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Corporate Social Responsibility and Population Health

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Abstract

In recent decades, corporate social responsibility (CSR) as part of socially sustainable business organizations operations has become a common practice across developed and developing countries. The objective of this mini review is to reflect on the potential role that CSR might have on the health of stakeholders (employees and society in general). We suggest that there is an opportunity for business to become agents of change and contribute to improved population health. Therefore, public health researchers need to explore how business organizations can, through CSR impact population health currently and in years to come. This would occur through helping to address global challenges in the workplace and immediate local communities, but above all through identifying the role businesses play in contributing to sustainable development and sustainable population health/health promotion across entire societies regardless of their stage of economic development.

Keywords: Corporate social responsibility; Business case; Responsible leadership; Population health

Corporate Social Responsibility and the New Context of Business

In recent decades, corporate social responsibility (CSR) as part of socially sustainable business organizations' operations has become a common practice across developed and developing countries [1-3]. Although many definitions have been put forward, the European commission states "CSR is the responsibility of enterprises for their impact on society" [4]. In order for companies to fully meet their corporate social responsibility requirements, they should have in place a

process to integrate social, environmental, ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders [4]. Furthermore, the definition emphasizes the importance of core business strategy, the creation of shared value, and explicit recognition of human rights and ethical considerations, in parallel with environmental and consumer considerations, but especially the welfare of the key stakeholders in the business, particularly employees [5]. CSR is the social pillar of the triple bottom-line of sustainable development (people, planet and profit) [3,5]. Garriga et al. [6] suggest mapping CSR into four sets of theories that can accommodate various perspectives regarding corporate social responsibility: ethical, political, integrative and instrumental theories. Ethical theories of CSR focus on ethical expectations, requirements and relationships that exist between businesses and society [6]. For the ethical theories, universal rights, sustainable development and a common good are central as they cement the relationship between business and society [6]. Political theories look at the power relations between business and society and the responsibility, duties and rights that come because of businesses' social power [6]. These political theories are manifest in a variety of ways, but the main theories are: (1) corporate constitutionalism, which addresses the social power that businesses have and the social impact and responsible use of this power; (2) integrative social contract theory or the implicit macrosocial and microsocial contracts between business and society and the indirect obligations of this contract; and 3) corporate citizenship or the idea of business as citizen [6]. A renewed interest in corporate citizenship has emerged as nation states have been unable to meet social needs as globalization and its associated deregulation and market externalities have grown. As a result, businesses are increasingly called on to take on a more active social role in the communities, local and global, where they operate [6-8]. Integrative theories address how corporations integrate social demands and values into their business,

recognizing that businesses are dependent on society in order to exist and grow. Integrative theories focus on the detection and scanning of and responses to, social demands that achieve social legitimacy, greater social acceptance and prestige for the business [6]. Integrative theories address: a) how and which social issues a business chooses to respond to; b) stakeholder management, which looks to balance the responsibility towards people and groups affected by corporate policies and practices from employees and shareholders to NGOs and local communities; and c) corporate social performance, which incorporates the previous integrative theories and where the social legitimacy of business is continually sought after via the operationalization and processes of social issues and stakeholder management [6]. Instrumental theories are those in which CSR is seen as means to an end or a “strategic tool to achieve economic objectives and, ultimately, wealth creation” [6]. These theories and approaches to CSR include maximizing shareholder value, strategies for achieving competitive advantages, and cause-related marketing. This approach is often recognized and commented on by CSR critics. From this perspective, CSR is seen as motivated only by self-interest and accords with Friedman’s view that the only responsibility of businesses is to provide profits to its shareholders [6,9].

The question of why companies should practice CSR is still a subject of fierce debate across various schools of thought. For instance, Carroll proposes that businesses are expected to be profitable, obey the law, and be ethical and produce good corporate citizens [10,11]. Others suggest that corporate organizations have an obligation to use their resources in ways that protect and benefit society to ensure equitable and sustainable benefits for stakeholders [12,13]. Stakeholders here refers to both internal stakeholders in the form of employees and external stakeholders that include the broader societal actors affected by corporate organizations in one way or another. Furthermore there are those who view CSR as a social contract that requires a commitment from corporations to act in an ethical and responsible manner in order to minimize possible negative impacts as well as to maximize the positive impacts of corporations [14] regarding issues important to stakeholders [15,16]. On the other hand, others argue that businesses should be economical, legal and ethically responsible but not philanthropically responsible for society [17,18]. However, in recent years consensus is emerging that companies must have some kind of responsibility to their stakeholders [19]. At the same time, there is still ongoing debate concerning to whom exactly companies are beholden. For instance, some [20,21] define CSR with respect to employees as well as the general community or society, while others restrict their audience for CSR to corporate stakeholders, including only the affected local communities [22,23]. It is suggested that CSR strategies allow corporations of all sizes to improve their standing with the press and consumers but most importantly with legislators and regulators who make policy decisions about the company and its products [6,24,25] or as a protective measure for fear of loss of profitability [26]. This is true for both countries of origin and destination.

From the public health perspective, very little debate has taken place on how CSR policy and interventions can influence population health even as numerous global threats to physical and psychological well-being in workplaces, society and health care systems are increasing. Therefore, the objective of this paper is to reflect on the potential role that corporate social responsibility might have on the health of stakeholders (employees and society in general).

Towards a Business Case for Population Health

A business case for population health through adopting CSR policies and strategies can be framed within the roots of social determinants of health (SDoH) put forward by the World Health Organization in the Ottawa Charter [27,28]. In this view, CSR would contribute to population health (and health equity) through its improvement of overall stakeholder health (internal and external stakeholders) using societal and multi-sectorial approaches [29]. In this mini review, we suggest that business organizations could make a business case for overall stakeholder health using the theories of enlightened value maximization [30] and responsible leadership [19].

The basic assumption of the enlightened value maximization theory is that an organization cannot maximize its long-term market value if it ignores or mistreats any important constituency or stakeholder group. The theory argues that business organizations can maximize long-term value by choosing among the competing demands of stakeholders or by making necessary trade-offs among those demands [30]. Furthermore, the theory argues that there is a direct relationship (or link) between a firm’s profitability, survival and growth and the management of its employees’ (internal stakeholders) health and the health of society (external stakeholders) [30]. In this commentary, we argue that economic success can be created through the conscious and intelligent consideration of environmental, economic and social issues (including health of the workforce and communities/society). In this way, business would search for solutions to social and environmental problems, which then in a second step are further developed in a way that also creates economic value (and long-term sustainability).

Others point out that here there is a connection between health and safety and corporate social responsibility in the sense that a highly stressed and unhealthy workforce cannot help maximize shareholder value and dividends [31]. Employment and social policy that espouse social justice and emphasize legal and human rights of employees integrate corporate social responsibility principles. That is, CSR could take into account the interests of employees and their health and safety. Therefore, employers should ensure that as part of their CSR they consider the health and safety of their employees, including work-related stress, rigid working hours, work-life balance, poor human relations and general employee well-being – all of which affect population health [32,33].

Notwithstanding the methodological difficulties of measuring costs and benefits, the few studies linking CSR to

employee health and safety have found that operating costs can be reduced by implementing effective health and safety programmes that reduce absenteeism, something which constitutes a great financial burden for many corporations [34]. Furthermore, other studies have found that improved working conditions for employees can lead to improved productivity and job satisfaction [35-38]. Likewise, business firms that invest in employee health and safety benefits have reduced health-care costs, work compensation and insurance costs [38-41]. Studies that investigated the role of CSR in a variety of organizations have reported that while there is an increased awareness of the social and environmental problems among leaders and employees [42,43], there are few specific strategies formulated around CSR, let alone strategies linking CSR and workplace health and safety. Others have pointed to the concerns that small and medium-sized businesses might be reluctant to embark on long-term CSR strategies [44] due to a scarcity of capital or other related priorities. Still, we argue that the health and well-being of their employees is nonetheless equally important in small and medium-sized businesses. Montero et al. point out that corporate social responsibility allows businesses to commit to issues regarding workplace health, safety and employee welfare, thus CSR can act as a stimulating agent for employee health and safety interventions and awareness [45]. For instance, Hill et al. found that companies who invested in sustainable practices have outperformed the general stock market by 25 per cent since 2005 [46]. In addition, Wofford et al. have argued that the global health community needs to engage in CSR policies relating to sustainable development goals (SDG goals) on women's health and workplace practices [47].

In regard to CSR's impact on community health or societal health some studies have found positive and lasting effects, especially in developing countries and specifically among socially excluded population groups [48]. On the other hand, very little has been researched across developed countries with a reported growth in numbers of socially excluded groups [49]. For instance, a study of three case studies in predominantly mining towns in Västerbotten County in northern Sweden, it was argued that mining companies in the region could do more to improve social, economic and community health and safety [50]. The study argues that improvements of health among communities where companies are located could contribute to achieving new corporate goals that might have a social outreach [50].

Further, various scholars point out that the involvement of businesses with public health and health care has, so far, focused on reducing health care costs and improving employee productivity [51], forgetting the communities to which these employees belong. According to Webber, business leaders need to understand that an employer can do everything right to influence the health and productivity of its workforce at the worksite, but if that same workforce lives in unhealthy communities, employer investments can be seriously compromised [52]. Moreover, Chattu points to a case study of CSR on HIV/AIDS in Africa by the Johnson and Johnson Company, which has for many years been involved in projects globally to fight the spread of disease and improve the quality

of life of people living with illness through sponsorship of local programmes as well as donations as an example of societal impact through CSR [53]. However, many companies, in a wide variety of contexts, still do not practice CSR [54]. Furthermore, CSR strategies have been implemented in community health through initiatives like healthy workplaces and health community projects [55]. There the idea was to develop a collective mindset on workplace and community health to reduce obesity and management of chronic diseases [55].

As already mentioned above, a business case for population health will also require a different type of leadership across business organizations. In recent years, a consensus has emerged that for successful implementation of CSR policies and strategies across organizations, a new type of responsible leadership is needed. In their seminal paper "Responsible Leadership in a Stakeholder Society – A Relational Perspective, Maak et al. [56] defined responsible leadership as a social-relational and ethical phenomenon, which occurs in social processes of interaction (with those who affect or are affected by business leadership). In addition, they argued that this type of leadership is aimed to build and sustain good, trustful and sustainable relationships with all relevant stakeholders within an organization and outside its borders; responsible leadership takes place in a global, interconnected world where there is an interaction with a multitude of followers as stakeholders, locally and globally, inside and outside the corporation, and that key stakeholders include employees, clients and customers, shareholders, business partners, suppliers, peers, family, community, and the social and natural environment [56]. Various scholars suggest that responsible leaders are positioned to address today's challenges in a stakeholder society by being able to bring together different people to follow a shared and morally sound vision [19,56,57]. Thus, by being able to build and cultivate relationships with internal and external stakeholders, responsible leaders will be able to achieve mutually shared objectives based on a vision of business as a force of good for the many, and not just a few (shareholders and managers) [58]. In the view of this mini review, responsible leaders would be able to look beyond pure monetary values, as suggested by instrumental theories to engage business in sustainable development, thereby having potentially positive effects on all stakeholders' health (including population health). This view of business and business leaders promoting ethical and human rights principles and social empowerment through macrosocial and microsocial contracts between business and society for a common good is more in line with the ethical and political theories already mentioned above [6].

This way, responsible leaders will lead with head, hand, and heart; they will have a responsible mindset, will care for the needs of others, and will act as global and responsible citizens [59]. Pless [59] points out that responsible leaders can be understood as practicing the art of building and sustaining social and moral relationships between business leaders and different stakeholders (followers), based on a sense of justice, a sense of recognition, a sense of care and a sense of accountability for a wide range of economic, ecological, social, political and human responsibilities [59]. According to Doh et

al. [60], responsible leadership is a multilevel theory that connects individual, organizational and institutional factors and despite being relatively new, offers great potential for leadership researchers from various disciplines as it responds better than any other existing leadership theory to the challenges leaders of the twenty-first century and beyond are facing or will face in the future, e.g. workplace need for greater wellness, interconnectedness and globalization, poverty, exclusion of minorities, environmental degradation, human rights violation, wars and pandemic diseases. Consequently, responsible leadership is key to the business case for population health and responsible leaders could therefore strive to build and maintain trustful, sustainable and inclusive relationships within a diverse stakeholder network. Similarly, Maak et al. [56] suggest that responsible leaders will be more prepared to address complex dilemmas and multifaceted demands of various stakeholder groups based on ethical and moral decision-making; they will aim to achieve mutually beneficial solutions leading towards the creation of social value or desirable social change as well as monetary gains [56]. Such leaders are also expected to put their relational capabilities into practice, to be able to reconcile differences and bridge the gaps between people – citizens of the planet – who can then identify with a shared and morally sound vision and together achieve the best possible aims.

In this mini review, we suggest that there is an opportunity for business to become agents of change and contribute to improved population health. Of importance is the possibility to build a platform for a joint agenda for CSR and global health promotion as part of sustainable development. This would mean a duality of structure with an integration of health-promoting strategies and sustainable development strategies of business that center on synergy rather than precedence over each other (integrate CSR and sustainability from a health perspective and stakeholders' health promotion from a sustainable development perspective). Of particular importance for business is the understanding that the revenue benefits of a healthier community are essential, whether the effect comes from reductions in direct improvements in workforce productivity, health expenditure or customer buying behaviors. We agree with Webber's four potential areas of need for both business and public health scientists regarding population health: (a) evidence-based interventions (identification of evidence-based interventions that work); (b) performance incentives (catalyst and motivator for community health improvement); (c) metrics (metrics for workforce and community health regarding life expectancy, self-reported health, individual health behaviours, socioeconomic factors and physical environment); and (d) leadership (a responsible leadership as a change agent for improving workforce and community health) [52].

Corporate social responsibility and responsible leadership are new areas of research to which theoretical and practical applications are under exploration across various disciplines including public health. Nevertheless, public health researchers need to explore how business organizations can, through CSR (people, profit and planet), impact population health currently and in years to come. This would occur

through helping to address global challenges in the workplace and immediate local communities, but above all through contributing to sustainable development and sustainable population health/health promotion across entire societies regardless of their stage of economic development.

Conclusion

Corporate social responsibility offers an opportunity for business organizations to help address global health challenges through a business case for stakeholder's health. This could be achieved by building a platform for a joint agenda for CSR and global health promotion as part of sustainable development. However, research is warranted to identify what potential interventions will be more appropriate to achieve such goal.

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