

Chapter 2

The Stages of CSR

Abstract The evolution of business responsibility is described in terms five overlapping ages—the ages of greed, philanthropy, marketing, management and responsibility. An ‘age’ can be understood as a prevailing culture or context. Each of these ages typically manifests a different stage of CSR, namely defensive, charitable, promotional, strategic and transformative CSR respectively.

Keywords Risk management • Charity • Philanthropy • Marketing • Greenwash • Public relations • Strategy • Codes • Standards • Transformation

My research and practical experience of working with companies on CSR in over 60 countries (Visser 2012a) has led me to the conclusion that the evolution of business responsibility typically falls into five overlapping ages—the ages of greed, philanthropy, marketing, management and responsibility. An ‘age’ can be understood as a prevailing culture or context (Visser 2011). I believe that each of these ages typically manifests a different stage of CSR, namely defensive, charitable, promotional, strategic and transformative CSR respectively.

Similar to other stage models of CSR (Zadek 2004), my contention is that companies tend to move through these ages and stages sequentially (although they may have activities in several ages and stages at once), and that we should be encouraging business to make the transition to transformative CSR in an emerging age of responsibility. If companies remain stuck in any of the first four stages, I do not believe we will turn the tide on the environmental, social and ethical crises that we face. Simply put, CSR will continue to fail (Table. 2.1).

2.1 Defensive CSR

Although greed has always been with us, I believe the modern age of greed began when the first financial derivatives were traded on the Chicago Mercantile Exchange in 1972. This marks the beginning of a trend of financial deregulation

Table 2.1 The stages of CSR

Dominant paradigm	Stage of CSR	Modus operandi	Key enabler	Stakeholder target
Greed	Defensive	Ad hoc interventions	Investments	Shareholders, government and employees
Philanthropy	Charitable	Charitable programmes	Projects	Communities
Marketing Management	Promotional Strategic	Public relations Management systems	Media Codes	General public Shareholders and NGOs/CSOs
Responsibility	Systemic	Business models	Products	Regulators and customers

and the growth of the ‘casino economy’, which ultimately led to the boom-and-bust global financial crisis in 2008 (Visser 2010).

The Age of Greed is characterised by the ideology that ‘bigger is better’ and that the ‘invisible hand’ of the market always operates in society’s best interest. In practice, however, the incentives in the market—like Wall Street profits and traders’ bonuses—become perverse, leading not only to unbelievable wealth in the hands of a few speculators, but ultimately to worldwide economic catastrophe. Although the greed bubble eventually popped in 2008 with Lehman Brothers’ collapse, the bankruptcy of Enron in 2001 should have taught us all we needed to know about the consequences of unregulated markets and greedy executives (Visser 2011).

In 2000, Enron had revenues of \$111 billion and employed over 20,000 staff. It was named ‘America’s Most Innovative Company’ by *Fortune* magazine for six consecutive years, from 1996 to 2001 and was on the *Fortune*’s ‘100 Best Companies to Work for in America’ list in 2000, with credible CSR programmes. However, once its greed-fuelled ‘financial irregularities’ were exposed, Enron’s stock price dropped from \$90 to cents in the space of 10 months in 2001 and by December, Enron had filed for bankruptcy.

Even as the company was collapsing, greed persisted, with executives taking bonuses of \$55 million in the company’s last year, while the average staff severance payment was \$45,000. Employees lost \$1.2 billion in pensions, retirees lost \$2 billion, but executives cashed in \$116 million in stocks. The dissolution of the complicit Andersen accounting firm resulted in the loss of 85,000 jobs around the world. After a six year class action lawsuit by 1.5 million Enron shareholders, a settlement of \$6.79 per share was reached. This was paid from a \$7.2 billion compensation fund following class action lawsuits against the banks that did business with Enron, which shareholders allege were aiding and abetting fraud (Visser and CPSL 2009).

Despite these calamitous impacts, the Lehman Brothers story shows that we learned very little from Enron’s demise. In June 2006, one of the investment bank’s managing directors warned Lehman’s analysts that the U.S. real estate market was ‘pumped up like an athlete on steroids, rippling with a set of muscles

that did not naturally belong there'. Furthermore, that it was based on 'money that was not real money, home prices that were not real prices, and mortgages that were not grounded in any definition of reality' (McDonald 2009).

Despite this insight, Lehman's continued to chase what insider Larry McDonald (2009) called 'one of the greatest consumer borrowing bonanzas since the 1920s', leading to 'America living in a false economy, because all this free money was in defiance of the natural laws of the universe.' And to reward themselves handsomely in the process: Wall Street bonuses were 250 % bigger than the average salary for all nonfinancial jobs in the city, and since 2003, thanks to derivatives, their total compensation had increased by nearly 50 %.

When the 158-year old company filed for Chapter 11 bankruptcy on 15 September 2008, owing \$660 billion, it took a good portion of Wall Street, Main Street and the global economy down with it. The financial cost of cleaning up after the global financial crisis—which ultimately gets translated into a tax burden on the public—was estimated by the IMF in August 2009 at \$11 trillion. A more recent study by Better Markets (2012) suggests that the U.S. economy alone has lost \$12.8 trillion since Lehman Brothers' collapse. And an ILO and OCED (2012) report for the G20 countries found that a 21 million jobs gap has accumulated across the G20 since the onset of the crisis in 2008.

The point to note here is that even Lehman Brothers was savvy to the CSR trend. They issued annual CSR reports and declared to their shareholders in 2007 that: 'Strong corporate citizenship is a key element of our culture. We actively leverage our intellectual capital, network of global relationships, and financial strength to help address today's critical social issues'. They even had an expert in socially responsible business practices join the firm as global head of Sustainability and president of the Council on Climate Change. And bizarrely, in 2008, the firm 'posthumously' received a CSR award for a 10-year mentoring project at a local secondary school in the East End of London (Visser 2011).

Hence, we can see that the age of greed is characterised by defensive CSR in which all corporate sustainability and responsibility practices—which are typically limited—are undertaken only if and when it can be shown that shareholder value will be protected as a result. Hence, employee volunteer programmes (which show evidence of improved staff motivation, commitment and productivity) are not uncommon, nor are defensive expenditures (for example in pollution controls), which are justified in terms of fending off regulation or avoiding fines and penalties.

As with cancer, however, the enabling environment is as important as the greedy cell itself. After all, as I argued in my book *Beyond Reasonable Greed* (Visser and Sunter 2002), a certain measure of selfishness is natural, but it needs to be moderated by norms, rules and cultural taboos that keep its destructive tendencies in check. Greed is not the preserve of a few rogue traders, or money-hungry banks. We were all caught up in its web. Our global financial implosion was (and is) a multi-level phenomenon, incorporating executive greed, banking greed, financial market greed, corporate greed and, ultimately, greed embedded in the capitalist system.

2.2 Charitable CSR

Like greed, charity is probably as old as humanity itself. We find admonitions to generosity, especially by the wealthy, in all the world's major religions, from the *zakat* (wealth tax) in Islam and reciprocity in Confucianism to 'the Golden Rule' in Christianity and the 'wheels of the chariot' philosophy of wealth in Hinduism ('riches revolve from one man to another'). Similarly, in all cultures there are values of solidarity and sharing, like *asistencialismo* (giving for poverty alleviation) in Latin America and *ubuntu* ('I am a person through other people') in southern Africa (Visser and Tolhurst 2010).

Despite these ancient and diverse roots, corporate philanthropy owes much of its modern character to the practices of American's nineteenth century tycoons, such as steel and railroad magnates Cornelius Vanderbilt and Andrew Carnegie. Vanderbilt famously gave away \$1 million, the largest charitable gift in American history to that date, to endow what would become Vanderbilt University, named in his honour. The equally rich and generous Carnegie (2007) recorded his philosophy on business in *The Gospel of Wealth*, which elaborated on his three-part dictum: (1) To spend the first third of one's life getting all the education one can; (2) to spend the next third making all the money one can; and (3) to spend the last third giving it all away to worthwhile causes.

Besides these—and at least as iconic as founders of the philanthropy movement—was John D Rockefeller, who made his fortune from oil. He is said to have given away \$540 million over his lifetime and died in 1937, aged 98, with a residual estate worth 'only' \$26 million. More important even than his individual contribution, he instilled the philanthropic tradition in his family, with his son, 'Junior', giving away over \$537 million over his lifetime, and one of his grandsons, David Rockefeller, donating about \$900 million to date. A Rockefeller Archive Center study in 2004 documents an incomplete list of 72 major institutions that the family has created and/or endowed up to the present day (Visser 2011).

Continuing the tradition set by Vanderbilt, Carnegie and the Rockefellers are the modern super-rich, notably Bill Gates and Warren Buffet. Microsoft mogul Gates, ranked by *Forbes* magazine as the richest person in the world between 1995 and 2007 and with net worth of around \$61 billion in 2012, stunned fans and critics alike when he set up the Bill and Melinda Gates Foundation in 2000 and rapidly grew its assets to a staggering \$30 billion by 2007. He was joined by investment tycoon Buffett, who doubled the Gates Foundation assets by gifting over 80 % of his personal wealth. In the spirit of Rockefeller and Carnegie, Gates plans to give away 95 % of his wealth in his lifetime and Buffett plans to leave his children just 'enough to do anything, but not enough to do nothing.'

Other individual philanthropists that have captured the public imagination include CNN founder Ted Turner, Hungarian born Wall Street icon George Soros and British entrepreneur and founder of Virgin, Richard Branson. Less known by the Western public perhaps, but no less successful or generous, are Sheikh

Mohammed bin Rashid al-Maktoum, the ruler of Dubai, and Li Ka-Shing, the Asian tycoon who, among many other business ventures, is the world's largest operator of container terminals.

All of these individuals—and we could name many more—are prototypical philanthropists in the Rockefeller tradition: their charitable activities are funded out of their personal wealth, usually through a foundation bearing their name; their donations are highly public acts, communicated as a legacy statement; and the emphasis is on post-wealth generosity, rather than the ethics (or otherwise) of how they made their money in the first place.

A natural consequence of the individual philanthropy movement was the emergence in the late 1800s in the West of institutional philanthropy, whereby charitable donations are funded directly from business profits, rather than from business leaders' personal wealth. After the World War II, with the increasing proliferation of charities and the professionalisation of corporate philanthropy, it became increasingly common for companies to institutionalise their giving by setting up a corporate foundation, sometimes also called a Chairman's Fund.

In 2012, the top 50 corporate foundations in the U.S. each had assets of over \$15 million, with the largest topping \$392 million (Foundation Center 2012). Together, their contributions totaled \$2.3 billion, a mere fraction of the Bill and Melinda Gates Foundation. Taking a wider sample, the Committee Encouraging Corporate Philanthropy (CECP 2012) which pools data from 214 U.S. companies, including 62 of the top 100 companies in the Fortune 500, reported that corporate giving amounted to \$20 billion in 2011. According to the Giving USA (2012), corporate giving accounted for just 5 % of the total giving in 2011 in the United States.

The Rockefeller and Gates stories are good illustrations for the age of philanthropy, because their views on charity embody much of the philanthropic attitudes that still prevail today in business. At the heart of the age—and its chief agent, charitable CSR—is the notion of 'giving back to society'. Rather interestingly, this presupposes that you have taken something away in the first place. Hence, charitable CSR embodies the principle of sharing the fruits of success, irrespective of the path taken to achieve that success. It is the idea of post-wealth generosity, of making lots of money first and then dedicating oneself to the task of how best to distribute it, by way of leaving a legacy.

Although this attitude prevails, Porter and Kramer (2002) have attempted to finesse the concept, arguing that philanthropy can also link to competitiveness. 'Increasingly, philanthropy is used as a form of public relations or advertising, promoting a company's image through high-profile sponsorships', they concede. 'But there is a more truly strategic way to think about philanthropy. Corporations can use their charitable efforts to improve their competitive context—the quality of the business environment in the locations where they operate. Using philanthropy to enhance competitive context aligns social and economic goals and improves a company's long-term business prospects. Addressing context enables a company not only to give money but also leverage its capabilities and relationships in support of charitable causes'.

2.3 Promotional CSR

Research consistently points to a strong marketing driver for CSR (Kotler 2011). According to the CEO survey by Accenture and UN Global Compact (2010), 72 % of CEOs cite ‘brand, trust and reputation’ as the main factor that has driven them to take action on sustainability issues. Other studies have produced similar results, ranking ‘improved company or brand image’ as the greatest organisational benefit to addressing sustainability (MIT Sloan Management Review and BCG 2009, 2011).

While these brand and reputational benefits help to build the business case for CSR, they can also lead companies to get stuck in what I call promotional CSR. By this I mean using marketing spin to create an image of responsibility, while failing to change the underlying negative impacts. The tobacco industry is a past master at this. For decades, as research on the negative health impacts of smoking has piled up,¹ the industry sponsored a campaign of disinformation and deception.

This reached its zenith when, in 1994, the CEOs of seven of America’s largest tobacco companies testified before the House Subcommittee on Health and the Environment of Congress, all denying that cigarettes are addictive. They lied under oath. Two years later, an investigative article in *Vanity Fair* (Brenner 1996) entitled ‘The Man Who Knew Too Much’ told the true story of Jeffrey Wigand, a research chemist working for a tobacco industry, who planned to go on the 60 Minutes TV show to expose the lies and deception of the industry, including of the CEOs that he labelled ‘The Seven Dwarves’. The story was later turned into the 1996 movie, *The Insider*, starring Russell Crowe as Wigand.

As a result of these and other anti-tobacco campaigns, led by the WHO, tobacco companies have been scrambling to regain their lost credibility and to use CSR to present a more responsible face, seemingly with some success. For example, British American Tobacco (BAT) have engaged in extensive stakeholder consultation exercises and, since 2001, their businesses in more than 40 markets have produced Social Reports, many of which have won awards from organisations as diverse as the United Nations Environment Programme, PwC and the Association of Certified Chartered Accountants. BAT has also been ranked in the Dow Jones Sustainability Index, the FTSE Ethical Bonus Index and Business in the Community (BITC) Corporate Responsibility Index.

Another sector that has been accused of a yawning gap between their PR-massaged image and actual practice is the fossil fuel industry, especially on environmental issues. The classic case today is BP. Despite some progressive action on environmental issues under CEO John Browne in the 1990s, they made

¹ According to the World Health Organisation (WHO), ‘no other consumer product is as dangerous, or kills as many people. Tobacco kills more than AIDS, legal drugs, illegal drugs, road accidents, murder and suicide combined.’ Of everyone alive today, 500 million will eventually be killed by smoking, and while 0.1 billion people died from tobacco use in the twentieth century, ten times as many will die from tobacco use in the twenty-first century.

the mistake of rebranding in 2000 as ‘Beyond Petroleum’. The company reportedly spent \$7 million in researching the new Helios brand and \$25 million on a campaign to support the brand change. Greenpeace was not impressed, concluding at the time that ‘this is a triumph of style over substance. BP spent more on their logo this year than they did on renewable energy last year’ (Visser 2011).

Antonia Juhasz (2008), author of *The Tyranny of Oil*, was similarly sceptical, claiming that at its peak, BP was spending 4 % of its total capital and exploratory budget on renewable energy and that this has since declined. In fact, BP’s environmental track record has been dire since they changed their logo, most visibly with the Gulf of Mexico spill in 2010 for which they have set aside \$38 billion to cover ensuing liabilities. Besides this, BP has made significant investments in the carbon-intensive Alberta tar sands and continues to attract criticism for their environmental legacy in Nigeria.

This kind of ‘marketing versus reality’ gap on environmental performance is sometimes called ‘greenwash’. The word was coined by environmentalist David Bellamy in the 1980s and plays off of the concept of ‘whitewashing’—literally painting over the cracks to cover up inherent faults. In 1999, the Oxford English Dictionary added the term, defining it as: ‘Disinformation disseminated by an organisation, so as to present an environmentally responsible public image; a public image of environmental responsibility promulgated by or for an organisation, but perceived as being unfounded or intentionally misleading.’

Of course, it is not only BP that is guilty of greenwashing. Another illustrative example from the sector was an advert run by Shell showing a factory with flowers coming out of the smoke-stacks and claiming: ‘We use our waste CO₂ to grow flowers’. There was a grain of truth in the claim, as in the Netherlands the company did capture CO₂ and use it in floral hothouses. However, since Shell only used 0.325 % of its CO₂ output in this way, the Advertising Standards Authority banned the advert, following complaints (Visser 2011).

As a result of this kind of greenwash, the UK’s Committee of Advertising Practice (CAP) Code, enforced by the Advertising Standards Authority, created a clause for environmental claims in 1995. Since 1998, it has also published a non-binding ‘Green Claims Code’, advising advertisers on how best to make good claims. The European Union has also included a clause on greenwashing in their CSR Policy, stating that it will: ‘Address the issue of misleading marketing related to the environmental impacts of products (so-called “green-washing”) in the context of the report on the application of the Unfair Commercial Practices Directive 18 foreseen for 2012, and consider the need for possible specific measures on this issue.’

Of course, this kind of Promotional CSR does not only apply to environmental issues. After the launch of the UN Global Compact, companies started to be accused of ‘bluewash’—a reference to the blue of the UN logo and business using association with the United Nations to appear more responsible than they really are. Likewise, although I haven’t heard the term, I can imagine the ‘redwash’ brush being applied to companies claiming social, community or labour

responsibility that masks their real negative impacts on society. The point is not to deny the reputational benefits of CSR, but rather to close the gap between PR claims and actual performance.

2.4 Strategic CSR

Strategic CSR, emerging from the age of management, means relating CSR activities to the company's core business, often through adherence to CSR codes and implementation of social and environmental management systems, which typically involve cycles of CSR policy development, goal and target setting, programme implementation, auditing and reporting. Strategic CSR is the result of a long historical journey, going all the way back to the industrial welfare movement of Victorian times—where, as George Cadbury put it ‘the first thought is of the welfare of the work people employed.’

In fact Cadbury's are a prototypical company of the age of management and a showcase of how the practice of strategic CSR emerged over time (Visser 2011). To begin with, the Cadbury brothers are credited with introducing many of England's most progressive workplace practices. One of their most significant actions was to move their factory in 1879 from the grimy city of Birmingham to Bournville in the English countryside—to create a ‘factory in a garden’. Working conditions were also progressive. Cadbury's was the first company in England to introduce the five-and-a-half day working week. They were also pioneers in providing medical and dental facilities, offering a pension scheme and shutting the factory on bank holidays (Visser 2013).

Not surprisingly, given their progressive track record on workplace issues, Cadbury's also played a key role in addressing issues of fair trade and supply chain ethics. As far back as 1905, the Cadbury brothers stopped buying cocoa from São Tomé because of poor labour conditions. As a result, they helped found the cocoa industry in Ghana. A 100 years later, Cadbury's launched its first Fairtrade labelled chocolate, which was the culmination of a whole raft of responsible supply chain management initiatives, including the Cadbury Cocoa Partnership (addressing child labour in Ghana and Cote d'Ivoire), the Roundtable on Sustainable Palm Oil (RSPO), the International Cocoa Initiative (ICI) and the Better Sugar Cane Initiative (BSCI).

Prior to their takeover by Kraft, Cadbury's boasted nineteen corporate policies covering various aspects of responsible business practice, from environment, health and safety to marketing, ethics and stakeholder engagement. Beyond these internal commitments, Cadbury's also made very public commitments to responsibility, for example as a signatory to the Courtauld Agreement, Waste and Resources Action Programme (WRAP), the UN Millennium Development Goals (via the Business Call to Action) and the UN Global Compact.

Hence, Cadbury's has—like many other multinationals—caught the wave of Strategic CSR, carried along by the plethora of CSR codes and standards that have

emerged since the 1990s, ranging from ISO 14001, OHSAS 18001 and SA 8000, to the Forest Steward Council (FSC), Fairtrade and Ethical Trading Initiative certification schemes, to mention just a few. When we look at the last 10 years, we have seen codes proliferate in virtually every area of sustainability and responsibility and in all major industry sectors. So much so that in *The A to Z of Corporate Social Responsibility*, we included over 100 such codes, guidelines and standards—and that was just a selection of what is out there (Visser et al. 2007).

Beyond the adoption of CSR codes and standards, however, strategic CSR is about focusing CSR initiatives on addressing the material impacts of the company. According to Porter and Kramer (2006), ‘Strategic CSR moves beyond good corporate citizenship and mitigating harmful value chain impacts to mount a small number of initiatives whose social and business benefits are large and distinctive’ (10). Hence, they conclude, ‘The essential test that should guide CSR is not whether a cause is worthy but whether it presents an opportunity to create shared value—that is, a meaningful benefit for society that is also valuable to the business’ (8).

Coca-Cola provides an illustrative case of the shift to strategic CSR (Visser 2013). In 2002, residents of Plachimada, a village in India’s southern state of Kerala, accused the company’s bottling plant there of depleting and polluting groundwater. Two years later, the local government forced Coca-Cola to shut down the plant. In 2006, their situation got worse when a New Delhi research group found high levels of pesticides in Coca-Cola and PepsiCo’s locally produced soft drinks, resulting in several Indian states banning their products. Coca-Cola denied any wrongdoing, claiming that borehole water-fed farming was mainly responsible for lowering the water table and that the pollution claims were unsubstantiated. However, the public perceptions battle had already been lost.

Coca-Cola realised that it needs to be seen as part of the solution, not part of the problem. As a result, it has put resources into water at an unprecedented scale. In 2007, the company announced it would spend \$20 million over 5 years to help the WWF preserve seven of the world’s major rivers. It also set up the \$10 million Coca-Cola India Foundation, which began installing over 4,000 rainwater harvesting programmes and providing clean drinking water to 1,000 schools across the country.

More significantly, in June of the same year, CEO Neville Isdell flew to Beijing and pledged that his company would become ‘water neutral’, saying, ‘Water is the main ingredient in nearly every beverage that we make. Without access to safe water supply, our business simply cannot exist.’ They still have a long way to go—despite improving water efficiency for eight consecutive years, figures show that Coca-Cola replenished, or offset, only 23 % of the water used in production in 2010. Nevertheless, they are driving improvement, as is typical for strategic CSR, by having clear objectives and targets linked to water, and tying these to a sustainability-related performance bonus (Crognale 2012).

This process of continuous improvement through a management systems approach is one of the strengths of strategic CSR—and also one of its weaknesses, as we will explore in the section on the failure of CSR 1.0. A final distinction to

make is that strategic CSR results in various social or environmental issues being tackled which are aligned with the company's core business, but it seldom results in the company changing its strategy or core business.

2.5 Transformative CSR

Transformative CSR, or CSR 2.0, in an age of responsibility focuses its activities on identifying and tackling the root causes of our present unsustainability and irresponsibility, typically through innovating business models, revolutionising their processes, products and services and lobbying for progressive national and international policies. Hence, while strategic CSR is focused at the micro level—supporting social or environmental issues that happen to align with its strategy (but without necessarily changing that strategy)—transformative CSR focuses on understanding the interconnections of the macro level system—society and ecosystems—and changing its strategy to optimise the outcomes for this larger human and ecological system.

When Ray Anderson, founder of Interface FLOR, formulated a new vision for his carpet tile company in 1994, he unwittingly became a pioneer of transformative CSR. It began with the realisation that carpet manufacturing 'is a pretty abusive industry'. The process uses lots of petroleum and petroleum derivatives, both as components of synthetic carpet and to power its production. Dyeing carpet is also water- and energy-intensive. And when people are finished with the carpet, it goes into landfills where it lasts probably 20,000 years.

Anderson concluded that his company—and business more generally—is part of the problem, not the solution. To paraphrase Paul Hawken (1994), he realised that 'there is not an industrial company on earth, not an institution of any kind, not mine, not yours, not anyone's, that is sustainable.' And so Anderson crystallised his vision: Interface would become the world's first truly sustainable company. In fact, not only sustainable, but restorative. They would put back more than they take, and actively do good, not just avoid doing harm.

This is what makes Ray Anderson and Interface FLOR different from, say, BP or Cadbury's. It is the depth of their admission and the scale of their ambition. Anderson's (2009) last book was called *Confessions of a Radical Industrialist*, in which he conceded not only that our modern economic system is broken, but that he and his company were part of the problem. He was able to see himself as (to use his own words) 'a plunderer'—not through malicious intent, or even greed, but by failing to question the true impacts of business on society and the environment.

As Alcoholics Anonymous will tell you, admission is the first step to recovery. Unfortunately, most companies stuck in the ages of greed, philanthropy, marketing and management are all still in denial, thinking that either there is *no* problem, or it's not *their* problem, or that it's a problem to *benefit* from, or that it's only a *minor* problem.

The age of responsibility is not just about admission though; it's also about ambition. As far as I can tell, Interface FLOR was the first major company to set the BHAG (big hairy audacious goal) of zero negative impact, as well as going beyond 'no harm' to also become a restorative business—to genuinely make things better and leave this world with a net-positive balance. Today, Interface FLOR calls this 'mission zero', or 'mission sustainability', which Anderson always likened to summiting 'a mountain higher than everest'—difficult, yes, but with a careful and attentive plan, not impossible.

Importantly, their ambitious goal of zero impact is fuelled by performance measures; what Interface FLOR calls EcoMetrics. The numbers show that Interface FLOR is on track to meet their 2020 zero impact goal. Since 1996, per unit of production, waste to landfill is down 88 %, water use is down 84 %, energy use is down by 47 % and non-renewable energy is down by 64 %. Furthermore, the company has achieved an absolute reduction on greenhouse gas (GHG) emissions of 32 %, while 31 % of global energy used is from renewable sources and 44 % of total raw materials are recycled or bio-based materials.

Besides admission and ambition, Interface FLOR is a good example company for transformative CSR because they have used innovation to tackle the root causes of our unsustainable economic system, namely our take-make-waste model of industrial production. For example, in 1995, Interface FLOR launched an evergreen lease service, where the company produces, installs, cleans, maintains and replaces the carpet for customers, thereby ensuring effective take-back and recycling.

Other product innovations have included the Cool Carpet (offsetting greenhouse gas emissions) and carpets using fly ash waste and polylactic acid (PLA) fibres, derived from non-food grade corn. Perhaps most famously, in 2006, Interface also invented the world's first totally glue-free, free-lay carpet tile (TacTile®), inspired by gecko-foot 'technology'. The result is less mess, less waste and greater savings, not to mention an environmental footprint that is over 90 % lower than carpets using traditional glue adhesives.

Anderson was not the first radical business leader, nor perhaps even the most radical. Anita Roddick, founder of The Body Shop International, had a missionary zeal that few will ever rival. Famous for her business-led activism, which began as an alliance with WWF in 1986 to save the whale, she went on to tackle issues as far ranging as animal rights, women's self-esteem, human rights, fair trade and indigenous people's rights. In her autobiography, *Business As Unusual*, Roddick (2001) distilled her philosophy as follows: 'Business is a renaissance concept, where the human spirit comes into play. It does not have to be drudgery; it does not have to be the science of making money. It can be something that people genuinely feel good about, but only if it remains a human enterprise.'

There are many other examples of companies pioneering the transformative CSR approach, from small enterprises like Seventh Generation and Green Mountain Coffee to multinational behemoths like Nike and Unilever (Visser 2013). Some of these, I will explore in more detail in the sections to follow. However, none of them are perfect, and many perform poorly in some areas, even

while excelling in others. What qualifies them as CSR 2.0 leaders is that they are using CSR as a catalyst for systemic change (Eisenbeiss 2012). Not only are they changing their own corporate strategies, they are also working to shift the practices of their industry sector, as well as lobbying for policy reform and cultural values that are inherently more responsible and sustainable.

We will now look at how the CSR 2.0 concept emerged and why it is such a powerful and relevant metaphor for transforming CSR theory and practice.

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