

11<sup>th</sup> International Conference on Corporate Social Responsibility

Embedding CSR in Corporate Strategy for Responsible Growth

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Digital and other developments are changing the nature of work and organisations. How products and services are purchased and delivered are also changing as new business models emerge. Companies face threats from start-up platforms and public criticism in various forms, from academic critiques of capitalism, voter anger at the perceived consequences of globalization, and accusations of the pursuit of narrow, vested and self-interests at the expense of a wider public good.

When changes occur, invariably some gain while others lose. Are the benefits of growth being widely shared? Was the UK Brexit vote and the success of Donald Trump in the US presidential election in part a protest by those who feel they have been left behind and forgotten? How might those who feel excluded and marginalised in India and developing countries react when they see others reaping benefits that continue to elude them?

Are criticisms, regulation, multiple requests for information from external monitors and greater media scrutiny creating vacancies at the CEO and senior leadership level, as middle managers opt not to apply for advancement (Houghton, 2016). Will greater exposure to scrutiny and enhanced risk of investigatory and legal action put more people off seeking board positions? What can be done to increase confidence in corporate leaders and build trust with legislators, regulators and the public?

Societies face challenges and opportunities. Are directors doing enough to encourage innovation and entrepreneurship? Is the focus too often upon consolidation, rationalisation, cost-cutting and squeezing more out of existing operations? Is cash disbursed as dividends or used to buy-back shares rather than to invest in new industries. Are many corporate leaders keeping existing shows on the road and protecting past investments and rather than creating more sustainable alternatives?

Accusations of Self-interest

Suspicion of favouritism and self-interest can fuel cynicism and distrust. Are increasing levels of CEO and top executive pay and higher loss of office compensation payments to directors evidence of corporate leaders addressing their own interests? To mix metaphors, are many directors feathering their nests while they have their snouts in the trough? Shareholder concerns are not new. Investor activism can be traced back to the 1920s (Gramm, 2016). Could the rejection by BP shareholders of a proposed pay package for the company's CEO herald renewed activism?

Will distrust of corporate leaders and investor and public cynicism result in wider revolts and further calls for governance changes and external intervention? Have remuneration committees and boards been particularly weak, unadventurous and unimaginative in relation to executive pay? Have they employed policies and approaches such as “paying in the top quartile to attract the best talent” that automatically result in the ratcheting up of average levels of remuneration?

The consequences of “going with the flow” and the failure of independent directors to challenge has not gone unnoticed. Theresa May, the UK Prime Minister has referred to “an irrational, unhealthy and growing gap between what ... companies pay their workers and what they pay their bosses” and said she wants governance changes, including making “shareholder votes on corporate

pay not just advisory but binding”, “more transparency” and a simplification of “the way bonuses are paid so that the bosses’ incentives are better aligned with the long-term interests of the company and its shareholders (May, 2016b).”

The precise form intervention might take could depend upon the steps corporate leaders, and especially directors, take to demonstrate that they are not taking advantage of their positions to further their own interests and are exercising stewardship for the benefit of all stakeholders. Is the acid test the extent to which directors are socially responsible and companies have social impact?

### Uncertainty as Opportunity

The theme of the 2016 London Global Convention on Corporate Governance and Sustainability was the board's evolving role in an uncertain global economy. Directors, boards and companies act within the context of a wider economy. Could more be done for certain stakeholder groups and wider society? Uncertainty is challenging, but could collaborative responses to uncertainty create closer and more strategic relationships with customers, suppliers, business partners and others?

Uncertainty is a fact of life for many - if not most – entrepreneurs. While cautious and risk averse boards put investment plans on hold during periods of uncertainty, more adventurous, courageous and entrepreneurial spirits respond differently. They gain competitive advantage, grow market share and develop first mover leads while others hold back (Coulson-Thomas, 2011). Opportunity could be another word for uncertainty. Our challenging business environment offers unprecedented opportunities, including to create more caring, responsive and responsible companies.

Do we need a broader and more open and inclusive perspective in corporate boardrooms? Would we benefit from a greater diversity of thinking? Priorities are shifting. What will a desire for greater social impact mean for corporate social responsibility (CSR)? Established structures are giving way to networks, communities and project groups. New rules of engagement may be required with a wider range of stakeholder interests. Who needs to be engaged, by what means and when?

When seeking more inspiring, questioning and innovative corporate leaders who can engage with a wider range of stakeholders should we look beyond traditional sources for candidates? Should we consider CSR professionals, or resort to the liberal arts that encourage people to think, question and challenge by exposing them to the diverse views of authors, philosophers and political, religious and other leaders over the years, or to the creative arts that can enable independent thought and produce designs and artefacts that allow people to express their personal responses and positions in a richer variety of ways than just the written or spoken word? To do things differently, do we need more subjects that stretch imaginations and encourage the challenge of orthodoxy?

### CSR, Sustainability and Corporate Strategy

How can boards give a lead in addressing concerns, restoring trust and achieving more sustainable and responsible growth? Should they consciously set out to build more caring companies and a more sensitive capitalism? How might social purpose and responsibility, sustainability and achieving a more beneficial social impact become more central elements of a total corporate strategy? What forms of leadership and control are needed to achieve this?

The UK's Financial Reporting Council is examining the relationship between corporate culture and behaviour (FRC, 2016). Does a desire for a more significant social impact have implications for corporate culture, values and ethics? What changes are required?

What role could a CSR team and its activities play in the creation of more responsive, responsible

and sustainable companies? Does CSR need to be aligned with corporate strategy, absorbed by it or merged with it? What role should or could a CSR committee play now and when a board assumes ownership of the challenge of creating more caring and socially aware companies? How should companies build upon CSR experience of helping particular groups and benefiting a brand?

### Corporate Purpose and Responsible Growth

To whom should tomorrow's company be accountable and what should its purpose be? For younger and future generations might furthering a cause or a social purpose and having a social impact be more appealing than 'fitting in', 'playing the game' and 'getting on'? Viktor Frankl (1959) described mankind's search for meaning. Might more business leaders seek to turn their organisations into a cause that motivates others? A challenge for boards is to ensure the purpose of a company is one people can relate to and that engages them, so that individual and corporate purpose are aligned.

Corporate vision and purpose should have meaning not just for employees, but for other stakeholders as well. Contemporary corporate governance assumes accountability to shareholders. As barriers to entry and initial capital requirements fall, and the development of more entities is funded by customers, will more companies redefine their purpose? What might governance requirements and corporate purpose look like if one replaced shareholders with customers or "associates", whether employees, business partners or entrepreneurial citizens?

A change of corporate purpose and engaging with a wider range of stakeholders raise questions for corporate governance. Does it need to become more open and democratic? Should it involve more people? Should a wider range of inputs be sought and additional groups engaged when visioning and other exercises are undertaken? How could the adoption of a corporate purpose that addresses a wider range of interests and fosters responsible growth be both embedded into corporate strategy and facilitated by legal, regulatory and/or governance changes?

### Sustainable Business and Responsible Growth

In the context of limited natural capital, Tim Jackson (2016), a sustainability adviser to the UK government, has questioned the desirability of continued economic growth in developed nations. He suggests human society can flourish within the ecological limits of a finite planet and argues that fulfilling this vision is the most urgent task of our times.

How can CSR approaches, activities and values be best blended into corporate efforts to achieve more inclusive, responsible and sustainable growth and development? Can particular CSR initiatives and perspectives be leveraged to address social issues and further national development goals? How could social considerations and a wider range of interests play a more significant role in corporate decision making? Could particular drives, such as for greater diversity or transparency, or a particular focus, such as sanitation, be a catalyst or facilitator of wider corporate action?

In relation to sustainability, inclusion and reaching a wider community, rural areas can present a particular challenge (Coulson-Thomas, 2016). In many developing countries there is a large and often growing gap between the more affluent areas of cities and the poverty experienced in many rural areas. The lure of the opportunities found in urban areas, both real and imagined, acts as a magnet, causing a flow of economic migrants from country to town.

### Overcoming the Urban-Rural Divide

Digital services and the provision of greater bandwidth in remoter areas can help to bridge the urban-rural divide. Greater connectivity can facilitate the delivery of e-Government services,

participation in distance learning opportunities, local networking and the greater use of e-business to deliver services remotely and sell local craft and other products via the internet.

The greening of cities and wider adoption of new ways of working, learning and shopping could reduce congestion, pollution and temperatures in urban areas, but for the net flow of people from country to town to be reversed, basic rural services whether bandwidth or basics such as sanitation facilities and clean water and accessible health care need to be improved. It would also help if the local sports infrastructure were both better utilised and improved, and wider opportunities for participation in the creative arts in rural India provided. Might greater inclusion, whether of the disabled or those in rural areas, represent a corporate purpose and cause that could be shared with various stakeholders? Would it attract a new generation of leaders and CSR professionals?

Should the aim be to sustain an acceptable quality of life for the great majority of citizens, whether they are in living and working the countryside or in urban areas? Rural dwellers are unlikely to welcome a reigning back of overall development that could trap them in poverty, but could the improvement of local infrastructure and services make country living attractive to the point that the choice between city and rural living becomes a lifestyle decision rather than an economic one? With the vibrancy of city living comes overcrowding, congestion and atmospheric pollution (Newman, 2006), while country living and being closer to nature could be less intense and stressful.

#### Alternative Strategies and Sustainable Lifestyles

Sustainability is a corporate purpose and cause that could appeal to younger generations. The adoption of more sustainable lifestyles would make fewer demands upon scarce resources and contribute less to global warming. Could CSR initiatives explore different options for living simpler and less material lives, underpinned by appropriate educational and healthcare infrastructure?

Companies often pursue a strategy of minimum differentiation. They offer similar products and services and aim at the largest customer segments. This creates opportunities for the enterprising and entrepreneurial to develop different strategies to create alternative enterprises that offer new choices for those who would prefer different lifestyles (Coulson-Thomas, 2001). Could a greater diversity of accommodation and other services enable those with particular lifestyle aspirations to connect with and/or join communities holding similar views? Would moving between lifestyles, perhaps at different stages of life, give people a richer life experience?

There are various causes such as the preservation of biodiversity that could have a particular resonance for younger generations whose future lives could be adversely affected by unwelcome developments. The existence of uncertainty implies that less is pre-ordained and the future might not be more of the same. This could increase the opportunity for those who do take a longer-term view and act to make a difference. Might appropriate action in relation to sustainability also create better than average or expected returns? (Clark *et al*, 2014)

#### Relative Importance of Stakeholders

Company law and stock exchange listing requirements usually put particular stress upon the interests of shareholders. Yet other sources of finance and stakeholder groups are important for companies and vice versa. The contemporary company is a network of relationships with multiple stakeholders. Among these groups, customers, employees, suppliers and business partners can be as important as shareholders - if not more important - for a company's growth and development.

Without the continuing support of customers a business cannot survive, while for some customers, their purchases can be a matter of life or death. Companies vary greatly in the steps they take to

build relationships with strategically important customers and key accounts (Hurcomb, 1998). Many activities, operations and associated jobs are dependent upon bought in raw materials, components, supplies or services. Having the support of a local community can also be a positive factor. Should CSR activities focus upon some or all of these stakeholder groups?

If not satisfied, each group of stakeholders can take decisions that could harm the future prospects of a company. While some investors might sell their shares if not satisfied with dividend levels, customers who feel short changed and key employees who are dissatisfied may look elsewhere. Important suppliers and business partners who are not fairly treated might give more priority to other relationships, or even walk away. A local community and its representatives could oppose a planning application. In short, not caring, engaging and having a social purpose has implications.

### Relationships with Stakeholders

While in company law the interests of shareholders have usually been paramount, they cannot be pursued to the exclusion of all other considerations. In practice directors have to achieve a balance between the interests of all stakeholders. They ignore certain interests at their peril. Those who do not pay taxes that are due, ignore a regulatory requirement or flout the law can face sanctions such as prison sentences or the forced shutting down of corporate operations.

The roles and responsibilities of directors are such that they often face dilemmas (Dunne, 2005). A board cannot give so much away to particular groups that it does not retain sufficient resources for building the capabilities to ensure a company's own survival and development. Relationships with stakeholders need to be mutually beneficial and based on trust if they are to endure in uncertain times. To what extent in such circumstances can and should directors aspire to do more than just enough to keep different stakeholder groups on side and retain a competitive advantage?

Are non-executive directors (NEDs) alert to wider stakeholder views and social issues and concerns? Do they appreciate the role CSR can play in building relationships? Are NEDs just appointed to meet a legal or a code of practice requirement? Should companies try to appoint more of them? Should independent and objective advice to be sought whenever important decisions have to be taken, whether in the boardroom or outside? Much will depend upon the extent to which independent directors themselves and other corporate directors and executive management understand each other's role, duties, distinct perspectives and contributions (Nath, 2016).

### Restoring Confidence and Trust

Uncertainty can be unsettling, but collaborative responses to it can create closer and more strategic relationships with customers, suppliers and business partners. Unfortunately, corporate governance scandals, allegations excessive executive pay and concerns in areas such as pension funding has resulted in public cynicism and distrust in many countries. With certain stakeholders, some directors and boards need to take urgent steps to restore and sustain confidence, credibility and trust.

Traditional responsibilities to ensure solvency and promote the best interests of a company remain. Value still needs to be created, but do many boards need to devote more attention to its allocation in order to benefit more stakeholders and a wider society? Efficiency, economy, innovation and productivity in value creation can still be vital for sustainability, so long as they are pursued responsibly and at an acceptable cost. The bigger the cake, the more there is to allocate, including to the company itself to enhance its capability to create future value and improve social impact.

Directors need to understand their duties and responsibilities and their rights and obligations in the company law and other requirements of the jurisdictions in which they hold appointments (Makhija,

2016). At the same time, they need to be aware of public sentiments and calls for intervention in the economic and market contexts in which they operate, particularly those concerned with the social impacts of their operations. What distinctive contribution can CSR make in response?

Revisions of company law have recognised the wider responsibilities of directors. In the UK, when taking decisions they are now expected to have regard to the interests of stakeholders other than shareholders. In India, companies that meet stated criteria are now expected to devote 2% of net profit to socially responsible activities. Could cynicism, disquiet and the continued pursuit of what might be regarded as particular interests at the expense of the broader public good result in further pressure for legislative and/or regulatory changes to widen the remit and perspectives of directors?

### Digital Engagement and Empowerment

Standing (2016) offers a personal take on contemporary capitalism. He suggests it enriches the owners of property – financial, physical and intellectual – at the expense of society. While some live a precarious existence as a result of factors such as outsourcing, automation and the on-demand economy he suggests an elite enriches itself, aided by subsidies, tax breaks, debt mechanisms and the privatisation of public services. Will this process continue and spread, or could digital and other technologies be used to re-skill and empower the “precarariat” he describes?

How could digital applications allow a company to play a more significant role in developing social entrepreneurship and the skills needed to create more opportunities for income generation and both employment and self employment? How could CSR contribute to the up-skilling and re-skilling of transforming economies and boost employability and entrepreneurship? Digital developments can require new skills and also be a means of delivering programmes to develop a variety of other skills.

Improved technical and vocational education has been used in certain developing countries for addressing employment and poverty issues in rural areas (King & Palmer, 2007). There could be a role for social and private entrepreneurship in rolling out suitable provision, but steps would need to be taken to ensure the relevance and quality of what is provided. One might need also to counter negative attitudes that vocational education is for those who fail to progress academically by establishing more competence-based routes to entrepreneurship.

Does the CSR and wider corporate community itself have the professional skills required to develop, secure funding for and deliver more ambitious projects and programmes? What needs to happen for such initiatives and more responsible corporate actions to build bridges between business and society? How could general digital and other corporate capabilities contribute to achieving the scale of impact needed to address a social challenge such as education for the masses?

### Implications for Future Board Members

Predicting the experience, expertise, qualifications and track record that may be relevant in future scenarios is not easy, but integrity and personal qualities are core requirements. Might a CSR perspective and CSR experience be helpful? Many boards need to build mutually beneficial relationships with a wider range of stakeholders. Hence they may require people who when faced with an unfamiliar situation will embrace a wider range of interests than has hitherto been the case.

Faced with uncertainty, some people hide behind prison bars of their own creation. They are so concerned with avoiding risks and compliance that they lose the courage to be entrepreneurial and to have a go. Will those who have won plaudits for addressing shareholder interests be able to broaden their perspective and engage with a wider range of stakeholders, whether because of the realities of marketplace survival and sustainability, or because of government intervention?

In crises, some people surprise us and rise to the occasion, while others disappoint. There may be latent potential within an existing team. Finding what we need within ourselves rather than looking for what might not exist is a key message from a children's book (Baum, 1900) that was the basis for a classic 1939 film, *The Wizard of Oz*. Transported to the land of Oz, a young girl set out on an uncertain and potentially dangerous journey with three companions: a tin man with a hard shell who felt he needed compassion and wanted a heart; a cowardly lion who wanted courage; a scarecrow who wanted a brain so that he could think. Despite multiple challenges, they found within themselves the compassion, courage and thinking required to cope with adversity and overcome obstacles. Can CSR demonstrate the compassion needed to improve social impact and restore trust?

### Widening Perspectives

A board should understand the market, social and regulatory context within which it operates and be able to take a longer-term view. With increasing awareness of climate change, the earth's finite resources and the impact of human activity upon its restorative capacity and other forms of life, do the perspectives of boards and CSR need to embrace the planet as a whole (Woodwell, 2016)?

Is a change of attitudes required? Will boards adapt to changing requirements and conditions? Many directors have reservations about the value of regulation, its costs and the attendant risks of unintended consequences, but in relation to the environment and sustainability is such action required (Woodwell, 2016)? How might this be done at an international level?

Could the more active involvement of business in the formulation of public policy and the drafting of regulations increase the effectiveness of intervention and reduce its costs? Those directly affected by regulations often act to protect their vested interests, but could consultation with a wider range of socially responsible companies counter this, reduce barriers to entry and create a level playing field and more opportunities for entrepreneurs to introduce more sustainable offerings and practices?

### Partnering with NGOs

Does greed and the primacy it gives to private interests mean that capitalism cannot serve the public good? Will growing inequality, soaring indebtedness and reactions against austerity mean that it is destined to end in a state of limbo until replaced (Streeck, 2016)? Do such criticisms overlook benefits of globalisation such as the increased trade and inward investment enjoyed by China and India and the risk that democracy rather than capitalism might be under threat (Wolf, 2016)? Could directors, boards and CSR enable a transition to a more caring and collaborative form of capitalism?

Are companies alert to the changing roles of Government bodies and NGOs? Do these create new opportunities for partnerships, for example in the building of more sustainable communities? How should such partnerships be managed, governed, monitored and reported? What can CSR contribute to collaboration and how can one best build capability with NGOs and other partners? For example, could CSR and other corporate resources be used to collaborate in the creation of a sustainable and more inclusive sports infrastructure across India (ET Bureau, 2016)?

Are new forms of agreement such as public private partnerships and separate collaboration vehicles required? When new national and international initiatives are announced should companies and CSR teams more actively consider how they might best contribute to them?

### Regulation, Compliance and Enforcement

In seeking to encourage and achieve longer-term aims and more beneficial social impacts, boards,

Governments and regulatory authorities can use a mixture of carrots and sticks. Boards vary in how they react to external actions and impositions such as incentives, laws or regulatory action. Much depends upon whether directors sympathise with the purposes of particular actions and the respect they have for relevant authorities. Might responses also increasingly reflect wider public opinion, a wider range of interests, and the prospects of further intervention?

Where rules and benefits are clear, known and relatively easy to observe; costs are modest, bearable or justifiable; and others are seen to be complying, a board might fall in line. Incentives and benefits for reputations and certain relationships may encourage compliance. On other occasions, corporate responses could be reluctant and dependent upon enforcement considerations such as the risk of being reported, inspected and found wanting and the severity of any sanctions that might be imposed. Ideally, corporate and political policies should evolve together (Bleischwitz, 2004).

Governments and legislators vary in their views of business and assessments of how best to act when they and others feel that an issue of concern needs to be addressed. They may be lobbied by vested interests and exposed to different viewpoints among supporters and experts concerning what should be done. A balance might need to be struck between demonstrating concern and discharging a duty of care to protect the public on the one hand, and avoiding a disproportionate burden upon business. Sometimes incentives can be a better option than regulation (Thaler & Sunstein, 2008).

Moving too slowly can attract vocal criticism, but hasty responses can sometimes be counter-productive and lead to unintended consequences. Legislation can be inflexible. Sometimes a situation can change during the protracted process of passing legislation and drawing up the guidelines and other arrangements that may need to be put in place before its provisions can be implemented. Regulations can sometimes shift problems rather than solve them.

#### Global Standards and Integrated Reporting

What role should standards, rules and codes play in relation to CSR and the creation of more responsive and responsible companies? Given the diversity of corporate contexts, situations and circumstances could they constrain, stifle innovation and diversity, or result in a dumbing down to a dull uniformity? Alternatively, given the common and/or similar challenges and opportunities that many companies face, could they be a helpful enabler that also enables compliance and/or progress to be demonstrated, monitored and reported?

Are companies, policy makers and standards helping or hindering innovation-led growth? Are we on the threshold of fast-and-furious technological development? Fredrik Erixon and Bjorn Weigel (2016) suggest that in Western economies innovation is being hampered by government regulations and corporate practices. If this is so, how might India and other countries avoid a similar experience and achieve the innovation-led growth and entrepreneurship that would reduce inequalities, increase inclusion, improve social impacts and address longer-term issues?

How might adoption of ISO 26000 and SA 8000 impact upon the CSR landscape? What improvements need to be made in disclosure and reporting? What should the next steps be in integrated reporting and practice? Is the current statutory framework encouraging or inhibiting creative initiatives and responses? Are changes of policy and legislative and/or regulatory initiatives required? How should UN sustainability and other goals be used to monitor progress? Could social media be used to advocate, promote, disseminate and support social impact initiatives?

When legislating or regulating should one be prescriptive and set a single standard, or focus upon establishing outcomes, while allowing some flexibility in terms of how they might be achieved. Businesses are often more receptive to approaches that recognise the different situations and

circumstances in which they may find themselves. Are measures that are perceived as simple, fair and robust, but also consistent and proportionate, more readily adopted? Voluntary transformation can reach more deeply than imposed change.

In dynamic situations, an iterative approach may be required, involving collaboration and partnership between Government, regulator, major companies and industry bodies. Customers and users may sometimes also need to be involved. Future directors and other corporate leaders may need to engage in more imaginative ways with wider society (Browne et al, 2015).

### Evaluating Corporate Responsibility

The 11<sup>th</sup> International Conference on Corporate Social Responsibility in Bengaluru provides an opportunity for business leaders to explore the contribution CSR can make to creating more caring companies that deliver responsible growth and greater benefits to wider society. Plenary sessions will examine requirements and enablers of sustainable and responsible business and how they can be embedded into business strategy, digital developments and how they can be leveraged, the evaluation, monitoring and reporting of CSR activities, and the role of standards, communications and integrated reporting in achieving more beneficial social impacts.

How will we know whether or not and to what extent we are succeeding? How should one assess, evaluate and interpret the extent to which corporate actions and activities are responsible, sustainable and having a beneficial or negative social impact? What factors are influencing and/or distorting our expectations, perceptions and judgements? Who can we rely upon for independent and objective views? What criteria should be used to measure and maximise desired social impacts? Should social audits be undertaken to assess progress against stakeholder expectations?

How business values and culture relate to those of society can impact upon stakeholder engagement (Montagnon, 2016). Boards need to ensure that CSR, social and other corporate programmes are aligned and consistent with corporate purpose, values and goals? Who within the boardroom and executive team should have overall responsibility for monitoring and reporting on social initiatives, programmes and impacts? What reports should the board receive and what should be shared with other stakeholder groups? Are additional approaches, methodologies, tools and support required?

### Social Responsibility and Responsible Investment

A key finding of The Harvey Nash / Alumni Board Report 2016/17 (2016) is that business needs to impact on broader society: "Businesses need to make a fair financial return on their activities, but they also have a responsibility to drive positive social outcomes, including wealth creation, societal well-being and benefit, as a by-product of their activities". Could shifting focus from short-termism and shareholders to stakeholders and sustainability increase returns (Clark et al, 2014)?

How will responding to wider concerns impact upon social return on investment? What roles should social entrepreneurs play, either within companies, in collaboration with them or independently? What role should existing companies play in the development of social markets and social entrepreneurship? If social investments satisfy ethical investors and generate positive returns will mandatory requirements such as those in India's 2013 Companies Act become a minimum or an outdated representation of expectations and possibilities?

As corporate networks embrace relationships with social entrepreneurs, social ventures and various collaborations to address wider social issues, how will public perceptions of companies and their brand images change? Will new communication, engagement and management skills and new fund raising approaches and financing mechanisms be required? Will we see a blurring of boundaries and

greater mobility of staff between the corporate, public and voluntary sectors? Will this lead to a wider sharing of the proceeds of growth, or as Standing (2016) suggests merely consolidate the advantages of a current establishment which embraces business, political and public leaders?

### Innovation in Government-Business Relations

Peter Drucker (1985) suggested that over time human institutions can outlive their original purpose as situations, circumstances, perspectives, requirements and priorities alter. They can imperceptibly change from being a solution to a pressing problem to become a new obstacle to progress. To what extent does the case he put for innovation and entrepreneurship apply to CSR? Drucker felt they were needed in wider society and not just in relation to business and the economy.

Has Government intervention from Companies Acts to Sarbanes-Oxley in the US and regulatory requirements facilitated or inhibited innovation and entrepreneurship? Where they have occurred, is this in spite of public policy and external intervention rather than because of them? Has regulation created a community of advisers and experts who have a vested interest in putting the case for ever more detailed intervention, because their own livelihoods depend on the consequences? What mechanisms could shift the emphasis to more effective approaches?

As new business models, alternative forms of organisation and new patterns of work and operation emerge, is a primary focus upon compliance out of sync with contemporary diversity? Does it breed tick-box responses and legalistic attitudes? How might development occur, for example if discontinuities occur or the balance of costs and benefits of different alternatives change?

### From Corporate Bureaucracy to Social Purpose and Enterprise

Will large companies owned by external shareholders account for a declining proportion of assets and associated economic activity? Will people cut them out and barter and share what they have, whether an empty room, a car or home grown vegetables? Will those living healthy lives for longer help each other, become more self-sufficient and do things together within their communities, rather than depend upon the state or a weekly shop at the nearest supermarket? Arun Sundararajan (2016) believes “the sharing economy” could mean “the end of employment” and lead to new generations of micro-entrepreneurs. What will the implications be for CSR?

In a more connected world, more self-employed individuals may use networks of relationships to access what they need and do what they enjoy and feel they are good at. In the UK one in 20 students set up and run their own business while at university, with a collective turnover approaching £1 billion, with a quarter of them planning to be full time entrepreneurs after graduation and a half of them hoping to continue in business as a sideline (Lawrie, 2016). Seven out of ten of these student businesses grew out of a hobby. What would similar proportions in India and other countries mean for their development challenges?

Individuals who take the initiative may find that their ability to quickly adjust, embrace new technologies and re-learn or embrace new opportunities far exceeds that of less flexible centrally controlled groups that have to await a new policy or direction from a board before they can change. Could aspects or elements of CSR experience a new life in the social entrepreneurship arena?

### Collaborating to Address Shared Challenges

Wider society faces many of the challenges faced by boards, including sustainability and coping with uncertainty. Given technological developments, where will future jobs come from (Ford, 2015)? Those who are not employed by others and who do not become self-employed and

entrepreneurs will need activities to occupy them. They will also require some form of income or other financial support to cover the basics of life and be consumers. Do companies large and small and governments have a shared interest in addressing social challenges and creating solutions?

In Bengaluru there will be a session on the changing role of voluntary, non-profit NGOs and how companies can best partner with them to build capacity and more sustainable communities. One example of how modest efforts can have wider impacts and raise aspirations is Bridges of Sports, an initiative to encourage greater involvement in sport in rural areas.

If corporate leaders are proactive rather than defensive, and they respond imaginatively and see issues as opportunities for new approaches, one could envisage an era in which cynicism and mutual suspicion is replaced by a new partnership between business and government. At the 2016 Conservative Party Conference, a theme of UK Prime Minister Theresa May's speech and a challenge to her ministerial team was creating an economy that works for all and not just a few (May 2016a). Given the common challenges facing them, other governments, CSR teams and boards that take a longer-term and wider view of their responsibilities may share this ambition.

### Corporate Leadership and Collaborative Capitalism

In India, the 2013 Companies Act requirement for qualifying companies to spend 2% of net profit on CSR activities could be taken as evidence that the legislators concerned felt that business was not doing enough to benefit wider society. The theme of the 11<sup>th</sup> International Conference on Corporate Social Responsibility is “Embedding CSR in Corporate Strategy for Responsible Growth”. The objective of responsible growth is surely shared by most if not all stakeholder groups.

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 the results of growth are more widely shared. Could we be on the threshold of a new era of cooperation and collaborative capitalism? Could this reinvigorate CSR and lead to a new division of labour between public bodies and private enterprises? Might hierarchical organisations with a primary focus upon shareholder requirements give way to collaborative networks that embrace a wider community of interests and take a longer-term view?

The challenge for directors may increasingly be to build concerned, sustainable and responsible companies that work for all and not just a few. In a diversity of organisational forms employing a variety of business models, they may need to engage a wider range of interests, articulate shared causes, and inspire innovative solutions. 'New leadership' and performance support with their emphasis upon helping people to excel and achieve rather than issuing top-down directives can abolish traditional trade-offs of interests and provide an affordable route to high performance organisations, responsible growth and the simultaneous delivery of multiple outcomes that benefit a variety of stakeholders (Coulson-Thomas, 2012a & b, 2013).

If business leaders can restore trust and build confidence and credibility, they could create a once in a generation - if not lifetime - opportunity for collaboration, cooperation and partnerships with other enterprises, governments, legislators, regulators, public bodies and other stakeholders. They could work together with their peers and supportive interests to address shared challenges and create and build economies with companies that benefit wider society and future generations.

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