



Revista de Ciencias Sociales (Ve)
ISSN: 1315-9518
rcs_luz@yahoo.com
Universidad del Zulia
Venezuela

Self-regulation of sustainability as a manifestation of corporate social responsibility

López Jiménez, David; Dittmar, Eduardo Carlos; Vargas Portillo, Jenny Patricia

Self-regulation of sustainability as a manifestation of corporate social responsibility

Revista de Ciencias Sociales (Ve), vol. XXVII, núm. 3, 2021

Universidad del Zulia, Venezuela

Disponible en: <https://www.redalyc.org/articulo.oa?id=28068740001>



Esta obra está bajo una Licencia Creative Commons Atribución-NoComercial 3.0 Internacional.

Self-regulation of sustainability as a manifestation of corporate social responsibility

Autorregulación de la sostenibilidad como manifestación de responsabilidad social empresarial

David López Jiménez
Rey Juan Carlos University, España
dlopez@eae.es

Redalyc: <https://www.redalyc.org/articulo.oa?id=28068740001>

Eduardo Carlos Dittmar
University of Huelva. Associate Dean, España
ecdittmar@eae.es

Jenny Patricia Vargas Portillo
University of Huelva, España
jennypatricia.vargas@esic.edu

RESUMEN:

La responsabilidad social empresarial es un fenómeno que puede repercutir en muchos ámbitos de la vida social, como la sostenibilidad. En este artículo examinamos la responsabilidad social empresarial y analizamos las repercusiones consideradas en materia ambiental. Específicamente, consideramos la autorregulación como un instrumento empresarial para promover las mejores prácticas en esta área. No obstante, las particularidades de esta herramienta, prestamos especial atención al papel estimulante de la autorregulación desde una perspectiva jurídico-empresarial en este campo. Si bien esta decisión es una decisión voluntaria a priori, asumimos que la autorreflexión conlleva compromisos obligatorios asumidos en el ámbito de la sostenibilidad.

ABSTRACT:

Corporate social responsibility is a phenomenon that can have an impact on many areas of social life, such as sustainability. In this article, we examine corporate social responsibility and analyse the repercussions considered in environmental matters. We specifically consider self-regulation as a business instrument for promoting best practices in this area. Notwithstanding the particularities of this tool, we pay special attention to the thought-provoking role of self-regulation from a legal-business perspective in this field. Although this decision is an a priori voluntary decision, we assume that self-reflection entails mandatory commitments undertaken in the area of sustainability.

KEYWORDS: Self-regulation, law, codes of conduct, environment, sustainability.

INTRODUCTION

In recent years, the business community in general has recognized the important benefits of good practices and become aware of the need to develop instruments of good practices that express its position regarding numerous aspects, such as labour, financial, environmental, customer relation, supplier relation and other aspects. The most frequent way used to introduce ethics to the new management of a company, which includes sustainability, is its incorporation and formalization in various written documents that some authors include under the term Corporate Ethical Policies (Melé, Debeljuh & Arruda, 2006).

There is a doctrinal tendency to understand that actions that can be encompassed in CSR, including sustainable development, are in essence a pure marketing strategy. According to this view, the actions that can be integrated into CSR seek to increase profits (Griffin & Mahon, 1997; Simpson & Kohers, 2002). By bolstering the company's image. However, notably, not all empirical studies found a positive relationship between CSR and profits (Aupperle, Carroll & Hatfield, 1985; McWilliams & Siegel, 2000; Omran, Atrill & Pointon, 2002).

The above criterion may garner some support because as a general rule, there is no independent and impartial body to assess the degree of compliance with good practice instruments. Indeed, very few companies have recourse to audits to assess their compliance with the self-regulation tools they voluntarily implemented.

Furthermore, there are some commendable initiatives (such as the SGE 21 standard), which represent a list of third-party verified good corporate practices in the field of CSR. The latter standard, i.e., the SGE 21, extends the company's various relations in nine management areas compatible with consolidated models, such as, ISO 9001 for quality, ISO 14001 for environment and OHSAS 18001 for occupational safety, which enriches by means of an attractive multistakeholder vision.

1. GOVERNMENTAL AND CITIZEN RESPONSIBILITY

Since the publication of the report *Our Common Future* in 1987 by The World Commission on Environment and Development (Brundtland Commission), the conventionally accepted notion of sustainable development refers to development that meets the needs of the present without compromising those of future generations. Given the interdependencies between economic growth and natural systems, the diplomatic activity manifested in the 1992 "Earth Summit" held in Rio de Janeiro more precisely defined the terms and directions of "sustainable development": 27 principles were adopted, multilateral agreements were signed, and 2,500 actions were framed within "Agenda 21" (Irigoyen, 2001; Libaert & Guérin, 2008).

In this context, the notion of sustainable development represented an extremely revealing vision of the interest and willingness of nations and their governments to adopt viable modes of production and consumption and invent and promote development compatible with nature as a vehicle for favouring present and future social equity (Shields, Ajour & Vila, 2021). Thus, sustainable development refers to development that produces a reasonable and stable profitability over time, respects the cultural and ethical values of the communities involved and maintains the fundamental characteristics of the natural system over time in terms of its components and interactions (Miranda, et al., 2007; Ajour, Consolación-Segura & Huertas-García, 2020).

Conditioned by the position and place they occupy in the economy-ecology binomial (Toussaint & Cabanelas, 2021), citizens assume an ambivalent position regarding the meaning and role they play in achieving sustainable development (Libaert & Guérin, 2008; Mejía & Newman, 2011). To achieve greater social co-responsibility for this type of development, initiatives encouraging individuals to recognize that their actions (and even inaction) can cause a positive or negative externality in the environment and that therefore, they can be held responsible for the consequences have intensified. Thus, citizens should not only avoid negatively altering nature but also choose services or products that modify it the least.

Citizens must also participate responsibly in politics and public life to be in a position to demand that governments, at all levels, transform the economic model towards a more sustainable one. Similarly, citizens should demand that suppliers of goods and services adopt environmentally and socially responsible practices (Caño, 2010; Gómez, 2011).

At all levels, given its role as a service provider and social protection agency, the government must not only adopt practices of transparency, accountability and responsible consumption and guarantee the population's access to basic and quality social services but also open and energize the necessary channels to induce the participation of the rest of society's stakeholders in the path of sustainable development (Caño, 2010; Sposato, 2019).

One approach is to promote the creation of institutions or legal frameworks that regulate the behaviour of actors to ensure the protection of nature and limit environmental pollution. Therefore, the government can influence behavioural change by applying various regulatory and economic tax instruments (López, Dittmar & Vargas, 2021a), such as permits for emissions or discharges, for using high environmental impact products, for the use of and access to public infrastructure, etc. Similarly, the public power can subsidize actions that stimulate or disseminate environmentally positive activities, such as reforestation and the use of clean technologies (Ocampo, 1999), and establish standards and appropriate technical regulations to produce without irreversibly affecting natural resources. An additional responsibility of the government is

the delimitation and, therefore, protection of areas whose natural environments have not been significantly altered by human activities or that require restoration or preservation to ensure the balance of their ecosystems and environmental services (Gómez, 2011).

2. NOTES REGARDING CORPORATE SOCIAL RESPONSIBILITY

Progressively, companies are increasingly willing to fully assume their social responsibility, i.e., more honest practices, transparency in management, respect for the environment, etc., because they are fully aware that in the current market economy, the legitimacy to operate must be granted by all agents or interest groups with which the organization is related (stakeholders) (Sposato, 2021). A company can and should extend beyond compensation in the environmental field, which can be achieved through CSR, because the model of sustainable development must also respect the balance between the economic and social dimensions and between the latter and environmental protection (López, Dittmar & Vargas, 2021b).

It has been determined that when a company assumes CSR, in most cases, CSR is adopted to achieve the company's strategic objectives rather than for moral issues (Guerras, 2004). The reality that can be observed on a daily basis is that companies and organizations use values in an apparently frivolous way and almost exclusively consider commercial interest and concern for their image (López, 2007). It seems that on many occasions, we find that many companies and organizations have publicly assumed a responsible role or declare their social commitments, including sustainability, for the sole purpose of creating a corporate image or a so-called corporate reputation in cases in which what is advertised does not correspond to what is actually conducted (López, Dittmar & Vargas, 2020).

Business initiatives to assume responsibilities in the field of environmental protection arise from very diverse motivations. Such initiatives are partially due to the pressure exerted by the public authorities, but it is also the result of the growing social rejection of companies that harm nature and the greater acceptance of the products of companies that claim to be environmentally friendly. Companies that claim to be environmentally friendly are in a position of having a competitive advantage in the market due to the pressure exerted by consumers who are increasingly aware of environmental problems. In addition, an appropriate environmental policy can lead to savings in energy consumption or prevent the imposition of financial penalties resulting from administrative or legal liabilities.

3. SELF-REGULATION OF SUSTAINABILITY AS A SUGGESTIVE MANIFESTATION OF CSR

In general, instruments of good practices, as a manifestation of self-regulation, such as codes of ethics, codes of conduct, corporate governance principles, etc., inform the public of the nature of the organization or highlight compliance with certain practices naturally extending to sustainability (Lozano, 2004) and can be interpreted as a common frame of reference (Cortina, 2005), and their moral strength is of unquestionable importance.

In many cases, the existence of a best practice document related to sustainability helps maintain public trust (López, Vargas & Dittmar, 2020) because in a way, such a document guarantees that anyone who subscribes to such a text will know, in principle, how to act ethically in this case in the field of sustainability. Therefore, the aforementioned documents list certain objectives in the business world, such as improving corporate reputation (Bowie, 1990), avoiding regulation (Clark, 1980; Kaye, 1996; Doig & Wilson, 1998; López, Dittmar & Vargas, 2021c), attracting investments (García & Valor, 2004), improving the work environment (Manley, 1991), increasing the organization's efficiency (Mezher, Jamali & Zreik, 2002), in significant areas, such as the environment, and preventing immoral behaviour (Shwartz, 2001).

While some instruments of self-discipline in the environmental field are not subject to verification by an impartial and independent control body, other instruments are subject to review by external agents. The latter can be carried out either by the company or third-party companies expressly contracted to carry out this work. Notably, once a company voluntarily assumes compliance with good practices in the field of sustainability, their acceptance becomes mandatory (Sanders & Karmowska, 2020).

Regarding the latter, reference should be made to the company standard SGE 21, i.e., Ethical and Socially Responsible Management, which has been developed by the Spanish entity Forética and certifies in a comprehensive manner that the CSR of organizations includes the sustainability sector. This system that allows auditing processes and achieving certification in ethical management and social responsibility on a voluntary basis. If companies comply with the established statements, a certificate of ethical and socially responsible management is awarded, which, once granted, is valid for three years. Notably, the aforementioned SGE-21 is one of the few standards derived from self-discipline that includes all possible implications of CSR in the company, highlighting, in this respect, the environment or sustainability.

In contrast to an umbrella model of a CSR standard, some experts believe that it is more appropriate to resort to certifications of partial aspects of sustainable development consistent with the company's risk profile. Thus, for example, ISO 14001 should be applied to companies with a clear environmental risk, as is the case with many industrial sites with a significant impact on the environment, and SA8000 should be applied to organizations where the risks have a certain connection with labour relations or workers' rights throughout the supply chain, as is the case with many corporations in the textile sector.

The objective ISO 14001 aims to provide companies with the necessary procedures to improve their environmental performance. This objective provides a list of the organizational, procedural and substantive aspects in understandable and logical terms that a company must address to incorporate ongoing efforts to improve environmental behaviour in its day-to-day management. Since it is a technical standard, i.e., a self-regulatory instrument designed to facilitate business management, it addresses aspects that form a part of the essential core of the freedom of enterprises, which could be difficult to address through legal rules.

The control processes that can be described as more honest and, to a certain extent, reliable are generally carried out in accordance with the ISAE 3000 auditing standard. The latter includes the essential principles and procedures of non-financial auditing, the requirements that must be met by audit teams, etc. In general, the verification system governed by this suggestive standard envisages what can be described as two major blocks of assurance levels. The first level could be called reasonable assurance, which enables the verifier to attest (positively) that the controlled information is reliable by virtue of specific conditions and levels or degrees of trust. The second level could be called limited assurance, which simply allows verifiers to attest (negatively) that they did not detect what might be considered anomalies in the information that would lead them to doubt its veracity.

Technical standards are tools that facilitate business self-regulation and can be characterized as instruments of self-regulation since they are developed and approved with the participation of all interested parties by private standardization bodies. The content of technical standards is always the result of experience rather than scientific or technical criteria. The recognition that standardization bodies possess allows companies to trust the benefits of the application of technical standards and gives an important added value to their compliance.

CONCLUSIONS

CSR is a challenge for both current and future organizations. An increasing number of companies with good judgement are choosing to adopt socially responsible practices. One of the most recent trends in CSR is guided by the approval of good practice instruments in the field of sustainability.

The SGE 21, which has been developed by Forética and comprehensively certifies the CSR of organizations, including the sustainability sector, occupies a prominent place. This system allows for auditing processes and achieving certification in ethical management and social responsibility on a voluntary basis. The notion of sustainable development represents a vision that is highly revealing of the interest and willingness of nations and their governments to adopt viable modes of production and consumption and create and promote development that is compatible with nature as a vehicle for facilitating present and future social equity.

Thus, sustainable development produces a reasonable and stable profitability over time, respects the cultural and ethical values of the communities involved and maintains the fundamental characteristics of the natural system over time in terms of its components and interactions. Framed among these three axes (economic, social and environmental), over the last two decades, sustainable development has generated great support for CSR. Initiatives that can be integrated into CSR are a major contributor. The commitment, which is initially voluntary, becomes obligatory if a company decides to observe socially responsible practices.

REFERENCIAS BIBLIOGRÁFICAS

- Ajour, S., Consolación-Segura, C., y Huertas-García, R. (2020). The role of sustainability in brand equity value in the financial sector. *Sustainability*, 12(1), 254. <https://doi.org/10.3390/su12010254>
- Aupperle, K. E., Carroll, A. B., & Hatfield, J. D. (1985). An empirical examination of the relationship between corporate social responsibility and profitability. *Academy of Management Journal*, 28(2), 446-463. <https://doi.org/10.5465/256210>
- Bowie, N. (1990). Business codes of ethics: Window - Dressing or legitimate alternative to government regulation? In W. Hoffman and J. Moore (Eds.), *Business ethics: Readings and cases in corporate morality* (pp. 505-509). McGraw-Hill.
- Caño, X. (2010). Responsabilidad social corporativa y medio ambiente. In J. Almagro, J. Garmendia, and I. De la Torre (Coords.), *Responsabilidad social. Una reflexión global sobre la RSE* (pp. 149-161). Pearson.
- Clark, M. (1980). Corporate codes of ethics: A key to economic freedom. *Management Review*, 69, 60-62.
- Cortina, A. (2005). *Ética de la empresa. Claves para una nueva cultura empresarial*. Editorial Trotta.
- Doig, A., y Wilson, J. (1998). The effectiveness of codes of conduct. *Business Ethics: a European Review*, 7(3), 140-149. <https://doi.org/10.1111/1467-8608.00100>
- García, J., y Valor, C. (2004). Analysis of the sustainable business model among spanish MNCs. In *Conference Proceedings of the Academy of Marketing, Virtue in Marketing*.
- Gómez, T. (2011). RSE y desarrollo sustentable. In E. Raufflet, J. F. Lozano, E. Barrera and C. García, *Responsabilidad social empresarial* (pp. 59-75). Pearson.
- Griffin, J. J., y Mahon, J. F. (1997). The corporate social performance and corporate financial performance debate: Twenty-five years of incomparable research. *Business and Society*, 36(1), 5-31. <https://doi.org/10.1177/000765039703600102>
- Guerras, L. A. (2004). Problemas organizativos en el proceso de la dirección estratégica. *Universia Business Review*, (1), 116-128.
- Irigoyen, E. (2001). *Economía ambiental*. Universidad Iberoamericana de Puebla.
- Kaye, B. (1996). Compliance and corporate culture: making the most out of codes of ethics. *Australian Journal of Management*, 21(1), 1-12. <https://doi.org/10.1177/031289629602100103>
- Libaert, T., y Guerin, A. J. (2008). *Le développement durable*. DUNOD.
- López, B. (2007). RSC: Hacia una nueva conciencia. En A. Bajo and N. Villagra (Eds.), *Evolución conceptual y práctica de una gestión responsable* (pp. 125-131). Servicio de Publicaciones de la Universidad Pontificia de Comillas.
- López, D., Dittmar, E. C., y Vargas, J. P. (2020). Self-regulation of sexist digital advertising: From ethics to law. *Journal of Business Ethics*, 171, 709-718. <https://doi.org/10.1007/s10551-020-04471-y>

- López, D., Dittmar, E. C., y Vargas, J. P. (2021a). New directions in Corporate Social Responsibility and ethics: Codes of conduct in the digital environment. *Journal of Business Ethics*, 1-11. <https://doi.org/10.1007/s10551-021-04753-z>
- López, D., Dittmar, E. C., y Vargas, J. P. (2021b). Protecting minors in relation to interactive software. *Law, State and Telecommunications Review*, 13(1), 20-39.
- López, D., Dittmar, E. C., y Vargas, J. P. (2021c). The use of trust seals in European and Latin American commercial transactions. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(2), 150. <https://doi.org/10.3390/joitmc7020150>
- López, D., Vargas, J. P., y Dittmar, E. C. (2020). Safeguarding privacy in social networks. *Law, State and Telecommunications Review*, 12(1), 58-76.
- Lozano, J. F. (2004). *Códigos éticos para el mundo empresarial*. Editorial Trotta.
- Manley, W. (1991). *Executive's handbook of model business conduct codes*. Prentice-Hall.
- McWilliams, A., y Siegel, D. (2000). Corporate social responsibility and financial performance: correlation or misspecification. *Strategic Management Journal*, 21(5), 603-609.
- Mejía, M., y Newman, B. (2011). *Responsabilidad social total: Comunicación estratégica para la sustentabilidad*. Fondo de Cultura Económica.
- Melé, D., Debeljuh, P., y Arruda, M. C. (2006). Corporate ethical policies in large corporations in Argentina, Brazil and Spain. *Journal of Business Ethics*, 63(1), 21-38. <http://dx.doi.org/10.2139/ssrn.421901>
- Mezher, T., Jamali, D., y Zreik, C. (2002). The role of financial institutions in the sustainable development of Lebanon. *Journal of Sustainable Development*, 10(2), 69-78. <https://doi.org/10.1002/sd.183>
- Miranda, T., Suset, A., Cruz, A., Machado, H., y Campos, M. (2007). El desarrollo sostenible. Perspectivas y enfoques en una nueva época. *Pastos y Forrajes*, 30(2), 191-204.
- Ocampo, J. (1999). *Políticas e instituciones para el desarrollo sostenible en América Latina*. CEPAL.
- Omran, M., Atrill, P., y Pointon, J. (2002). Shareholder versus stakeholders: corporate mission statement and investor returns. *Business Ethics: A European Review*, 11(4), 318-326. <https://doi.org/10.1111/1467-8608.00291>
- Sanders, S., y Karmowska, J. (2020). Voluntary flexible working arrangements and their effects on managers and employees. *Harvard Deusto Business Research*, 9(2), 197-220. <https://doi.org/10.48132/hdbr.304>
- Shields, R., Ajour, S., y Vila, N. (2021). An analysis on the NASDAQ's potential for sustainable investment practices during the financial shock from COVID-19. *Sustainability*, 13(7), 3748. <https://doi.org/10.3390/su13073748>
- Shwartz, M. (2001). The nature of the relationship between corporate codes of ethics and behaviour. *Journal of Business Ethics*, 32(3), 247-262. <https://doi.org/10.1023/A:1010787607771>
- Simpson, W. G., y Kohers, T. (2002). The link between corporate social and financial performance: evidence from the banking industry. *Journal of Business Ethics*, 35(2), 97-109. <https://doi.org/10.1023/A:1013082525900>
- Sposato, M. (2019). Understanding paternalistic leadership: a guide for managers considering foreign assignments. *Strategy and Leadership*, 47(5), 47-52. <https://doi.org/10.1108/SL-05-2019-0066>
- Sposato, M. (2021). Remote working in the time of covid-19: Developing a web-based community. *International Journal of Web Based Communities*, 17(1), 1-8. <https://doi.org/10.1504/IJWBC.2021.112862>
- Toussaint, M., y Cabanelas, P. (2021). The impact of COVID-19 in social sustainability. A fish value chain exploration. *Harvard Deusto Business Research*, 10(1), 109-126. <https://doi.org/10.48132/hdbr.338>