

BOOK REVIEW

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Abstract:

Book review of: Camilleri, M. A. (2017). *Corporate sustainability, social responsibility and environmental management*. Cham, Switzerland: Springer International Publishing. ISBN 978-3-319-46849-5

JEL classification: Y30, Q56

Book Summary

Anthony Camilleri's book, *Sustainability, Social Responsibility and Environmental Management*, is a valuable resource for CSR scholars and practitioners. Prefaced by Arhie B. Carroll, a renowned CSR scholar, the book offers extensive research and citations, providing authenticity and validation for valuable material. The book is divided into two sections: the first introduces the concept of CSR. The second section explores the topic, focusing on the US and Europe and the concept of closing the loop of the circular economy for corporate sustainability and responsibility. The book's development of themes from the concept of CSR to the policies shaping CSR behaviour is noteworthy.

Critical Evaluation

The book discusses the CSR agenda, corporate citizenship, and inconsistent paradigm application without standardisation.

Chapter 1 explores CSR through various subjects like corporate social performance, ethics, stakeholder theory, corporate citizenship, strategic CSR, sustainability, and shared value creation. The author notes that early authors on the subject, such as Friedman and Friedman (1962), Friedman (1970) and Levitt (1958), believed that the sole job of corporations was to maximise the wealth of their owners and shareholders. In addition, the author also referenced Drucker (1984), who defined CSR as a method for addressing "social problem(s)" to generate "positive economic benefit(s)" and further to ensure "well-paid jobs and... riches". The author emphasises the need for a clear definition of CSR and acknowledges its importance in addressing various societal concerns. Modern CSR behaviour involves supporting organisations in various fields, such as humanitarian, medical, social, environmental, cultural, heritage, philanthropic, and sport-related initiatives. Accordingly, Camilleri (2015), Falck and Heblich (2007) and Porter and Kramer (2011) assert that CSR is a catalyst for corporate and societal benefits. It is, therefore, clear that CSR is a complex topic involving academic disciplines like corporate social performance, shareholder theory, stakeholder theory, and corporate citizenship. Research is crucial to understand its aspects and constructions, as globalisation challenges its feasibility.

Chapter 2 discusses international policies and regulatory mechanisms for non-financial reporting, including environmental, social, governance, CSR, and sustainability standards. It highlights national governments' role and non-governmental tools for corporate governance and sustainability reporting. For instance, Jonker and De Witte (2006) argue that CSR frequently entails forming network relationships, as both Carroll (1991) commercial and public actors engage in and rely on social capital. In addition, CSR requires legal conformity and traditional ethics. From this perspective, it appears that CSR may be motivated by the need to counteract the danger of regulation. Many corporations prefer to anticipate social forces and be one step ahead of government regulation or action, as postulated by Crane et al., (2013). However, the author does not address the least-developed nations, overlooking the trade-off between job creation and environmental

conservation. Additionally, mandatory reinforcement of regulatory measures may not lead to efficiencies and cost savings for firms.

Chapter 3 discusses the importance of integrated marketing communication in unlocking CSR through organisational legitimacy and stakeholder influences. The author emphasises transparency, impartiality, and accountability in reporting CSR behaviour, as stakeholder awareness can lead to strategic and financial advantages. Therefore, a communications platform improves stakeholder engagement, enhances CSR messaging effectiveness, and ensures businesses report accurately and truthfully, impacting responsiveness and acceptability of goods and services. However, future research should explore mediating mechanisms, cognitive and affective responses, and best communication practices for reporting corporate sustainable and responsible initiatives to target audiences.

Chapter 4 discusses socially responsible and sustainable investing, including history, impact investing, positive investing, shareholder advocacy, community investing, government-controlled funds, advancements, screening, portfolio analysis, and future research avenues. Socially responsible investing (SRI) incorporates social and environmental objectives into investment decisions, evolving from religious movements to include impact investing rooted in venture capitalist finance. The author suggests the importance of shareholder advocacy and engagement involves establishing relationships, collaborating with firms, and collaborating with social investors to improve stakeholder welfare. In addition, community investment and lobbyist influence on SRI policies are also questioned. Further research is needed to understand the real-world applications of SRI and its potential impact on stakeholders. For example, environmental degradation and ruin are there for all to see and report on in Niger Delta in Nigeria.

Chapter 5 of the book discusses responsible supply chain management and stakeholder involvement in the global supply chain. The text discusses the impact of globalised supply chains on production and consumption, focusing on responsible suppliers, business reputation, and the relationship between procurement and differentiated strategies. Recent studies suggest that responsible supply chain management should be related to the firm's strategy because it leads to significant outcomes, such as improved relationships with stakeholders and reputational benefits. For example, Hosseini-Motlagh et al., (2022), Zhu et al., (2022) and Zhao et al., (2022) all support the importance of improved supply chain management as strategic anchor points for firms. The author suggests that larger businesses evaluate their environmental and social responsibility throughout their supply chain, addressing stakeholder pressures and developing sustainable supply chain management innovations. Monitoring global operations is challenging, but this proposal is compelling. The least developed nations, like the Democratic Republic of the Congo, face severe consequences due to nonexistent regulation and high-quality raw materials, which presents a challenge for global fair trade, environmental management, and responsible supply chain management.

Responsible supply chain management impacts a company's reputation, but lack of government enforcement or consumer ignorance raises questions about avoiding irresponsible actions. Further research is needed to understand consumer awareness and media coverage's impact on reputation. The author suggests that responsible enterprises gain a competitive advantage by building and protecting reputations with stakeholders through responsible supply chain management and stakeholder relationships. Further research is needed on communication, safe working environments, and sustainable product procurement.

The book also explores case studies on social and environmental challenges in business, focusing on corporate citizenship, environmental reporting, European banks' corporate governance, corporate responsibility, and sustainability in business and education. It concludes with a discussion on closing the circular economy loop.

Case study 1 explains the US's social responsibility and environmental sustainability policies, focusing on corporate citizenship and social and environmental responsibility participation. The author highlights inadequate welfare state provisions in labour and capital markets but emphasises the importance of education, healthcare, and community investment in CSR. The author suggests that CSR in the US often involves voluntary societal interactions, making it a way of life. However, further research is needed to understand and address this complex subject area as more questions than answers arise from the assertion. For example, despite the author discussing US policies on slavery, human trafficking, anti-corruption, health, social welfare, and environmental sustainability and highlighting its performance in reducing pollution, the reports lack accountability and concern for global institutions by US companies. In addition, US consumers struggle with green consumption, highlighting challenges in implementing CSR-related concerns.

Case Study 2 explores the role of CSR in Europe, with several countries taking initiatives to drive the agenda, which is consistent with the developments in the space. Rooted in historical and cultural traditions, CSR integrates economy, society, and environment, with European governments utilising economic and financial

policies for engagement. The EU's Directives on Non-Financial Information and 2013/50/EU address stakeholder concerns, while energy efficiency plans aim for energy savings from 2014 to 2020. In addition, the E-PRTR mandates emissions reporting, and the Emissions Trading System combats climate change. Further, the 1995 Eco-Management and Audit System supports continuous improvement in environmental performance. The author cites Schuman and Mullerat (2013) to support the claim that the EU Accounts Modernisation Directive 2003/51 modified the Accounting Directives. In 2005, European corporations were required to disclose key performance indicators, environmental issues, and SMEs. The Modernisation Directive has been adopted by all EU nations, with France and Sweden implementing "New Rules". Government-led reporting is increasingly prevalent, addressing sociological, environmental, governance, and economic deficits.

Case Study 3 examines European banks' Corporate Governance practices, focusing on equitably distributing stakeholder rights and obligations. Large organisations face responsibilities to shareholders, employees, investors, creditors, suppliers, local communities, customers, and policymakers. EU directive 2014/95/EU mandates financial institutions to comply with market-based solutions without government intervention, promoting good governance, accountability, transparency, and economic objectives. Responsible principles safeguard stakeholder interests, and EU corporate governance standards ensure fair, open, and equitable handling; globalised capital markets demand credible structures. The case study highlights EU regulations for multinational corporations in Europe, causing harm in developing nations. However, the author does not address punitive measures for non-adherence to the regulations, which requires more examination by governments and practitioners.

Case study 4 highlights the importance of corporate responsibility and sustainability in business and education. It emphasises stakeholder participation, human resource stewardship, and government involvement. The author asserts the creation of value through educational programs and professional training by organisations, while governments take leadership in promoting responsible behaviour through incentives and legislation. Educational programs equip all stakeholders with the necessary knowledge and skills for business and industry. Of note is the inclusion of emerging nations, which the author implores to explore new approaches that can position disadvantaged individuals and subgroups to participate in sustainable business practices. Therefore, the case provides a helpful discourse that offers practical and ease-to-action pointers that improve organisational practices on sustainability practices.

Case study 5 emphasises the importance of completing the circular economy loop for corporate responsibility and sustainability. The author highlights the need for sustainable use of natural resources and encourages further studies promoting the circular economy. The author highlights the increasing demand for materials and components in the circular economy, which relies on closed-loop thinking and reusing existing resources. Case examples show the potential for enterprises to produce value through circular material and resource flows, such as Vodafone and Ricoh, which are committed to enhancing lives and reducing environmental impact through innovative operations management by minimising product consequences throughout their lifecycle. Clearly, the discourse points to the essential need to focus on the circular economy as it can potentially optimise global eco-system performance. Unfortunately, the social aspect is underemphasised, and there is, therefore, the need for future studies to incorporate ecological knowledge into naturalistic economic models and systems, focusing on the human element.

Conclusion

The book *Corporate Sustainability, Social Responsibility, and Environmental Management* by Anthony Camilleri provides valuable insights into the concept of CSR and its real-world application. The first chapter explores social responsibility, including corporate social performance, business ethics, stakeholder theory, corporate citizenship, strategic CSR, corporate responsibility and sustainability, and the development of shared value. The author also discusses international policies and regulatory mechanisms for non-financial reporting, integrated marketing communication, organisational legitimacy, stakeholder influence, CSR communication, and environmental, social, and governance reporting on company websites. The second section focuses on social and environmental challenges in business, focusing on corporate citizenship and social responsibility policies in the United States, environmental, social, and governance reporting in Europe, European banks' corporate governance, and corporate responsibility and sustainability in producing value in business and education. The book concludes with a discussion on closing the loop of the circular economy in terms of corporate responsibility and sustainability.

Although the book primarily covers wealthy countries with established CSR frameworks, the case studies cover a wide range of pertinent topics, highlighting the challenges industrialised nations face. It is, therefore, clear that CSR is still evolving, and responsible behaviours are increasingly incorporated into new business models and initiatives to address environmental, societal, and governance deficits.

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Manard Simumba is a dual Master in Business Administration and Social Protection Financing. With over 18 years of industry experience in insurance, pension and employment injury industries, he is exposed to strategic management, planning, actuarial valuations, business development, research, evaluation, product development, training, system design and development, promoting sustainable practices in business, policy advise and development, funding proposals, financial management, public speaking and volunteering. Manard's research focus is establishing models that assist organisations in developing resilience in the face of environmental uncertainties and changing business models with the view to ensuring sustainable operations. He is currently a Doctor of Philosophy Candidate at the University of Zambia in Zambia.