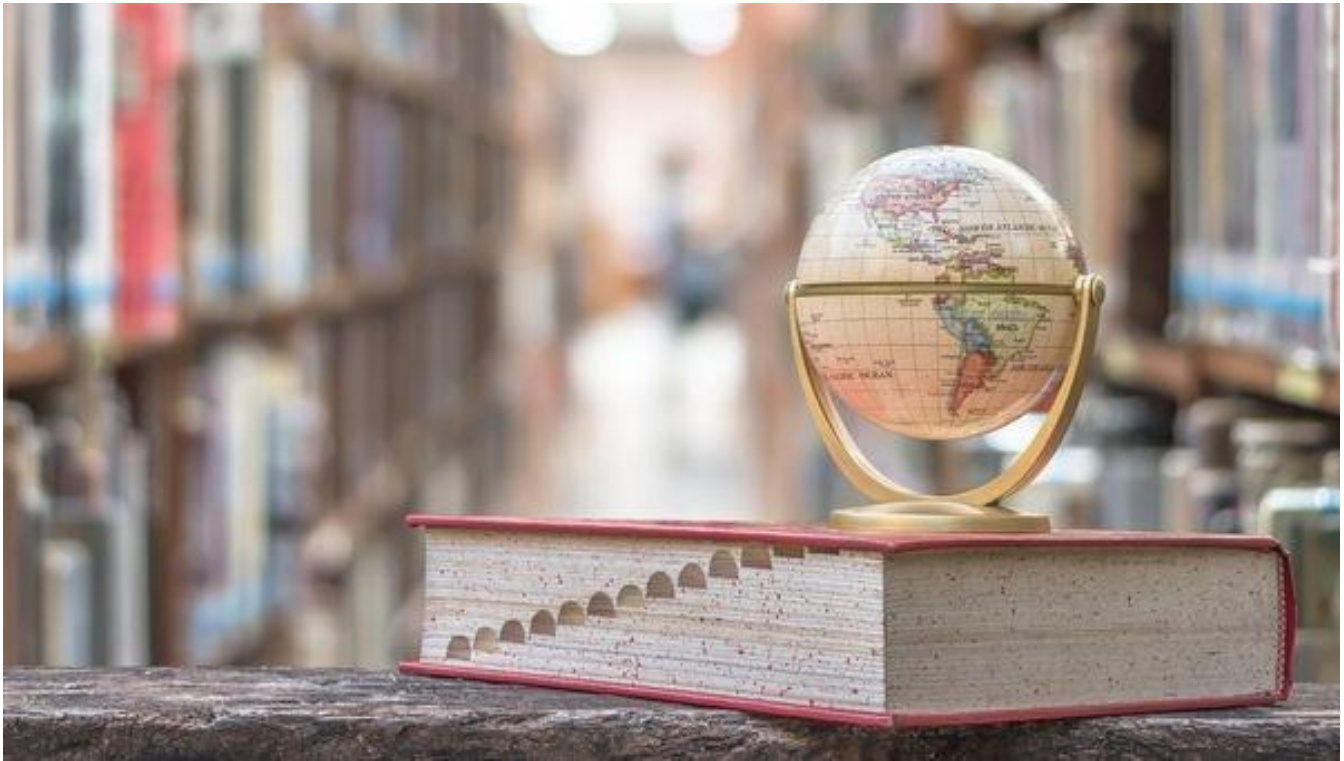


Developing Sustainability Using a Stakeholder Theory



Sustainability or sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs. This is not a new idea/concept. In fact, it has been embedded into our cultures and living in various forms.

However, if we fail to exercise sustainability on both present and future business activities, the next generation will suffer for this, and the damage could be irreversible.

Sustainability is often considered from an environmental perspective, in other words, living well within the means of nature. It focuses on finding ways for society to improve the quality of life for its citizens in a manner that also takes into account the importance of protecting the planet for future generations. The "Paris Accord" which was achieved at the COP 21 in late 2015, does just this by entailing the more prudent use of natural resources and preservation of biodiversity and ecosystem.

In Hong Kong, the SAR Government aims to achieve sustainable development by turning Hong Kong into a world-class city while also making it a clean, comfortable and pleasant home for its citizens. This requires not only a stricter enforcement of green rules and policies, but also a fundamental change of all stakeholders' mindsets and behaviors. A sustainable society cannot be built on the government's efforts alone. All of Hong Kong's citizens, businesses, schools, government departments and NGOs need to work in unison if we hope to achieve this goal.



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TAGS

Leadership

The Three Pillars of Sustainability

In a broad sense, sustainability is made up of three common goals or 'pillars'. The International Implementation Scheme for the UN Decade of Education for Sustainable Development (DESD) has defined the three key goals as:

** Society: an understanding of social institutions and their role in change and development, as well as the democratic and participatory systems which give opportunity for the expression of opinion, the selection of governments, the forging of consensus and the resolution of differences.*

** Environment: an awareness of the resources and fragility of the physical environment and the effects on it of human activity and decisions, with a commitment to factoring environment concerns into social and economic policy development.*

** Economy: a sensitivity to the limits and potential of economic growth and their impact on society and on environment, with a commitment to assess personal and societal levels of consumption out of concern for the environment and for social justice.*

These are also commonly referred to as the Triple Bottom Lines of business corporations: Social, Environmental and Economic.

Corporate Sustainability

Over the past few decades, businesses in the region have managed to achieve significant profits for their shareholders. However, this often came at the expense of the environment, workers, customers and general public. These expenses could wind up compromising the region's long-term economic growth and stability, as well as the ability of future generations to meet their needs.

Today, sustainability has become a focus for many corporations, and is now a 'fashionable' term that is frequently used in the business world. The focus is not limited to environmental concerns. The creation of long-term value for its major non-shareholder stakeholders, especially customers, employees, suppliers and the rest of the community is another goal businesses wish to achieve. In this context, if businesses wish to be sustainable, they must become more socially responsible by adopting a 'stakeholder theory' in favor of a 'shareholder theory'.

Unlike concepts such as charitable CSR and corporate citizenship which focus on the "added-on" activities (which are based on consciousness compensating for the negative externalities caused, and/or future business interests), corporate sustainability sees balancing the interests of different key stakeholders as part of their social contract. Socially responsible board directors and CEOs must consult key stakeholders before making major corporate decisions.

Business leaders are beginning to understand that sustainable business practices can make them more competitive and enhance the overall value of their corporations. Several empirical studies have demonstrated that corporations which succeed in achieving sustainability are rewarded by their employees, customers and investors. More often than not, companies high in sustainability outperform their less sustainable peers.

Education for Sustainable Development

Achieving sustainability requires a concerted effort from the entire community. In this regard, it is essential for university students and other members of the future generation to understand the importance of sustainability, as well as the values and habits needed to achieve it. Enhancing the awareness and appreciation of sustainable development in the younger generation will lay the foundation for them to be builders of a sustainable society in the future.

Although university students of today have obtained a deeper understanding of sustainability than the generation before them, they are frequently restrained by the narrow mindset of focusing solely on environment protection. For instance, they often rely too much on modern green measures to reduce energy/resources consumption rather than change their own attitudes and daily habits. They appear unable to grasp the fact that it is people that use energy, not buildings.

Education has been identified as the most important factor in achieving sustainable development for many economies, including Mainland China and Hong Kong. The aforementioned DESD is a global initiative led by UNESCO which aims at reorienting education worldwide. It believes that everyone should have the opportunity to acquire the knowledge and values needed to contribute to a sustainable future.

In addition to ecological concerns, the DESD plan focuses on many other factors, including the quality of society as a whole. It addresses the complex dynamic of the physical, biological, social, economic and spiritual environment. Also being incorporated into the DESD plan are various other key issues when it comes to sustainable development; such as human rights, climate change, disaster prevention, biodiversity, cultural diversity, poverty, responsible consumption and social justice.

This author has been engaging in this international phenomenon by undertaking experimental sustainability initiatives in teaching/learning, research, extra-curricular student development, community engagement, institutional management and campus planning.

We have been raising students' awareness of sustainable living habits while empowering changes in their behavior and attitude. With that being said, much more action is needed if we want the next generation to fully realize the importance of sustainable development, and of corporations adopting a stakeholder theory in favor of a shareholder theory.