Critical Thinking and Responsible Board Leadership^

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Unsustainable growth, lifestyles and business activities are damaging the environment, reducing biodiversity, depleting natural capital and contributing to global warming and climate change. These consequences pose existential threats to mankind generally and dilemmas and necessary but difficult choices for leaders of a variety of organizations, including corporate boards. Addressing them and individual and collective responses may require the critique, review and resetting of aspirations and expectations, purposes and priorities and goals and objectives. Visions and values, assumptions and beliefs, and the social and environmental responsibilities of businesses may now need to be questioned and challenged by directors and discussed and debated within corporate boards.

Membership of most human communities and societies, and those of many other species, appears linked to expectations of behavior that other members consider acceptable and responsible. It comes with obligations and there may be costs for those who do not meet them. Over time, expectations and what might be accepted or tolerated can change. In periods of crisis and stress, they should not be taken for granted. With mankind facing a number of inter-related challenges, and imminent tipping points after which it may be too late to avoid catastrophe, have we reached an inflection point in relation to a board's strategy for limiting negative externalities, maximizing positive impact and achieving responsible, inclusive and sustainable development and change? How might critical thinking help?

Critical Thinking and Corporate Boards

Critical thinking may not be easy to define and achieve, but for many academics the ability to think abstractly and to contextualize is important for teaching and learning (Fisher, 2001; Moore and Parker, 2008; Deane and Borg, 2011 and Hills, 2011). Critical thinking could now be the main educational goal of many universities (Zhou, 2022). As they progress through educational systems, students in many liberal democracies are increasingly encouraged to engage with, think about and critique rather than just accept, reproduce or describe what they read or are taught. In the contemporary corporate context, and in relation to urgently required reassessments, how important is critical thinking for corporate executives and boards?

This article will look particularly at the social and environmental responsibilities of business and the leadership now required from boards in the face of multiple inter-related challenges and when fundamental re-thinking is required in order to undertake necessary transitions and transformation journeys. Critical thinking is relevant because it can also involve pause, reflection and re-visiting assumptions (Chatfield, 2017). It is important for directors concerned with providing strategic direction, executives responsible for its execution and implementation, and more widely as collective responses to common and shared challenges are required and lifestyle changes, transitions and transformations are also needed.

For directors and boards, critical thinking and the questioning and challenge it can involve may help to limit or contain the groupthink that often limits the effectiveness of small teams, even if it does not entirely prevent it (Janis, 1972). Critical thinking literature can remind us of the dangers of groupthink and 'going with the crowd', in one case with a reference to a fictional situation in which a lone juror challenged the prejudices and reasoning of fellow jurors, resulting in them thinking again, revisiting earlier discussions and considering new

angles and possibilities (Hanscomb, 2019). 'Twelve Angry Men', the play and film referred to, reminds us of John Stuart Mill's championing of the individual, in that a person initially in a minority of one may eventually be proved right (Mill, 1859; Rose and Sergel, 1955). In the re-thinking now required from corporate boards it may be especially important that every director reflects, forms independent judgements and has an opportunity to express an opinion.

Critical Thinking in the Boardroom

Board chairs should encourage critical thinking and ensure adequate opportunity for challenge, questioning, discussion and debate. Board reviews should assess them and whether because of conformity, groupthink, lack of diversity, being rule-bound and other factors a board has become dysfunctional (Janis, 1972; Brown and Peterson, 2022), Active questioning and critical thinking are inter-related, and stimulating one can support the development of the other (Lorencová et. al. 2019). The ability to challenge, explore and probe by asking relevant and insightful questions is an important skill for directors. They require a critical and skeptical mindset. Critical thinking can be valuable for them, including when formulating an argument and understanding relevance and the limits of generalization (Tittle, 2011).

Critical thinking and willingness to question and challenge are not only needed in the boardroom and during informal discussion among board members between meetings, they are also required by directors when they are with a CEO and key executives. Too often, directors try to be diplomatic when interacting beyond their immediate peers. As a result, they may insulate themselves from understanding what is really going on and not cause others to reflect, think, question and raise concerns. Disagreement is very different from disloyalty and loyalty obtained at the expense of dissent can be counter-productive. A desire for consensus on a way forward should not be allowed to prematurely curb questioning and discussion.

Openness, candour, honesty and integrity can be important for critical thinking. Along with mutual trust and respect, and full and frank discussion, they are qualities that can contribute to board effectiveness (Sonnenfeld, 2002; Coulson-Thomas, 2007). Insecure and weak boards may resist and react against criticism, particularly from those that directors consider to be in inferior positions to themselves. More confident boards welcome and listen to feedback. They may explicitly devote time to engaging with those who express critical views, identifying areas for improvement, reviewing what they have learned and on occasion being willing to change direction. Board chairs and directors themselves should seek to ensure that they provide listening leadership (Coulson-Thomas, 2014).

The Corporate Social Responsibility Journey

When questioning the social responsibility of companies it may be helpful to first consider how the views of founders and boards may have changed over the years. Some entrepreneurs have exercised various forms of social responsibility since the industrial revolution. Certain early mill owners built 'model' settlements to house their employees, with facilities to care for their spiritual and physical well-being (Valentine, 2021). Personal philanthropy has a long history (Bremner, 1988). For many companies the impacts of worthy initiatives undertaken by individual founders have been dwarfed by the wider economic, social, technological and environmental impacts of their core business activities. At times, these have been transformational and in ways that have been beneficial and/or harmful.

Cherished activities, long-held views, established assumptions and widely shared beliefs may need to be challenged. The notion that business leaders have social responsibilities is not new (Bowen, 1953). The term corporate social responsibility and/or its acronym CSR has been used in relation to companies, but what does, could or should the term 'social' mean? Does it relate to a particular society or society in general? Does it embrace a local community or a wider society at national or international level, or refer to a gathering for certain purposes or a particular set of non-work or recreational activities? What about environmental impacts with social consequences? What should the current priorities of businesses be? Are there lessons we can learn from academic research relating to CSR in addition to our own experiences?

Creative solutions can require an ability and willingness to 'unlearn' and think again (Grant, 2021). Questions can be used and phrased to encourage thought (Golding, 2011). Views may differ on what the term 'social' should cover. Some distinguish between social, economic, environmental, ethical, legal and other forms of responsibility. ESG investors may separately apply environmental, social and governance criteria or considerations. Others take a more holistic view. They see these separate elements as inter-related and recognize that a wide range of corporate activities have impacts upon society. They are 'social' in the sense of having consequences and implications for society and members of society beyond those who may have previously been considered stakeholders such as investors, customers or suppliers.

Understanding the Context of Business

The social and environmental responsibilities of many companies are already being reassessed. More boards are deciding that the strategic direction they provide, and the corporate policies they establish or approve, should encompass a widening circle of arenas previously considered as 'external', such as the environment or natural world which faces a combination of threats (UNEP, 2019). They increasingly find it more difficult to just focus on 'business' matters and avoid 'political' issues. Investors with ESG priorities and stakeholders in general seem increasingly concerned with the broader economic, social and environmental aspects of corporate activities. Turning their concerns into a shared cause could represent a significant opportunity to engage and deliver value. How might directors do this?

The social and environmental contexts of business have been considered to be as significant as the economic and financial dimensions (Aras and Crowther, 2010). They all need to be addressed by governance arrangements and understood and examined by corporate boards. Increasingly, directors are expected to provide strategic direction and leadership across all of these arenas in order to attract various stakeholders, build relationships with them, reduce risk exposure and sustain beneficial performance. What could and should they do to build trust and a closer relationship between business and society? For example, are key stakeholders involved in CSR discussions and are their views, concerns and perspectives taken into account when responsible business strategies are formulated?

In many companies, do board members have a consensus view or hold aligned opinions on what represents responsible corporate citizenship? Do they perceive the companies for which they are responsible as corporate citizens in the context of society? If these companies benefit from society, to what extent should something be given back in the form of a social return or dividend? Boards may be aware of pressure on scarce natural capital. There are also new and emerging claims upon resources and capabilities, such as the growing requirement for climate adaptation and mitigation measures. It is becoming ever more important that directors are agreed on corporate purpose and priorities and the value they are seeking to create.

Embracing Contemporary Concerns

The evolution of humanity and human civilizations has been shaped by our relationship with the natural world and the availability of its resources (Dartnell, 2019). There is mutual dependency and shared vulnerability. Contemporary concerns of stakeholders are triggering, critical thinking and further and fundamental reassessments. As mentioned above, business practices and contemporary lifestyles damage the environment, reduce biodiversity and destabilize ecosystems (Dasgupta, 2021). They also contribute to global warming and climate change, the impacts of which are widespread, rapid and intensifying (IPCC, 2021). The collective impacts of multiple challenges have profound implications for society and social order. The necessity of responding to them can be a spur to creativity (Grant et al, 2011).

An existential threat such as global warming has multiple potential consequences for most societies and both the social and the environmental contexts in which companies operate (IPCC, 2022). These include more extreme weather events such as fires and floods, the inundation of coastal areas and cities as sea levels rise, food security issues and mass migrations of people who are displaced and in search of more habitable places in which to live. Their combination could trigger inter-communal and inter-state conflicts, breakdowns of law and order, and the collapse of financial systems. Many communities, including major cities, may cease to remain viable long before their negative impacts peak.

Human activity is also transforming natural capital into outputs that do not renew, and much of which ends up as waste which is difficult to recycle and environmentally damaging at a time when, as already mentioned, resources are required for climate adaptation and mitigation (Dasgupta, 2021). To minimize the use of scarce natural capital, future corporate activities will need to be undertaken as efficiently as possible. Provided corporate accounting practices take account of externalities, might a revised form of 'profit' become a more acceptable measure of contribution, or should it be replaced by an indicator and measure related to social and environmental value? If so, how might this be formulated, agreed and implemented?

Consolidating and Integrating CSR Concerns

Concerned directors should be willing to speak up and accept and respond to criticism (Sonnenfeld, 2002). In the past, corporate CSR initiatives have sometimes been isolated projects that have run alongside and apart from mainstream business units without distracting core capabilities. Just enough has been done to support a contribution to an Annual Report and/or meet any imposed requirement or other related and external expectations. Companies have also been criticized and subjected to regulatory and legal measures designed to limit the undesirable consequences of their operations. The corporate sector, business generally and markets have had many detractors. Is a more holistic and integrated approach that embraces both CSR initiatives and overall responsible business activities now required?

Could a reviewed and shared corporate purpose that embraced sustainability in the context of environmental pressure, climate change and commitment to the United Nations (2015) Sustainable Development Goals (SDGs) provide the unifying theme that could embrace monitoring, compliance and risk frameworks and hold a corporate network of relationships together (Mayer, 2018)? Could it help to align organisational goals and ethical practices? Would this provide the more responsible leadership that might start to rebuild trust with

stakeholders and introduce a more responsible capitalism (Coulson-Thomas, 2021)? Might more ethical, inclusive and principle-based forms of corporate governance also emerge?

In relation to the existential threat of climate change, Governments that are being pressed to do more are increasingly dependent upon the corporate sector for delivering national net zero and SDG targets (Coulson-Thomas, 2022). Most of the required capabilities, know-how, technology and tools, and the capacity to innovate that is needed to achieve them, are in the hands of commercial companies. More Governments and regulators may have to switch their focus from limiting or preventing negative externalities to encouraging and incentivizing positive ones. Is now an opportune moment for re-purposing and joint or collective action?

CSR - The Bridge between Business and Societal Growth

Critical thinking could be about connections, relationships, inter-relationships, alignment and synergy. Corporate, community and societal development can reinforce or undermine each other. Ideally, they should be compatible, consistent, aligned and in balance and harmony. Businesses need acceptance, legitimacy and support from the communities and societies in which they operate. They are inter-dependent, reliant upon each other and relationships between them should be mutually beneficial. They can rise or fall together. CSR can act as a bridge between them and help ensure that business growth is accompanied by economic prosperity, social progress and improvement in areas such as infrastructure, education, health and well-being that will enable it to be sustained and perceived as responsible and desirable.

Interest has grown in the inter-relationship of enterprises, society and the ecological environment, and the influence of CSR on the balance between financial profit and social value creation (Wang et al, 2021). Over time, social and environmental problems increasingly become financial ones and successful CSR strategies can enable companies to benefit from, and participate in, the shared value they create (Nacer, 2021). When addressing existential challenges requires cooperation and collaborative responses, boards must decide to what extent to use their discretion to engage with public policy (Knudsen and Moon, 2022).

For sustainable corporate futures, boards need to consider how responsible and social business initiatives and community and other stakeholder engagement and involvement strategies can build bridges, advance collective aspirations and inspire collaborations to deliver them. How might they establish an environment that enables strategic CSR and the social innovation needed for more sustainable lifestyles and communities? What has to be done if CSR and other corporate strategies, policies and activities are to become drivers of social entrepreneurship, innovation, inclusion and sustainable development?

Board Leadership for Strategizing CSR initiatives

People often take a cue from those to whom they are accountable. They are influenced by both words and deeds. Responsible leaders can send out signals that increase their subordinates' awareness of sustainable values and responsibility and drive pro environmental behaviour (Afsar, Bilal et al, 2020). They could encourage critical thinking about their own roles and priorities. Boards should consider the nature of the leadership and strategic direction they provide, the extent to which it is responsible, and in relation to what and to whom, and how they can ensure and assure the responsibility of what is done by those who are accountable to them. Their impact will depend upon the extent to which they can reach, influence and inspire others to act, behave and respond responsibly.

CSR has sometimes been seen as balancing tomorrow's sustainability and today's profitability (Hawkins, 2006). In reality, and in the face of multiple and inter-related challenges, societies and companies around the world are increasingly having to focus on sustainability today if they are to survive and remain relevant. Responsible policies that support social and environmental goals and improve social and environmental performance can increase profitability and shareholder value (Heal, 2008). Could addressing common existential challenges and responding to social and environmental concerns represent a cause and corporate purpose, and a vision, goals and objectives, that others would share?

Boards should ensure that certain fundamentals are periodically critiqued. The question has been raised, and continues to be put, of what is a company for (Handy, 2002; Mayer, 2018). Is there a need to also address the purpose of board and corporate leadership and how business value and social outcomes can be better aligned (Ahluwalia, 2015; Kempster et al, 2019)? Where directors' duties require them to have regard for the longer-term, and to take the interests of a wider range of stakeholders into account, could a responsible purpose be to produce practical solutions to challenges facing people and the planet that are beneficial, profitable and responsible when their externalities, consequences and implications are taken into account (Mayer, 2018)? Might such an approach engage, appeal and unify?

CSR and Competitive Advantage

How might CSR considerations be utilized to also build competitive advantage, especially in areas such as brand reputation and with certain stakeholder groups such as millennials? Which aspects or elements can best be leveraged? Responsible corporate citizenship has multiple benefits, from enhancing brand value and perceived legitimacy and creating wider partnership opportunities, to attracting talent and building broader and deeper relationships. How might it be best be encouraged, developed and demonstrated? How could board initiatives in this area better link business and society and create value for both? Innovation in CSR and CSR purposed innovation can be especially important for the creation of shared value (Nacer, 2021). How might they also support wider and collective responses?

Critical thinking can often be positive rather than negative. It can be about opportunities. When taking corporate decisions, there are those who have distinguished between market and non-market considerations and posed a trade-off between CSR and competitive advantage (Zhao et al, 2022). Increasingly, and even more so as awareness of existential threats grows, the competitive arena is embracing corporate responses to them and action to address them. How can and should CSR be leveraged and strategized for competitive advantage? With a common purpose and shared goals and objectives, could a trade-off be replaced with opportunities for synergy and mutually beneficial outcomes from multiple perspectives?

Innovation is a key requirement. As well as satisfying moral criteria, environmental and social responsibility might have a positive impact on innovation as well as benefitting reputation, legitimacy and sustainability (Asongu, 2007). CSR may also have a beneficial influence on technological innovation in terms of the culture and longer-term perspective it can help to create (Jia et al, 2022). Much can depend upon the context in which a company operates. In service industries in countries with a high national philanthropic environment (NPE) there may be synergy between research and development and CSR, whereas in countries with low NPE there may be a trade-off (Randrianasolo and Semenov, 2022). Might a socially responsible purpose be more encouraging of innovation in multiple contexts?

Image and Corporate Reputation

Critical thinking about CSR can be about recovery, rebuilding relationships and reputations and re-establishing trust and legitimacy. As we have seen, unsustainable growth, lifestyles and business activities are damaging the environment, reducing biodiversity, depleting natural capital and contributing to global warming and climate change (UNEP, 2019; Dasgupta, 2021; IPCC, 2021 & 2022). Anti-social corporate behaviour and a poor environmental record can be penalized by investors (Heal, 2008). At the same time, although affected by service quality, perceptions of CSR may influence purchase intention (El Samea and Rashed, 2021). What more could and should boards do to ensure awareness of the positive impacts of responsible corporate policies and activities?

CSR can also play a role within a framework for enhancing corporate identity, image, reputation and brand value. These can be damaged when corporate conduct is considered to be irresponsible, wasteful or harmful to the environment and/or unsustainable (Marwick and Fill, 1997; Gray and Balmer, 1998; Stern, 2019). However, care needs to be taken to ensure that CSR and other corporate initiatives are not perceived as cosmetic, a distraction, deceit or window dressing. Activities thought to be undertaken for such purposes might be counter-productive, especially in relation to climate change, and may damage a reputation, harm relationships and alienate concerned stakeholders.

Socially and environmentally harmful behavior can damage the value of a brand (Heal, 2008). It should be questioned and challenged. How might CSR best support brand activism and contribute to building a socially sensitive brand in social and other media? Managerial environmental ethics and sense of corporate social responsibility can affect employee environmental attitudes and practices and environmental protection practices in the workplace ((Afsar, Bilal et al, 2020). How should boards ensure that a value driven CSR agenda is communicated in such a way as to impact behaviours and perceptions and become a game changer for social and environmental issues?

Corporate Governance and CSR

Corporate governance should be appropriate for a company's purpose, its stage of development, the particular challenges it faces and the opportunities a board is seeking to create or seize. The stakeholder stewardship model of corporate governance recognises the interests of a wider range of stakeholders than owners or investors. Boards should be aware of CSR/stakeholder perspectives among those who might succeed them. Millennials may be influenced by CSR/stakeholder considerations when taking financial decisions (Reavis et al, 2021). As company laws are reviewed in different jurisdictions, there are likely to be further amendments that require directors to take them into account when they make choices. In practice, some directors encounter limits in relation to the number of different interests they can assess and consider. For example, to whom should a board go for actionable advice or counsel on the interests of future generations? What good governance practices for ethical, environmental and social compliance might contribute to sustainable eco growth?

Is responsible CSR a new agenda beyond traditional governance? CSR and corporate governance can be inter-related. They may influence each other positively or negatively, and the two together have been described as essential for sustainable business (Aras and Crowther, 2010). Are there particular governance processes that are especially important for formulating and implementing more environmentally and socially responsible strategies and

policies and for creating shared value? How might CSR and legislative and financial CSR expectations and requirements and their implications be better embedded into the structure of corporate governance and conduct of corporate operations? How important is 'tone at the top'? In relation to a board's CSR policy, planning and control, what terms of reference or roles and responsibilities should be given to a CSR Committee of the board?

Governance arrangements and critical thinking may have to encompass supply chain and other stakeholder relationships and collaborative agreements. Those relating to compliance may also need to embrace CSR standards. For example, thought may need to be given to creating a database of customer CSR requirements and standards (Sütőová and Kóča, 2022). Directors should pay attention to activities within corporate supply and value chains. For many companies, this may be where the bulk of particular negative externalities might arise and they be largely hidden. Parts of a business, particular collaborations and certain ventures, and/or major projects, might need to be governed and/or managed differently on account of the nature of their activities, the timescales required and other parties involved. Governance should recognize and accommodate diversity. It should enable rather than constrict.

Monitoring and Evaluating CSR Strategies, Policies, Initiatives and Projects

Boards should also focus on environmental and project governance. While a responsible board might view most, if not all, corporate activities and proposals through an ESG lens, strategies and policies may be implemented by projects. How should they be planned, monitored, audited and evaluated? Individually and collectively their purposes, goals and objectives should be aligned with those at corporate level. Is there is a tendency to manage rather than grow CSR projects? Is the focus upon inputs and compliance with expenditure requirements rather than outputs or delivered benefits? Are opportunities being missed to scale them up, perhaps through participating collaborators? Corporate and project leadership should encourage creativity, innovation and entrepreneurship (Coulson-Thomas, 2017).

CSR should be authentic. Initiatives that genuinely seek to reduce a brand's negative externalities may lift sales, whereas CSR actions focused on philanthropy and 'cultivating goodwill' might hurt sales (Nickerson et al, 2022). How can a socially and environmentally responsible corporate purpose and a board's concern for economic and social inclusion, sustainability and related issues best be communicated, internalized and supported so that a business might be perceived as a cause that inspires, engages and motivates, and is worthy of engagement and support? What performance indicators of the societal and corporate benefits of CSR should be used? How should socially beneficial community development projects be developed, promoted, managed and governed? At the corporate level, what form of social audit would be appropriate, who should undertake it and how might impacts be assessed? What skills and qualifications are required for managing large scale projects?

For some companies, past critiques and assessments of whether or not they are 'doing well by doing good' have been complicated by the reality that any costs and benefits of modest and discretionary CSR initiatives have not been significant in relation to total activities, turnover and earnings (Vogel, 2005). However, the scale of adaptation and mitigation measures that are required in relation to global warming, and their urgency and necessity, are such that they are imperative rather than discretionary and their impacts need to be significant. Will ISO 37000, the world's first international standard on good governance of organizations of all types, with its shift of focus from a concentration on ends and means to purpose driven governance, help boards to achieve more socially and environmentally responsible outcomes?

Collective Action and Collaborative Responses

Business partnering with other companies, public bodies, social enterprises and NGOs may be required. The need for collective action relating to climate change is clear and compelling (IPCC, 2021). What a company does in collaboration with other entities may be as important as its own solo activities. How should collaborative arrangements and ventures be negotiated, managed and governed, scaled-up, their progress monitored and their impacts assessed? To minimize the use of scarce natural capital and harmful emissions, collective and cooperative activities should also be undertaken as efficiently as possible. Provided corporate accounting practices take account of externalities, with core corporate capabilities now devoted to socially beneficial activities and a socially responsible set of corporate purpose, vision, goals, objectives, strategies and priorities, what combination of outcomes, whether of economic benefit, social value surplus, natural capital use, environmental impact or net emissions should be the aim of collaborating parties? How might these be agreed?

The nature and scale of existential challenges is such that corporate and collective capabilities now need to be devoted to addressing them, to adaptation and mitigation measures and to supporting transition to more sustainable and resilient operations, lifestyles and communities and their infrastructures. As aspirations, priorities and requirements change, social, economic and technological innovation will be required and transitions and transformations will need to be paid for. Market and pricing mechanisms are likely to be required to ensure the diversity of responses needed to satisfy differing requirements and provide bespoke solutions. As more consumers opt for what they perceive as responsible options, might an ability to charge a price premium encourage movement from symbolic to substantive CSR (Nardi, 2022)?

Board members and collaborating parties should be agreed on what they are setting out to do. There should be sufficient of a consensus to hold them together. Milton Friedman's view that the social responsibility of business is to increase its profits has been much criticized in our era of stakeholder capitalism (Friedman, 1970). If core corporate capabilities were devoted to socially beneficial activities and if corporate purpose, vision, goals, objectives, strategies and priorities were socially responsible, could we see a return to the maximization of an agreed indicator or set of outcomes as the aim of boards and executive teams? Directors should act as responsible stewards of corporate, social and environmental resources and capabilities. They should ensure negative externalities are addressed and accounted for. Should boards and corporate purpose focus on priorities such as addressing existential challenges, protecting and restoring eco-systems and creating surplus social value?

Accountability, Openness, Transparency and Reporting

Corporate accounting and reporting policies and practices can be very revealing of the extent to which a board is aware, responsible, open and transparent. Those of many companies deserve critique. They seem designed to conceal the full extent of negative externalities. Activities that damage ecosystems, reduce bio-diversity, deplete scarce natural capital and contribute to global warming are sometimes accepted, hidden or tolerated. They may also be assessed, described and reported as 'profitable'. How could integrated reporting provide a more accurate representation of corporate strategy, governance and financial performance in relation to the social, environmental and economic context within which a company operates?

Metaphorical 'sacred cows' or 'no-go' areas for critical thinking, criticism and questioning should be tackled. Examples of corporate irresponsibility abound. As indicated already, many corporate activities pollute the environment, endanger and deplete the natural world and exacerbate climate change. A company's prior record on CSR and stakeholder views of its 'warmth' may influence their perception of related corporate hypocrisy (Chen et al, 2020). Consumers may be more inclined to reward companies that genuinely and directly seek to reduce the negative by-products of their business practices than be impressed by public goodwill gestures (Nickerson et al, 2022). Greenwashing should be avoided.

Corporate statements have evolved to take account of ethical and environmental considerations (Comite, 2009). How are trends in social accountability and integrated performance reporting affecting perceptions, practices, brand values and wider behaviours? What are the impacts of adopting CSR guidelines and/or ISO 26000 and SA 8000 standards on the CSR landscape? Would more of a focus upon United Nations (2015) Sustainable Development Goals (SDGs) help boards to better align corporate strategies with national targets for addressing community and societal issues? Should more corporate boards commission social audits to assess net impact on society and stakeholder expectations and how should these and CSR performance be communicated, measured and reported?

Grasping a Historic and Strategic Opportunity

Existential challenges may be accompanied by unprecedented opportunities (Stern, 2015). Positive and critical thinking might embrace and unlock them. ESG and responsible business conduct is more than scaling back damaging activities, ending unsustainable operations and dealing with negative consequences. It also involves opportunities and positive and collective initiatives to create, enable and support operations and lifestyles that are desirable as well as sustainable (Coulson-Thomas, 2021 & 2022). CSR and ESG are about opportunity and responsible innovation, enterprise and capitalism. They are about creating new options and choices for stakeholders to live and operate more sustainably and in harmony with the natural world. They could involve regeneration and rewilding, social and economic inclusion, climate justice and lifestyle transformation.

Responding to challenges and opportunities in the global economy and helping people to cope with them could create an historic opportunity for businesses, government, public bodies and regulators to work together to ensure our survival and that the results of growth are more widely shared (Coulson-Thomas, 2021). Could we be on the threshold of a new era of cooperation and caring and collaborative capitalism? Could this reinvigorate CSR and lead to a new division of labour between public bodies and private enterprises? Might hierarchical organizations with a primary focus upon particular stakeholder requirements give way to collaborative networks that embrace wider community interests and take a longer-term view?

Corporate citizenship, ethics and social responsibility are inter-related (Mackey, 2014). Lord Stern (2019) believes pursuit of a zero-carbon economy could generate strong and inclusive growth that would result in a more acceptable climate and assist the delivery of United Nations (2015) SDGs. If business leaders can restore trust and build confidence and credibility with a shared purpose that embraces strategy and execution, they might create opportunities for collaboration, cooperation and partnerships with complementary enterprises, Governments, regulators, public bodies and other stakeholders. Working with their peers and supporters to address common challenges and create and build economies with responsible and sustainable businesses could benefit wider society, future generations and the natural environment.

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Further information
This article draws upon a theme paper prepared by the author for the 16th International Conference on Corporate Social Responsibility which was organised by India's Institute of Directors (IOD) (https://iodglobal.com/).

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Executive Summary

The consequences of unsustainable growth, lifestyles and business activities represent an existential threat. Critical thinking, lifestyle changes, transition and transformation are required. Aspirations, expectations, purposes, priorities, goals and objectives need to be critiqued, reviewed and reset. Visions, values, assumptions, beliefs and the social and environmental responsibilities of businesses should be challenged. Critical thinking can tackle groupthink. It should be encouraged by board chairs during and between board meetings and by CEOs throughout organizations. Asking relevant and insightful questions is an important skill for directors and executives.

Confident boards welcome feedback. They listen and respond to it. In relation to business responsibilities, cherished activities, widely held views, and purpose and priorities may need to be reviewed in the contexts in which companies operate and to embrace contemporary concerns. Critical thinking could be about connections, relationships, inter-relationships, alignment and synergy. Questions could also be asked about competitive advantage, image,

reputation and governance, monitoring and evaluation, collective action and collaborative responses and accountability, openness, transparency and reporting.

Corporate, community and societal development should be compatible, consistent and aligned. Boards should seek outcomes that are desirable, profitable and responsible when externalities, consequences and implications are taken into account. Positive and critical thinking might unlock a historic opportunity. Addressing shared existential challenges and sustainability could represent a common purpose that unifies the interests of a wider range of stakeholders and enables mutually beneficial collaborative and collective responses. Responsible leadership, innovation, enterprise and capitalism should be about creating new options for stakeholders to live sustainably and in harmony with the natural world.

Abstract

The consequences of unsustainable growth, lifestyles and business activities represent an existential threat. Critical thinking, lifestyle changes, transition and transformation are required. This paper looks at the social and environmental responsibilities of business leaders. Aspirations, expectations, purposes, priorities, goals and objectives need to be critiqued, reviewed and reset. Visions, values, assumptions, beliefs and the social and environmental responsibilities of businesses should be challenged. Critical thinking can tackle groupthink. It should be encouraged by board chairs during and between board meetings and by CEOs throughout organizations. Asking relevant and insightful questions is an important skill for directors and executives. Confident boards welcome feedback. Responsible leadership, innovation, enterprise and capitalism should be about creating new options for stakeholders to live sustainably and in harmony with the natural world.

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