

BOOK REVIEW

Corporate Social Responsibility and Business Growth: Collateral Effects on Business and Society

Authors: Andrée Marie López-Fernández (Department of Doctoral Studies in Administrative Sciences at the Instituto Tecnológico y Estudios Superiores de Monterrey, EGADE Business School Mexico City Campus, Mexico)

One of the core beliefs in different business forum is that business has to have a social responsibility as well as an economic mission. This belief is not new; Peter Drucker in his second book, *The Future of Industrial Man* (1942) argued that companies have a social purpose as well as an economic. During the late 60's and 70's, corporate social responsibility emerged as a top management concern in both the United States and in Europe, however, during the 80's "lowering the furor and commitment". Today, it is back on the agenda of many CEO's. This time it is also on the agenda of NGO's, consumer groups, investors, and other actors in civil society, as well as governments, both national and local. This book seeks to articulate and communicate what corporate social responsibility (CSR) means and why sustainability is not just important for people and the planet, but also is vital for business success integrating it into business strategies and practices.

The work of López-Fernández, here I review, begins with this idea, inviting the reader to generate a perspective on the actions the company has developed in recent decades, from two positions: the individual processes of both corporate social responsibility and business growth, which are nurtured with the active involvement of various factors. Thus, the interconnectedness is indispensable when addressing corporate social responsibility and its convergence with business growth. The many factors, both internal and external to the organization, that contribute to each process individually, are certainly intricate to the convergence and its overall effects; that said, there are many elements that must be analyzed in order to understand said convergence and to be able to properly influence its ultimate outcome. Hence, the general research objective of this study is framed to explore various factors associated with the dynamics of CSR leading to business growth of the firm and social development and growth (GO).

From the concepts of corporate social responsibility and variations on these, López-Fernández makes an analysis of the creation of social and business welfare and says that are not two distinct and independent concepts, moreover, they interact whether it is done on a conscious or unconscious level. The authors suggest that considering social needs may ultimately act as profit-enhancing strategies and, therefore, although there are underlying benefits for society, the firm does not suffer significant disadvantages. According to Kurucz, Colbert, & Wheeler (2008), corporate social responsibility may be achieved when firms perform well financially whilst tending to both their core business and society's improvement.

López-Fernández says that corporate social responsibility (CSR) is in itself a strategy, as organizations display efforts to take part in the social sphere as conscientious parties. There are numerous international organizations dedicated to the promotion of social responsibility. Theorists and

organizational leaders have been concerned with their responsibility pertaining society for at least half a century. Corporate social responsibility (CSR) is a concept that has been transformed throughout decades, being impacted by each decade's advancements and crises. Corporate social responsibility has been considered to be a source to better stakeholders' satisfaction, improve corporate image, and has now mostly been related to the enhancement of social benefits. Also says, that there are certain salient events that have certainly impacted the evolution of corporate social responsibility, both in its definition as a concept as well as in its implementation; such social, political, economic, environmental, and business dynamics may be visualized by decade.

In her work highlights how in Latin American organizations have gradually increased their engagement in corporate social responsibility; for instance, countries such as Brazil have shown a significant advancement with hundreds of firms transparently communicating corporate social responsibility practices through formal reports (Correa, Flynn & Amit, 2004). Corporate social responsibility agendas, in Latin America and the Caribbean, have been more focused on social issues than the environment (Schmidheiny, 2006), which in all likelihood is due to the region's grueling social, economic and political history.

However, in her book mentions that Mexico is still taking its first steps when it comes to CSR, both from the practitioner and scholar points of view, as there is relatively little literature; yet, corporate social responsibility is not a new practice in Mexico (Logsdon, Thomas & Van Buren III, 2006). Furthermore, since a significant number of Mexican organizations are small and medium, they tend to allocate their resources to other internal issues; however, they present a good foundation to propel corporate social responsibility efforts in an attempt to enhance business growth and alleviate social issues. Therefore, the apparent delay may be a significant factor in the lack of achievement of societal growth and development, and the implementation of CSR could successfully service such firms and society.

The reasons why a delay can be appreciated include: first, organizational leaders still consider profitability to be their sole responsibility. Second, not all organizations (i.e. small and medium) are required to confine to regulations in reference to corporate social responsibility. Third, as an emerging market, organizational leaders consider that certain internal and external elements should be top priority, this is, CSR is not construed as a high priority. Forth, although this point is changing at a higher velocity, there is a significant lack of empathy on behalf of civil society to pressure organizations to do the right thing. There is a need for civil society's cooperation for the impact of corporate social responsibility initiatives to be greater (Weyzig, 2007), as civil society will be able to properly promote said initiatives and further motivate firms' efforts.

Corporate sustainability, then, is an ideal by which firms create value for both business and society (Wheeler, Colbert, and Freeman, 2003). Thus far, corporate social responsibility is a key strategy that organizations should carryout in order to survive and lean towards sustainability. However, organizations are yet to be considered liable, accountable for their past, present, and future decisions and actions. Utting (2005) argues that corporate accountability requires implementing corporate social responsibility in an integral manner, rather than focusing on selected aspects.

Therefore, if organizations ensure an effective convergence of corporate social responsibility actions with corporate and business strategies, they will be able to achieve business growth whilst appealing to its and society's needs and wants.

Further, organizations should be able to properly measure the potential collateral effects of their engagement in corporate social responsibility associated to business growth and development. And, therefore, firms engaging in corporate social responsibility should ultimately be receiving full-fledged benefits from their practices and results. Consequently, López-Fernández addresses in her book a long procrastinated issue related to proactive, socially creative, corporate social responsibility and its convergence with business growth and development.

It is clear that, today, both developed societies and those in development are facing social challenges, thus, this principal is outstandingly important and current. Interests regarding corporate accountability have gradually increased (Sandberg, 2005) as stakeholders display concern for financial and social performance. Hence, the tendency requires an effective convergence of CSR with corporate strategies to achieve both business growth and beneficial effects on society.

The work of the author clearly contextualizes that organizational effectiveness can be measured with both financial and operational performance indicators. Furthermore, successful organizations, today, are those that balance stakeholders' needs and wants (Werther Jr. & Chandler, 2011), whilst tending to their profit enhancing requirements. Corporate social responsibility practices are only viable when businesses respond accurately to their sustainability, meaning that they should be profit enhancing. Therefore, in order for firms to be able to engage in corporate social responsibility practices, they should address their foremost responsibility, creating profit (Drucker, 1984). Also, as Misani (2009) says firms should attempt to combine business interest with social wellbeing, which implies integrating profit enhancing objectives with social development objectives. Thus, there should be a convergence of corporate social responsibility strategies and business strategies in order to achieve sustained growth and development.

The results of this research are widely reflected in the book. The text allows us to glimpse the problem of corporate social responsibility stakeholders' concerns regarding social issues have significantly increased and, as such, firms should tend to them. In order to properly address the social issues that society faces, firms must learn that to do well they must do good (Drucker, 1984). The author, made it clear that today, both developed societies and those in development are facing social challenges, thus, this principal is outstandingly important and current. Hence, the tendency requires an effective convergence of CSR with corporate strategies to achieve both business growth and beneficial effects on society.

The work of Lopez-Fernandez not only provides solid elements for discussion but opens the door to a range of questions on corporate social responsibility and its relationship with business growth. For instance, the firms that formally and transparently report accountability, policies, actions, results and progress, look forward to sustained business and societal growth and development; firms that communicate and informally report results, may anticipate stakeholders' mild satisfaction; firms that solely intend to be socially responsible, may expect dissatisfaction; and, those firms that do

nothing may look forward to dissatisfaction and various sanctions towards the firm. As such, communication and transparency are unquestionably essential to the effective engagement and outcome of corporate social responsibility.

Dra. Connie Atristain Suárez

Universidad Panamericana, Campus México

Escuela de Ciencias Económicas y Empresariales (ECEE)