performance, companies providing these reports were infrequent, inconsistent and incompatible with one another, and various sources in different countries were providing their own frameworks and guidelines for this reporting (Willis, 2003). The Coalition for Environmentally Responsible Economies (CERES), with endorsement from the United Nations Environmental Program (UNEP) created the Global Reporting Initiative in 1997, which later developed their sustainable reporting framework. With support and participation from various international organizations, the GRI was developed into a global standardization format to address the growing issue (Willis, 2003).

The GRI standards are voluntary and adaptable to all types of organizations (Willis, 2003). They are based on multi-stakeholder involvement and each year an increasing number of companies adopting the guidelines to improve their reporting. (Global Reporting Initiative, 2014). The guidelines serve to provide many benefits such as the ability to mitigate environmental and social impacts, and to facilitate stakeholder understanding of intangible performance and intercompany performance comparisons. Further benefits include improved understanding of opportunities and associated risks, improving long-term strategies and highlighting the connections between financial and non-financial performance. (Global Reporting Initiative, 2014)

3.7 Environmental Impact Assessment

The Environmental Impact Assessment (EIA) is another useful tool in environmental management and CSR. It is a process for assessing “the impact of planned activity on the environment in advance, thereby allowing avoidance measures to be taken” (Glasson, Therivel, & Chadwick, 2005, p. 2) The process involves a series of steps that can be categorized under four phases, screening, predicting and evaluating, presentation of findings, and post-decision monitoring.

In the first step the project is screened to determine if an EIA is necessary. If the project is deemed to have environmental impacts, all significant or critical effects are identified and any alternatives are considered. The project and its purpose are described with all relevant details including description of the state of the environment before and after the project is carried out. Both negative and positive impacts are identified and taken into consideration during this phase.

Phase two involves predicting and assessing the significance of impacts in question. It aims to determine the degree of change in the state of the environment as compared to the state if the project does not take place. Here project managers are also able to propose measures or plans to alleviate possible threats to the environment.

In the third phase, the findings of the EIA are presented in the Environmental Impact Statement (EIS). The EIS is reviewed and a decision is made by the regulatory body as to whether or not the project will move forward as presented. One key element incorporated into the first three

phases of the EIA process is public participation, which enables the viewpoints and concerns of the public to be represented in the overall assessment.

Post-decision monitoring entails impact documentation after the decision has been made to go forward with the project. This is a critical and effective element of project management in general, aids in assessment of the actual impact in relation to those in the initial forecast, and can be very useful in assessing the overall dependency of similar EIAs down the line. (Glasson et al, 2005)

3.8 Life-Cycle assessment

A life-cycle assessment (LCA) is a tool for evaluating how a product or service affects the environment. It is often described as a cradle-to-grave to reflect the comprehensiveness of the evaluation. The cradle signifies the manufacture of the product while the grave refers to its final disposal, but it is also inclusive of the raw materials and energy needed for its manufacture as well as the waste generated as a result of its manufacture, use, maintenance and disposal.

The Environmental Protection Agency (EPA) describes the life-cycle assessment as “a technique to assess the environmental aspects and potential impacts associated with a product, process, or service, by compiling an inventory of relevant energy and materials inputs and environmental releases; by evaluating the potential environmental impacts associated with identified inputs and releases; and interpreting the results to help you make a more informed decision” (USEPA, 2014)². The phases of the LCA involve defining the product or process, identification of the boundaries of environmental effects, the tangible components being used and associated environmental bi-products, assessing the possible ecological effects of these components, and interpreting the results of the information gathered.

The LCA can be used in combination with other performance data to identify products or services with the least ecological impact and is thought to assist in avoiding the shifting of harmful environmental impact from one area to another or from one production phase to another. It helps to identify tradeoffs that otherwise may not have been taken into account. Some drawback to performing LCAs include limitations to data availability as well as the time and resource demand of performing accurate assessments with valid and reliable results. And although the LCA can help to identify which products are the least impactful environmentally, it does not identify the best or most cost efficient product and must therefore be used with other cost and performance tools in managerial decision making. (USEPA, 2006)

3.9 Brand Management and Consumer Ethics

A company's brand is one of its most valuable assets and increasingly, more companies are using CSR as a means for increasing the appeal of their brands. Marketing is a critical element in building this reputation and is very important as a means of communicating social and

environmental performance and conveying the desired image to the consumer. Audiences need to be informed about the firm's activities, as well the social and ethical issues being confronted by their actions (Johnson & Pomering, 2009).

Strong CSR programs have developed as a means for companies to stand apart from other competitors in their marketplace. However, with consumers making comparisons, increasingly comprehensive CSR programs are favourable. (Pirsch et al, 2007). Corporations that wish to enhance their image using CSR must integrate these values into all levels of its operations; otherwise they are subject to scrutiny and cynicism regarding its motivation. (Johnson & Pomering, 2009). While promotional CSR does have some benefits, institutional CSR programs are far more beneficial to corporations. (Pirsch et al, 2007) Similarly, firms will benefit more from perceived social motivation as opposed to profit driven initiatives. The timing of a company's initiative is also of importance as consumers may be more sceptical of reactive CSR, especially in instances where the firm is considered to be blameworthy for the stressor. (Becker'Olsen et al, 2006)

Price and convenience are two factors in ethical consumption. The average consumer is willing to pay a premium for products that deliver ethical or social features, but are oftentimes under informed about the ethical dimension of their product purchases. Effective marketing strategies used to convey pertinent ethical information can potentially affect consumer purchasing intentions (Auger et al, 2003) However, social and ethical features cannot be viewed as a replacement for "strong brand management and high quality products". (Becker'Olsen et al, 2006, p. 15)

4. RESULTS

The results of the study presented here have been gathered through interviews with relevant parties in each organization. Interviews with Companies A and B were arranged with upper managerial level employees by telephone, after which survey questionnaires were completed by each participant and submitted by email. The results for Company C were obtained through telephone interview with the company's Corporate Responsibility Operations Leader. In this case, the company also had a published CSR report, and therefore elements of that report were also incorporated in the results. The results are arranged sequentially in each case to highlight some basic characteristics of the companies, present their drivers for CSR and their methods of incorporating CSR into the levels of their organization. Further, their main target issues are identified, as well as their methods of performance measurement. Their choice of standards are included if applicable, and lastly the overall impact on their organization is described.

4.1 Company A

Company A, Sustainable Impact LLC., is a global energy and oil and gas service provider. They have been in operation for 5 years and employ ten to fifty people. They have expressed a commitment to CSR because they consider it the right thing to do, it is demanded by their stakeholders and they believe proactive CSR provides economic benefits through business differentiation. CSR has been integrated as a top five business priority for their company and their business functions are held fully accountable for CSR objectives in their daily functions.

The major issues targeted by their CSR initiatives are water & sanitation, literacy and environmental sustainability. This entails enhancing quality and availability of drinking water, improving sanitary conditions, increasing literacy of constituents, and pursuing green initiatives in the communities in which they conduct business. They do not currently employ the use of any specific standards for measuring their social and environmental performance. They employ simplified methods of quarterly measurements from their internal and external stakeholders. Internally, they conduct qualitative assessments of employee sentiments on the effectiveness of the company's CSR focus around defined projects before and after. Externally, they use project based quarterly assessments of defined objectives related to the specific areas or issues being targeted.

Although their company has not been faced directly with specific environmental and social issues, they operate in an industry that consistently battles image problems associated with spills, accidents and safety concerns, and consider their CSR initiatives to be encouraged by their stakeholders. They consider their robust CSR focus to be an asset "useful in enhancing our corporate brand and reputation to our clients and external stakeholders". This is supported with positive acknowledgement from the communities in which they conduct business, positive acknowledgement from their clients on outcomes from their initiatives, as well as perceived improvements in the morale of their employees and internal stakeholders.

4.2 Company B

Company B is a global oil and gas firm with 15 years of operations and approximately 1,000 employees. They practice CSR in order to develop relationships with local stakeholders, for brand management, and to be perceived in the market place as a “responsible” organization. Their senior directors are committed to working responsibly within their communities and reinforce a corporate culture that values their sustainable projects and recognizes their importance. The employees are governed by a CSR management system that sets the framework within which their social initiatives are carried out. This means that CSR roles are embedded at each organizational level from their board of directors through to their community liaison offices.

Some of the main issues targeted pertain to education, capacity building, health and employment. The company employs an in-house measurement system that measures the progress of each project against impact indicators at predetermined intervals. They further solicit input or feedback from third party organizations or non-governmental organizations that help to evaluate the project’s overall performance. These inputs are then used for improving selection and management of later projects or social investments. They are currently working toward incorporating the International Petroleum Industry Environmental Conservation Association (IPIECA) and GRI standards into their measuring system.

The company operates in many areas of potential unrest and encounter diverse social issues of varying magnitude and learning to manage these issues is a critical aspect of their social investment strategy. As a result of these strategies working within their communities, the company believes that their overall image has been positively affected both internally and externally, providing social “credits” that have benefited them during the tenuous periods of social unrest.

4.3 Company C

Company C is a professional services provider over 160 years old, employing 150,000 to 200,000 employees. Some of the main drivers for CSR in their company are attraction or retention of employees, brand differentiation and cost containment. Much of the company’s integration of CSR is through engagement with their staff.

Green teams compete in annual inter-office contests as a means to involve their staff in environmental challenges, performing community outreach programs and educating stakeholders about various initiatives. The company has a foundation that conducts giving campaigns and holiday giving polls. They also conduct supplier surveys. In addition they have created individual dashboards as CR (Corporate Responsibility) spaces for employees to track various dimensions of their performances. Some of the issues they target are youth education, diversity and inclusion, and climate change.

Their initiatives are goal based. For example, benchmarks are set in dollars spent and volunteer hours. They aim for 100% employee engagement, \$160 million towards youth education, \$20 million in pro bono and to grow their foundation to \$50 million. Monitoring their progress based on these benchmarks allows them to affect the hours spent in the community, examine the effects on staff retention and measure greenhouse gas emissions and other tangible effects on the environment. They employ several standards across their organization. These include GRI for sustainable reporting; Greenhouse Gas Protocol (GHG), to measure and manage their greenhouse emissions; Total Impact Measurement Management (TIMM) to allow for managerial decision making on a “broader set of criteria than traditional management accounts”; and Building Research Establishment Environmental Assessment Methodology (BREEAM), a standard for measuring sustainable building environmental performance in their office environment. They believe that they have benefited from the use of these standards, which they consider to serve their purpose well, providing a consistent means of measurement. The company’s German counterpart has assisted one of their clients, going a step further to publish an environmental profit and loss account, establishing precedence for merging environmental performance with financial performance.

Even though the company has not been faced with any specific environmental or social issues and considers it difficult to tell what risks were avoided if they didn’t happen, the company recognizes absolute benefits of their CSR practice. They cite a positive correlation with employee retention in \$165 million in savings and having reduced their CO2 emissions by almost 30% in the recent years as two major benefits of their commitment to CSR.

The results have been further tabulated in figure 6 on the following page for comparative contrast between the three companies studied.

	Company A	Company B	Company C
No. of Employees	10 to 50	1,000	150,000 to 200,000
Industry	Energy/Oil & Gas	Oil & Gas	Professional Services
Years in Business	5	15	160+
CSR Drivers	"The right thing to do", demanded by stakeholders, business differentiation	Enhance relationship with local stakeholders, brand management, to portray "responsible" corporate image	To do the right thing, employee attraction & retention, brand differentiation, cost containment
Company Integration	Top 5 business priority, accountable business functions	Senior Director commitment, CSR management system	Upper Management commitment, staff and stakeholder engagement
Issues Targeted	Water & sanitation, literacy, environmental sustainability	Education, capacity building, health & employment	Youth education, diversity & inclusion, climate change
Methods of Measurement	Feedback based on periodic qualitative assessment	Project impact indicators, Third-party/NGO evaluation & feedback	Performance based targets
Standards Employed	None	Working toward IPIECA and GRI	GRI, GHG, TIMM, BREEAM
Advantages / Disadvantages	Enhanced corporate brand & reputation, positive acknowledgement from communities/clients, improved employee morale	Positive overall image & Social "credits"	\$165 million in cost containment through employee retention, carbon emissions reduction

Figure 6. Table of Results

5. DISCUSSION

Each company is driven to institutionalize CSR programs into their organization because of perceived benefits to the corporation. They practice CSR in order to differentiate their business and improve their corporate brand or image, for better stakeholder relations, and because they simply consider it the right thing to do. One company cited employee attraction and retention and cost containment specifically.

All three companies included in the study also reported benefits of their CSR programs. An enhanced brand, positive stakeholder acknowledgement and increased employee morale are three common advantages shared between the companies observed. All companies have experienced improved company image and interaction with stakeholders. While most of the focus is usually centered on consumer based benefits, the employee based benefits are significant as well. Undertaking social causes in an organization can be a tool for employees to feel as though they are a part of a company with a purpose bigger than themselves. And this has translated into \$165 million, a significant amount in savings through employee retention for Company C.

Regardless of the scale of the investment the company has made, or whether standards are employed, all companies are interested and recognize importance in monitoring and measuring the progress and perceived usefulness of their CSR initiatives. Only one company employed widely accepted standards for measurement. Although each company had perceived advantages from their practice of CSR, the only company to report concrete dollar value profitability or cost savings was company C, which employs the use of actual standards facilitating measurement and reporting of their social and environmental performance. These tangible benefits are impossible to quantify without the use of such standards. Company B, the mid-sized company, is attempting to transition into the use of sector specific standards for best industry environmental practices as well as for reporting. However, they did not disclose how soon these standards could be expected to be fully implemented.

Each company's method for gauging their progress was slightly different based on their objectives as well as the resources and tools available to them. Company A and B rely heavily upon third-party feedback combined with internal assessments that provide progress updates on success and overall effectiveness of their projects, but do not provide bottom line impacts on the business. Company C, on the other hand, creates specific goals based on their target issues and then measure their performance based on their proximity to these previously set targets, which also enables them to make adjustments to their targets as they deem necessary, based on their assessments.

All three companies are global organizations with operations outside of Houston. Most of their programs are outside of the boundaries of the city and as a result, Houston may not reap the direct benefits of these efforts. However, all stakeholders presumably stand to benefit from overall gains of the company.

5.1 Limitations of the study

Initially, the study intended to include a larger sample of organizations. However, due to a low response rate and limited time frame for completion of the study, only three respondents were included. Even though a contrast was created by observing three different organization sizes and the results were consistent with initial expectations, the study could naturally have benefitted from a larger sample, resulting in more conclusive results. Although the study is quantitatively limited, it does provide significant indications as to the possible usefulness and potential of CSR.

5.2 Implications for Further Research

CSR has the potential to provide substantial cost savings to an organization, however, without standards of integrating financial with social and environmental reports there is no way of quantitatively identifying these economic implications. Discovering that Company C's foreign associates have moved forward in merging environmental performance quantitatively with financial performance is a good indication that the TBL is, in fact, a viable proposal. However, access to these environmental profit and loss accounts is beyond the scope and reach of this study.

Continuous research and development is necessary not only to improve the current standards for measuring and reporting, but also to determine if this effect is consistent across diverse industries and organization sizes. Such research could reinforce the assertion that CSR can be a driver for economic profitability, and even for a company that genuinely wants to do good, there is no greater motivator than that.

5.3 Conclusions

Based on the information gathered in this study, CSR in Houston is driven by the desire to differentiate a corporation's business, brand and image, to improve stakeholder relations, attract and retain employees and reduce operational costs. They measure their environmental and social performance through third-party feedback and in-house management systems that measure progress at predetermined intervals throughout the life of their CSR projects. The larger corporation also measures progress based on predetermined objectives and targets such as benchmarks in dollars spent and volunteer hours contributed to their different initiatives and foundations. For the corporation employing widely accepted means of standardization, there is reported evidence of increased profitability through significant cost savings by means of employee attraction and retention as a result of their commitment and integration of CSR initiatives within their organization. Two of the three organizations employ no widely accepted

standards; however, they do report a perceived positive enhancement in their brand or corporate image, improved stakeholder relationships and the benefit of support from these stakeholders during tentative periods of environmental and social disturbances.

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APPENDIX A

INTERVIEW QUESTIONNAIRE

Company Profile

Company Name:

Industry Classification:

Age of Corporation:

No. of Employees:

Boundary of Operations:

1. What are the driving factors for Corporate Social Responsibility in your company?
2. How is it incorporated into your Corporate, Business or Functional Strategies?
3. What are some of the main issues targeted?
4. What methods are used to measure impact on the communities or on the company?
5. Does your company employ any standards for measuring social and environmental performance?
6. How has this affected your company in terms of benefits and/or difficulties?
7. Has your company been faced with any recent environmental/social issues?
8. Has your practice of CSR been useful in alleviating potential threats to your corporate operations and/or image overall?

Additional Comments to include?