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Review

Social and ecological challenges: How sustainable are sustainability reporting systems?

James Kamwachale Khomba

Department of Management Studies,University of Malawi,Private Bag 303, Blantyre 3, Malawi.
E-mail: jkkhomba@gmail.com, jkkhomba@poly.ac.mw.

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Sustainability debate is founded on the premise that corporations have to focus their attention on social and ecological activities, apart from their economic endeavours. Thus, corporate sustainability which embraces both ecological and social components, poses an inescapable challenge in that without sustainability of business there will soon be no more profits for companies. This paper presents a desk research that aims at reviewing and analysing literature on corporate sustainability that is founded on the stakeholder-centred approach towards corporate governance. The review paper demonstrates that sustainability issues are paramount for the long-term realisation of business performance and ultimate profits. However, there are many challenges in instituting good sustainability programmes and corporate reporting systems, especially with regard to social and ecological elements many of which are complex and qualitative in nature. It established that many companies are now implementing provisions of good corporate governance that propagates inclusion of three sustainability elements as comprising economic, ecological and social dimensions. To remain competitive and sustainable, business executives should have a strong self-interest in minimising the ecological and social damage of their operations.

Key words: Africa, community, ecosystem, natural environment, measurement, performance, social responsibility, stakeholder, sustainability.

INTRODUCTION

There are many factors that impact on the overall performance of an organisation. Such factors include society (the local community) and the natural environment. To sustain current operations for future generations, organisations need to create the potential to maintain social well-being, which depends on the well-being of the natural environment, in the long run. Thus, organisations must have a conscience regarding their obligation to be responsible in the proper use of natural resources.

Many organisations have started paying more attention to sustainability issues, which have become more pronounced amidst social concerns and anxiety about global warming which are currently attracting much attention amongst scholars and business practitioners worldwide (Khomba, 2011; Strategic Direction, 2010). Governments and international institutions have changed and adapted legislation and policies in order to address concerns about sustainability. There has been consumer pressure on organisations regarding quality and healthy “green” products; and concern over the natural environment has become aligned with concern for a business’s reputation.

Recent developments show that many corporations are paying more attention to and are reporting on corporate sustainability issues. For example, 100% of companies on the Financial Times Stock Exchange (FTSE) now include sustainability issues on their corporate websites. Furthermore, it is widely recognised that a sustainable business must be resource-efficient, respect the natural environment and be a good neighbour to society (Sustainable Business Team, 2000). It is indicative of these developments that accommodating sustainability issues is now essential if businesses are to continue realising profits in the long term.

Research aim and objectives

This research paper is based on the review and analysis of critical issues surrounding the sustainability issues in Africa. Thus, the article aims at reviewing and analysing relevant literature on corporate sustainability with more focus on the existing challenges in incorporating social and ecological dimensions into sustainability reporting systems. Specifically, the paper achieves the following objectives:

1. To discuss principles surrounding corporate sustainability issues;
2. To critically review an important sustainability principle of the triple bottom line (3BL) reporting system, which reflects the idea that corporate performance should be measured based on three dimensions, namely economic, environmental and social elements;
3. To analyse several sustainability models and concepts, including the triple bottom line concept, the Carroll model, the Senge model and sustainability balanced scorecard models;
4. To review the significance and challenges of corporate sustainability issues for modern businesses and their management systems.

OVERVIEW ON CORPORATE SUSTAINABILITY

Sustainability discussions are founded on the premise that corporations have to focus their attention on social and environmental activities, apart from their economic endeavours, for them to remain in business sustainably. Corporate sustainability which embraces both ecological and social components, poses an inescapable challenge in that without sustainability of business there will soon be no more profits for companies (Capra and Pauli, 1995). Hence, the business executives should have a strong self-interest in minimising the ecological and social damage of their operations.

Business activities are responsible for most of the human impact on the earth's vanishing ecosystems. Unfortunately, business operations are often conducted with too little thought about their sustainability, where satisfying a business's own aspirations does not diminish the chances of sustainability for future generations (Capra and Pauli, 1995; Khomba and Vermaak, 2012b). Issues of sustainability have become more pronounced amid fears of the possible global warming, with its disastrous consequences, which will have adverse effects on humankind and on business in general.

Over the centuries, corporations as open systems have competed for different resources obtained from the environment. These resources include labour, raw materials for the manufacturing industries, energy, financial and debt capital, and data. These inputs from the environment are later processed into goods and services. The processed goods are eventually sent back to the environment for consumption and disposal (Khomba, 2011).

The earth as the sole provider of inputs to business operations is not getting any bigger, although the human population and industries are growing. The earth's natural resources are being depleted, but the amounts of waste that are being generated are astronomical and unheard of in human history (Stead and Stead, 2004). Tropical forests are being cleared to achieve economic gains; water tables are being drawn down to dangerous levels throughout the world; soil erosion is exceeding soil replenishment; human numbers are growing excessively; and mankind is using natural resources extravagantly. The implication of these facts is that humankind has reached a stage in its history where it needs to reassess its destination and how it will get there.

Today, the world is faced with a series of global problems, and some of these are harming the biosphere and human life in alarming ways that may soon become irreversible (Capra and Pauli, 1995). Many current business practices are destroying life on earth, endangering wildlife reserves, the wilderness and indigenous cultures. Harmful business practices are causing the disintegration of living natural systems, including the air and water resources, because they have been transformed into repositories for waste. Hence, the survival of humanity and of the planet is at stake; and for earth and humanity to survive, organisations have to learn to adhere to basic principles relating to ecosystems and sustainability.

PRINCIPLES RELATING TO ECOSYSTEMS AND SUSTAINABILITY

The new paradigm that is emerging regarding sustainability issues requires a holistic world view, where corporations see the world as an integrated whole, rather than as a dissociated collection of individual parts (Capra and Pauli, 1995). There is therefore a need to understand the principles of ecological systems and their relationships. Such principles include the interdependence of members of the ecosystem, who are interconnected in a web of relationships, and the notion that all life and processes depend on one another. Furthermore, the interdependence among parts of an ecosystem involves an exchange and sharing of energy and resources that are in a continual flow. Because of their inter-dependencies, parts of ecosystems are involved in continual partnerships for their survival (Capra and Pauli, 1995). In partnerships, members are engaged in a subtle interplay of competition and cooperation. To have a successful partnership, there must be flexibility, which is characterised by interdependent fluctuations of variables within an ecosystem. Each partner must be able to adjust to any changes and reach equilibrium levels without destroying its forms or the forms of other parts of the system (co-evolution). All partnerships and interdependencies should be geared towards achieving sustainability, which implies the long-term survival of each part of the ecosystem on a limited resource base. Thus, all parts of an ecosystem should organise themselves according to the co-evolution principle in order to achieve maximum sustainability.

APPLICATION OF ECOSYSTEMS AND SUSTAINABILITY PRINCIPLES

Based on a better understanding of ecosystem principles, there have been calls for tougher definitions and an increase in the practices of corporate sustainability in order to benefit society, the natural environment and business (Strategic Direction, 2010). The concept of sustainability provides a framework to integrate both the environmental and social performance of corporations with the traditional economic approach. By combining three measures of sustainability (environmental sustainability, social sustainability and economic sustainability) under the same umbrella, executive managers are able to create a comprehensive sustain-ability strategy for long-term corporate performance.

More and more corporations are realising the importance of reporting sustainability activities in the form of corporate social responsibilities to keep the environment clean, show a human face to people and achieve economic goals (White, 2005). In connection with this new dimension, disclosure of corporate sustainability has become a vital part of both internal and external information dissemination to support the decision-making systems of organisations. For example, environmentally, organisations regularly apply environmental management techniques such as eco-efficiency, pollution prevention, total quality environmental management systems, and design for the environment. In addition, (Stead and Stead, 2004), organisations are embracing the concept of a stakeholder-centred approach to management, where all stakeholders are considered critical for successful business operations.

Meeting the sustainability challenge requires multi-sectoral collaboration, where the stakeholders co-create sustainability by interweaving work and achievements that have no precedents (Senge et al., 2007). Corporations have now started to work with governments in an effort to meet and resolve sustainability challenges. In respect of collaborative change on sustainability, governments and corporations now work together and deal with different issues to achieve meaningful sustainability. Such collaborative arrangements are even prevalent amongst competitors.

Organisations, including governments, can achieve sustainable development only when they aspire to meet the needs of current generations without compromising the ability of future generations to meet their needs and aspirations (World Commission on Environment and Development, 1987). In their current endeavours, organisations have to work in ways that do not jeopardise the future of general social, economic and natural resources (White, 2005). It is evident from their declarations that corporations have to manage human and natural capital with the same vigour that they apply to the management of financial capital.

Taking cognisance of emergent sustainability concerns, major accounting and auditing firms such as KPMG have started to recognise the relevance of sustainability reporting (KPMG International, 1999; White, 2005). Apart from its core financial auditing, KPMG also offers a variety of sustainable development services that include environmental and social reporting opinions, assurance on environmental and social management systems, risk and performance management, hot issue reporting on such things as climate change, emerging standards and regulations, human rights, supply chain risks and stakeholder activism. It is therefore to be expected that many corporations will take advantage of such services and include them in their corporate planning and performance measurement systems.

As with other management areas, sustainability has become a key strategic concern for organisations. Several contemporary management models include sustainability dimensions. It has been established that corporations are striving to become socially and environmentally friendly, apart from pursuing financial gains (Juscius, 2007). The fundamental thinking about corporate sustainability is that organisations should fully integrate social and environmental goals and objectives in their economic or financial planning models. Apart from aiming at maximising shareholders value, corporations should also account for their actions and performance in terms of the well-being of a wider range of stakeholders through modern accountability and reporting systems, which include issues of social and environmental sustainability.

Corporations are established on the basis of a going concern. The going concern concept entails that organisations have to be forward-looking for them to remain strategically successful. Sustainability management, which is economically feasible, should be competitively carried out through current organisational processes and practices. However, the biggest weakness of many industrial conglomerates is that they have embarked on programmes to cut costs and remain competitive without giving due consideration to the local community and the limits of their natural environment (Capra and Pauli, 1995).

The situation is even worse when an organisation is entangled in a financial crisis, when there is often a management perception that the sustainability costs do not contribute anything towards economic success and should therefore be the first to be cut back (Figge et al., 2002). Sound sustainability management programmes should be practised even during any times of financial distress that an organisation may experience.

The literature review shows that corporations may not perceive sustainability costs as effective investments in the short term. However, the strategic impact of such investments on society and the natural environment would be significant in the long term. Stated differently, considering the future operations of corporations and also future generations, such sustainability investments would be considered cost-effective in the long run.

From the aforementioned analysis, it is clear that recognising environmental and social factors should be considered critical in modern management systems. The management of risks associated with environmental and social incidents can be facilitated by means of sustainability reporting systems (Institute of Directors in Southern Africa, 2009; Stead and Stead, 2004; White, 2005). Managers should focus proactively on addressing environmental and social risks in order to reduce problems that may emerge in the local and global arena. The adoption of sustainable practices can reduce operating expenses by improving efficiency, promoting innovativeness amongst managers, enhancing an organisation's reputation, and assisting in product development, all areas which subsequently improve the financial bottom line of the organisation in the long term.

The literature also indicates that the incorporation of social and environmental sustainability performance measures, together with the effective communication of corporate sustainability strategy to key stakeholders, improves the likelihood that an organisation will achieve its strategic objectives (Epstein and Wisner, 2001). There is now increased environmental and social accountability through the explicit inclusion of performance measures that relate to social and environmental goals.

THE STAKEHOLDER-CENTRED APPROACH WITHIN CORPORATE SUSTAINABILITY PROGRAMMES

There are many stakeholders that need to be considered in the corporate world. Hence, each stakeholder has to be included when measuring corporate performance. It is expected that modern management systems should have a rich set of measures that reflect the complexity of business operations (Epstein and Wisner, 2001; Khomba, 2011). Such performance measures could be a mix of leading/lagging, financial/non-financial, external/internal, long-term/short-term, process/product, people/technology and input/output measures.

Apart from treating sustainability as an integral constituent of corporate strategy, an organisation's leadership must be committed to the sustainability discussion and should build on additional corporate capacity (Epstein, 2007). In order to achieve sound corporate performance, sustainability strategies must be supported by management control, performance measurement and reward systems. The implication of this is that sustainability strategies must be supported by the corporate vision, mission, culture and people. Issues regarding sustainability must not be treated as only a matter of risk avoidance and compliance, but also as an avenue for opportunities, where corporations can be innovative and hence are able to create competitive advantage.

Many modern organisations have embraced a stakeholder-centred approach, where stakeholder value, rather than just shareholder value, is supposed to be maximised (Du Plessis and Prinsloo, 2010; Epstein and Wisner, 2001). Senior executives have begun to integrate sustainability variables into their management decisions for them to better understand issues such as corporate social responsibility and corporate performance. In pursuit of financial achievements, it is regarded as a noble course of action for an organisation to achieve both environmental and societal performance targets.

Similarly, corporations can use sustainability scorecards to create differentiation and a competitive advantage. What may be good for the environment can turn out to be good for the sustainability of business operations as well, especially in the long term (Smorch, 2007) while corporations strive to meet their sustainability goals, at the same time, they can also improve on their efficiencies and cost savings, and can increase sales and profitability.

Corporate sustainability is of the utmost importance to the survival of organisations and to future generations of employees. Corporate sustainability programmes balance the need for economic growth with environmental protection and social equality. However, many small-and-medium enterprises (SMEs) lack a holistic strategic plan to address corporate sustainability issues. As a result, SMEs address sustainability issues piecemeal and usually in an uncoordinated manner. An uncoordinated plan may result in the organisation's exposure to unnecessary business risks, thereby forcing SMEs to miss out on strategic opportunities for future growth and development (Fisher, 2010).

The above literature review indicates that thinking on corporate sustainability is still new and that it is in transition. Thus, there is a lot to be done to sensitise organisations to the value and significance of the sustainability concept. However, given the trend in recent natural disasters on the global map, organisations may start to acknowledge the urgency of taking a proactive approach in tackling sustainability issues sooner rather than later.

THE TRIPLE BOTTOM LINE (3BL) PRINCIPLE

The premise of the triple bottom line principle states that corporate performance should be assessed on the basis of three elements, namely the accounting or financial element, the social element and, finally, the environmental element (Gray, 2006; White, 2005). Apart from the conventional single financial bottom line, which is reflected in terms of the profitability figures, corporate success should be evaluated on the basis of the other two critical bottom lines: the organisation's environmental and social performance.

As each sustainability measure poses immense challenges to senior managers and stakeholders, there must be a deliberate policy where all three critical sustainability dimensions are improved simultaneously without increasing complexity unnecessarily. Organisations need to use a triple bottom line concept, because it offers a multi-purpose approach for the collection, systemisation, quantification and evaluation of all the relevant issues that are found in a corporate environment (Kleine and Von Hauff, 2009).

In modern organisational frameworks, the triple bottom line concept is used as both a strategic planning tool and a performance measurement tool (Du Plessis and Prinsloo, 2010; Khomba and Vermaak, 2012a). As a standard of ethical responsibility, many corporations, institutions, and governments have adopted this triple bottom line concept as a guiding principle in their strategy formulation and evaluation.

In general, humankind should strive to ensure that future generations enjoy a healthy, equitable and prosperous life on earth. Organisations, especially international ones, have started embarking on projects to correct their current behaviours and policies, redesigning the way organisations currently operate (Kleine and Von Hauff, 2009). The idea is to overcome the fact that humans and thus organisations have adopted destructive lifestyles that do not safeguard the coexistence of business with its neighbours: society and the natural environment.

Modern corporations link sustainability perspectives with their business strategies. It has further been observed that, in line with the triple bottom line concept, organisational activities are being guided by considerations of environmental, social and economic justice between generations and in respect of contemporaries (Sardinha et al., 2003). The operationalisation of environmental performance is achieved when corporations leave the environment no worse off at the end of financial year than at the beginning. In line with modern demands, business executives are encouraged to sustain the complementarity of environmental restoration when environmental destruction is detrimental to contemporary and future business activities.

THE TRIPLE BOTTOM LINE REPORTING AND THE CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility has attracted a lot of attention amongst corporations, as they are considered part of local communities. Organisations have been sensitised to plough back into the local communities within which their operations take place (Gerstner, 2003; Liker, 2004). The ploughing back can take the form of supporting the underprivileged (poor) or physically challenged people, or of protecting the environment. Many companies believe that the purpose of their investments, amongst other things, is to help local communities and to contribute to the local communities in which their businesses operate and flourish.

As the natural environmental debate intensifies, modern organisations are being sensitised on how and why they should pursue corporate social responsibility options in their planning endeavours (Martin, 2007; Nwankwo et al., 2007). However, many companies are still ignoring environmental risk management, because they think the identification, assessment and control of such risks and the associated liabilities will have detrimental effects in the short to medium term.

Equally, there is a growing concern within corporations about social investments through corporate social responsibility. According to the Commission of European Communities (2006), an emphasis on corporate social responsibility guides corporations to integrate social and environmental concerns in their business operations and also in their interactions with their stakeholders on a voluntary basis. It is about the enterprise's deciding to go beyond the minimum legal requirements and obligations stemming from collective agreements, in order to address social and natural environmental needs.

Studies also indicate that through a multi-stakeholder approach within strategic planning and evaluation processes, corporations can be geared towards achieving a sustainable position. For example, corporations can contribute towards sustainable developmental goals such as poverty reduction by creating social capital linkages into the community and stakeholder networks (Boutilier, 2007). By involving local communities, corporations can improve the livelihood of people in local communities, which includes both economic and social status. However, in involving community networks, a lot of caution should be exercised, as there are potential pitfalls in such programmes. These challenges include self-serving elites, unorganised communities, conflicting stakeholder demands and violent opposition.

The well-being of various stakeholders should also be accounted for through appropriate accountability and reporting systems. During the London Summit in July 2005, it was agreed that it is fundamental that sustainability information should be made available to the market place (Boerner, 2006). Such strategic information should be effectively communicated to stakeholders so that it is more understandable and so that they may use it as inputs into their various decision-making processes.

Overall, the above literature and analysis also demonstrates that the triple bottom line phenomenon can only be achieved if corporations adopt a stakeholder-centred approach that takes cognisance of society and natural resources as a means of sustaining business. However, the current business models tend to be capitalistic as they emphasise on the maximisation of shareholder value, which is achieved at the expense of other stakeholders. Such an approach is against the principles of ecosystem sustainability and the triple bottom line.

In addition to the popular triple bottom line concept, there are also other models that have been developed to reflect issues important to humanity and society, apart from financial business profits. These models include the Carroll model, the Senge model, and the sustainability scorecard models, which are conceptualised on the basis of issues relating to corporate sustainability.

THE CARROLL MODEL

The Carroll model is founded on the interrelationship of three critical sustainability elements – the economic, legal and discretionary dimensions (Carroll, 1979). Under the Carroll model, it is argued that the main responsibility of a corporation is economic, as organisations are expected to produce goods and services that the market or society demands and thereby create economic sustainability through value adding. At the same time, businesses have to adhere to the legal and ethical rules and regulations that are considered normal by the given society. Apart from legal statutes, corporations have to follow ethical standards, including those on corporate governance.

Also included are discretionary responsibilities, which reflect society's desire to see corporations participate actively in the improvement of society beyond the minimum standards set by the economic, legal and ethical responsibilities of organisations (Carroll, 1979). Such discretionary responsibilities would include the provision of community-based programmes, giving donations to communities or charities, and offering pleasant work aesthetics.

Two main elements of the triple bottom line, namely the economic and social dimensions, are covered by the Carroll model. However, the model is basically economic and capitalist. The social elements are regarded as discretionary responsibilities, implying that the corporation can do without them in their strategic modelling systems. Moreover, there is no provision for and coverage of the natural environmental sustainability issues in the Carroll model. The only plausible explanation for this lack of emphasis on environmental dimension could be that environmental issues were not highly pronounced at the time when the model was conceptualised in the 1970s.

THE SENGE MODEL

The Senge model (Senge et al., 2007) highlights the three different worldviews that form the notion of corporate sustainability. The three dimensions under the Senge model comprise *rationalism*, which recognises efficient utilisation of resources, *naturalism*, which conceptualises the need for corporations to work in harmony with nature, and *humanism*, which signifies that sustainability depends on an intrinsic human desire to be part of healthy communities that preserve the environment for present and future humankind and other species. For there to be motivation towards sustainability changes, each worldview should provide a vital counterbalance to the others.

The above literature review demonstrates that the Senge model conforms with the triple bottom line principle, but is arranged in a different format. Issues of rationalism, naturalism and humanism under the Senge model are all critical ingredients of a recipe for achieving a balance between economic, social and environmental elements under the triple bottom line principle.

All the views comprising the triple bottom line, the Carroll model and the Senge model on corporate sustainability demonstrate that the topic has become a major focus of modern business frameworks. The notion that corporate sustainability has become a key strategic tool has been recognised and adopted by many business practitioners (Juscius, 2007).

The basic principle of corporate sustainability is that corporations should fully integrate social and environmental responsibilities with their economic and financial objectives. The triple bottom line principle has been embraced by various organisations, including governments and international organisations.

SUSTAINABILITY BALANCED SCORECARDS

Contemporary managers have started to recognise that sustainability issues are core and relevant pillars in modern management systems. Senior management treats sustainability as part of corporate strategy (Epstein and Wisner, 2001). However, senior managers want to understand the causal relationships between sustainability performance and financial performance. They appreciate any payoffs from social and environmental improvements and want to create a culture where all employees understand corporate sustainability issues.

In line with the current thinking on corporate sustainability, studies have established that there is need to adopt a more integrated approach towards achieving corporate sustainability than is the case with the generic Balanced Scorecard model (Bieker et al., 2002). This can be done by incorporating a fifth dimension, a sustainability perspective (Epstein and Wisner, 2001) for environmental and social sustainability into the Balanced scorecard model to create the sustainability balanced scorecard (SBSC) model.

By using sustainability balanced scorecards, corporations can position themselves to generate profitability and demonstrate the accountability demanded by different stakeholders, especially local communities within which corporate activities take place. The sustainability balanced scorecard with its social, environmental and economic measures can help to demonstrate the accountability of all stakeholders and provides an effective way to implement a sustainability strategy that drives and cascades through corporate strategy down to business units, support units and finally employees as well.

The literature review indicates that the inclusion of social and environmental factors into the main management framework that uses the generic Balanced scorecard model helps corporations to overcome the shortcomings of conventional approaches by integrating the three pillars of sustainability into a single and overarching strategic management tool. From analysis, it was also reveals that corporations have moral responsibilities towards the society within which they operate and that these obligations have to be met in line with existing guidelines, as directed by different regulatory bodies.

SUSTAINABILITY REPORTING GUIDELINES

Sustainability reporting guidelines provide corporations with a holistic approach to the achievement of sustainable practices. When an entire company is engaged in the process, there is a far greater likelihood that the outcomes will be successful (White, 2005). When there is sub-optimisation and corporate projects are fragmented and are not tied to the overall corporate strategy, the desired organisational goals are likely to be suboptimal as well.

When the environmental and social aspects are integrated into business management issues, there is some assurance that corporate sustainability covers all three critical dimensions of sustainability (Figge et al., 2002). The implication is complementary relationships among the three sustainability dimensions which can contribute to healthy corporate performance. It suggests that for any business to perform optimally, there must be some improvement in performance with regard to all three dimensions of sustainability simultaneously.

When preparing sustainability reports, particular care should be taken to ensure that the reporting is balanced, accurate, clear, reliable and timely, and that it facilitates comparability (Du Plessis and Prinsloo, 2010). Corporations have to exercise corporate citizenship to protect the sustainability of the corporations, as business cannot operate in an economically viable manner over prolonged periods without due regard to long-term sustainability issues (Institute of Directors in Southern Africa, 2009).

It is worth noting that the integration of environmental and social issues into the main management stream is becoming more pronounced in modern management systems. Because of the varied nature of reporting by different corporations, the Global Reporting Initiative (GRI), which is an arm of the United Nations, was founded to standardise sustainability reporting systems (Global Reporting Initiative, 2002). By incorporating the GRI sustainability indicators into the business models, corporations can easily link their sustainability measures to their corporate vision and mission statements (Isaksson and Steimle, 2009). These sustainability practices can be implemented throughout the corporation to achieve the intended sustainable development strategy for the company concerned.

The above literature review demonstrates that internally and externally, sustainability reporting systems can provide senior management with a means of analysing stakeholders' needs more transparently. Sustainability reporting is a growing trend that should create a competitive edge for corporations in the modern age, especially with reference to future operations.

CHALLENGES ON CORPORATE SUSTAINABILITY REPORTING

Whilst it is true that sustainability issues have become core issues and that corporations are incorporating such dimensions into corporate strategies, the management of corporate social and environmental responsibility is fraught with difficulties. Epstein and Wisner (2001) highlighted two main impediments towards sustainability implementation. Firstly, senior managers often do not see any business case for investing in social and environmental costs related to the health and safety of employees and the general environment, especially since organisational resources are always limited. Secondly, perfect sustainability levels cannot be achieved in a practical sense. There are thus serious constraints that hamper organisations in achieving such optimum sustainability goals.

Corporate sustainability issues are unlikely to permeate organisational systems unless social and environmental issues are integrated in the main business streams, as advocated by the triple bottom line concept. To achieve the triple bottom line, a more open-ended perspective should be adopted; and the focus should be more stakeholder-centred rather than the current view, which is largely shareholder-focused (Pedersen and Neergaard, 2008).

It is worth noting that triple bottom line reporting by corporations is still challenging in the business sector around the globe. There is little guidance or legislation on corporate sustainability reporting systems (Characklis and Richards, 1999; Skinner and Mersham, 2008). However, given the current focus on the environment and society, there is a call for responsibility and urgent action. The success of triple bottom line fulfilment depends on global efforts and the involvement of all stakeholders as well.

Furthermore, within corporate sustainability achievement, management should first identify and realise opportunities for simultaneous improvements in all three dimensions of the triple bottom line concept (Figge et al., 2002). Such an approach would facilitate the achievement of strong corporate contributions towards overall sustainability. Although conflict between the three sustainability areas is inevitable in a truly dynamic business system, managers should strive to reduce such conflicts for better corporate performance in the long term.

Depending on the size of a business, the achievement of a viable and sustainable situation has received mixed reactions. The treatment of environmental sustainability programmes has been varied, with large corporations appearing to have adopted environmental sustainability as a core component of their corporate vision and strategy (Hart, 1997). This could be the case because large companies have resources in terms of funds, time, experience for research and development innovations, and even human capital, to manage sustainability projects.

The small-and-medium enterprises (SMEs), whose employees number are fewer than 250, are not able to emulate these initiatives and to meet the emerging demands of large corporations because of their limited resources. The situation is even worse with micro-businesses, which have fewer than ten employees and tend to ignore environmental sustainability issues altogether. This is an interesting discussion as SMEs and micro-businesses comprise the most buoyant and significant part of global business (Thomas, 2000). Additionally, in growing industries, many SMEs enterprises and micro-businesses have limited knowle-dge and awareness of their individual and collective impact on the environment and of the concept of environmental sustainability (Vernon et al., 2003). A lack of sensitisation of and involvement by all stakeholders pose big challenges for sustainability efforts.

Corporate sustainability issues are global. Studies show that the leading US corporations that are imple-menting corporate sustainability performance projects are significantly larger, have higher levels of growth and a higher return on equity than conventional organisations (Artiach et al., 2010). However, the leading corporate sustainability performance corporations do not have greater cash flows or have lower leverage than other firms. The cash flow bottleneck within such leading organisations could be a result of major injections into the business growth, social and environmental sustainability projects.

Another challenge is that governments tend to face many limitations in effectively dealing with issues of sustainability. One such sustainability constraint is the geographic limitation of government coverage (Senge et al., 2007). Governments are limited by their political borders and also by time limits attached to the incumbency of the elected office bearers. The increased demographic fragmentation of societies poses a threat to sustainability. Overcoming such fragmentation is a good reason for corporations, especially multinationals, to work with governments. It is contingent upon corporations, governments and non-governmental organisations to substantively confront complex sustainability problems where isolated efforts would be meaningless. For example, internal efficiency improvements are useful to companies, but can become counterproductive if extended too far. Healthy business efficiency levels achieved by a company are supposed to be matched with their ultimate impact on social and environmental systems.

Not only are corporations faced with such resource constraints, but there are also competing pressures that make tradeoffs necessary. Expenditure on corporate sustainability is often perceived by business executives as discretionary expenditure (Senge et al., 2007). Worse still, most managers do not know how to deal with sustainability issues. Thus, strategy implementation and the translation of strategy into action becomes a nightmare, as corporate performance is measured based on the wrongly formulated provisions of inadequate organisational plans.

Reporting results related to corporate sustainability is another big challenge for corporations. For example, in Norway, only 10% of companies comply with the legal requirements of environmental reporting, and only 50% comply with the legal reporting provisions on working environment and gender equality (Vormedal and Ruud, 2009). Furthermore, many voluntary corporate reports are unsatisfactory when it comes to non-financial issues. The absence of sufficient monitoring and enforcement of environmental and social reporting legislation could be a factor that contributes to many corporate failures in Norway.

Many sustainability programmes are constrained by the need for considerable financial and other resources associated with the implementation of social and environmental projects. Economically, corporations are always operating within competitive marketplaces. Organisations that aspire to promote their social and environmental sustainability often orient themselves to face such stiff competition (Figge et al., 2002). Therefore, sustainability management that also contributes towards economic or financial objectives helps to disseminate the concept of sustainable development to the entire organisation. Such an approach acts as a role model for other corporate entities.

Also challenging in corporate sustainability reporting systems are issues of measuring the social and environmental impacts of a particular company. Studies reveal that despite the fact that some organisations have embraced social and environmental measurement systems, many corporations are still experiencing pro-blems in measuring the social and environmental impact of their activities (Khomba, 2011; Senge et al., 2007;

Vernon et al., 2003). This could be largely a result of the complexity that is involved in the social and environmental measurement systems. As discussed above, many of such systems are complex and qualitaive in nature. As a result, the social and environmental issues are not scientifically and objectively reported upon or they are even left out completely in companies corporate reports.

The above sustainability challenges indicate that sustainability issues are still new and complex. Fundamental to the above literature review is the recognition of stakeholder interconnectedness and interdependence. There is a great deal of complex interconnectedness among many stakeholders within such an ecosystem. This interconnectedness is also associated with the interdependence of stakeholders for the whole ecosystem to achieve the best results. This arrangement implies that any damage to one part of the ecosystem would cause distress to other parts of the system. Subsequently, subsystem distress would have a detrimental effect on the functionality of the entire system. Thus, there is a need to establish an externally oriented approach and a lot of collaborative efforts by all stakeholders involved in the entire ecosystem. There should be proper mechanisms to ensure that all stakeholders are properly coordinated on all fronts.

CONCLUSION

This review paper has analysed issues regarding corporate sustainability. It has been discovered that corporations have to pay special attention to economic, social and environmental sustainability parameters. In order to remain competitive and self-sustainable, organisations have started to focus on sustainability issues, which have become more pronounced in contemporary management practices. The paper has also described different sustainability concepts and models that could be significant in modern business activities. Sustainability concepts and models include the triple bottom line concept, the Carroll model, the Senge model, and sustainability balanced scorecard models.

The most prominent topic in the corporate sustainability discussion is the triple bottom line concept, which takes cognisance of the need to combine and achieve synergy between three parameters - economic, environmental and social resources - in running organisations. The reasoning behind adopting a sustainability approach is based on the premise that corporations must be run within a continuity framework, where current operations do not affect future activities negatively through the destruction of the natural environment and detrimental effects on the general society. This review paper also includes corporate sustainability in modern management systems as a holistic approach towards satisfying different stakeholders of organisations. The paper has also enumerated areas of challenges in corporate sustainability reporting systems.

Overall, the literature reviewed in this chapter indicates that corporate sustainability issues inevitably arise in modern organisational frameworks. These issues have become so prominent that they should be part of the strategic direction of all corporate planning and performance measurement systems. However, this aim can only be achieved by pursuing a stakeholder-centred approach where all interested groups, including society and the natural environment, are partners of the organisation. Involvement by society and the natural environment is essential, especially within the African framework.

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