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Article

The Positive Impact of Social Sustainability

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Abstract: Social sustainability is one of the three legs of sustainability’s “triple bottom line”, with the other legs being environmental and economic sustainability. Social sustainability deals with our most critical daily “quality of life” issues. Many of these social sustainability issues are systemic in nature in our community and will require an interdisciplinary holistic systems approach across the public, private, academic, and service sectors to develop new decision making models. This paper will discuss how companies and organizations are pursuing corporate social responsibility and corporate citizenship strategies, as well as acting as change agents in their communities to address the root causes of these systemic social sustainability issues. Non-profit organizations, at the same time, are also being asked to provide more information about the impact of their dollar donations and the value it creates. Now a new entity has emerged, social enterprise. Social enterprises are organizations that that achieve a social mission by applying various business systems, processes, and best practices. Examples will be provided of companies and organizations that have begun to successfully implement social responsibility, corporate citizenship, and social enterprise strategies to achieve a positive impact of social sustainability in our West Michigan community.

Keywords: Social; Sustainability; Corporate; Social; Responsibility; Citizenship; Entrepreneurship; Business

33 **1. Introduction**

34 Companies and organizations today are being challenged with the need to be more socially
35 responsible in their operations and their engagement with internal shareholders, as well as with their
36 external community stakeholders. At the same time some companies and organizations are being asked
37 to be good corporate citizens. First of all what is a socially responsible organization? Who is a good
38 corporate citizen? Social responsibility is defined as “the obligation of an organization’s management
39 towards the welfare and interests of the society which provides the environment and resources to
40 survive and flourish, which is affected by the organization’s actions and policies” [1]. Many times a
41 company or organization can offer volunteer hours from their employees, as well as philanthropic
42 dollars, cash contributions, or in-kind services to address specific community welfare issues through
43 local charities and NGO’s. These resource approaches enable a company or organization to start their
44 social sustainability journey and become more socially responsible.

45 The role of a corporate citizen is broader and deeper than the role of social responsibility. It
46 acknowledges that businesses and organizations have social, cultural, environmental and other
47 responsibilities to the communities in which they live and these responsibilities are beyond financial
48 and economic commitments. Companies and organizations that are good corporate citizens are
49 responsible leaders and change agents in their communities and are willing to get at root causes of
50 systemic social sustainability “quality of life” community issues. Through partnerships and
51 collaborations across the public, private, academic, and service sectors, these companies and
52 organizations use innovative integrative interdisciplinary system approaches and root cause analyses to
53 develop new social sustainability models.

54 Now social enterprise emerges, which is a new entity that is being driven by highly motivated,
55 innovative, and creative social entrepreneurs. Social entrepreneurs are passionate and inspired leaders
56 who are driven to develop profitable solutions through creative new products and services that meet
57 societal needs and community obligations.

58 Is it possible that we will see in the future new breakthrough business and social models that will
59 address and improve upon systemic quality of life sustainability issues in our community? Will these
60 models be able to create and sustain new jobs, improve the health and wellness of local residents,
61 increase educational skills and literacy rates for youth and children, while addressing inner city poverty
62 issues at the same time? If so, we will all be able to see the positive impact of social sustainability in
63 the near future.

64 **2. Results and Discussion**

65 Companies and organizations can begin their social sustainability journey by stimulating social
66 responsibility in a number of ways and interest areas such as: education and literacy; civic vitality and
67 engagement; arts and culture; local food access; public safety; youth development etc. They can also
68 become a better corporate citizen by exhibiting leadership in their community through their character,
69 reputation, and transparency. Additionally, companies and organizations that are corporate citizens
70 must be willing to actively participate and take leadership and ownership positions on key community
71 issues. And the leaders of these organizations must also be willing to challenge conventional thinking

72 on systemic community issues and established systems and infrastructures and act as change agents for
73 new sustainable community models that are built on collaborations and partnerships [2]. Moreover,
74 new social businesses and enterprise structures can be formed to specifically address these systemic
75 social sustainability “quality of life” issues.

76 With these available new approaches and structures, social sustainability progress is taking place in
77 our community. Take for example, Cascade Engineering (www.cascadeng.com), a local West
78 Michigan company that has transitioned itself from being primarily an automotive supplier to
79 becoming a leader in the new sustainability economy. Cascade Engineering has also recently become
80 certified as a B Corporation that meets comprehensive social, environmental, and legal accountability
81 standards. Cascade Engineering is also known for its Welfare to Career program that helps those come
82 out of poverty and off of welfare with over 97% retention rates for those employees. Cascade
83 Engineering is now helping to address other systemic sustainability issues in our community through
84 the leadership of Fred Keller, its President and CEO.

85 The City of Grand Rapids Michigan has also just developed a new City Sustainability Plan 2.0
86 (www.sustainablegr.com). The City Sustainability Plan has specific social impact goals dealing with
87 great neighborhoods; strong education, arts, and the community; civic engagement; healthy lifestyles
88 and healthy environments; and public safety. Periodic sustainability reports give updates regarding
89 progress made in overall environmental, economic, and social impact areas.

90 In the greater Grand Rapids area, we have also established our Community Sustainability
91 Partnership “CSP” (www.grpartners.org) that now has over 200 endorsing stakeholder partner
92 organizations from the public, private, academic, and service sectors including the City of Grand
93 Rapids. This organization helps develop and share sustainable development best practices, provide
94 sustainability planning, and generate sustainability reports within the community. One area of focus
95 and importance is local food access and the overall importance of health and wellness in our
96 neighborhoods and communities. The number of local farmers markets in the greater Grand Rapids,
97 Michigan area has reached nearly 20 locations. Additionally, a new urban food market for the
98 downtown Grand Rapids area is now being planned. This \$27MM year round urban market will help
99 provide greater access to local West Michigan food for the downtown Grand Rapids area. It will also
100 provide a greenhouse, demonstration kitchen, and teaching capabilities for local food systems and
101 overall healthy foods. Grand Valley State University has also established a sustainable agriculture
102 project on their campus that has a student farm club, local grown food sources, and a new farm hoop
103 house that will grow food on campus nearly all year long.

104 The “CSP” model of sustainable community development has now reached a number of other West
105 Michigan communities including the Muskegon Area Sustainability Coalition; the Holland and
106 Zeeland 3E Initiative; the Northwest Ottawa County Sustainability Coalition; and the Portage,
107 Kalamazoo, and Battle Creek Sustainability Covenant. The “CSP’s” in West Michigan meet on a
108 quarterly basis to share stories about what sustainable development best practices are working in their
109 communities. These regional sustainability stories are also shared monthly in a 30 minute program on
110 WGVU radio hosted by Shelley Irwin.

111 An additional significant endeavor is the Seeds of Promise sustainable neighborhood project located
112 in a targeted area within the inner city of Grand Rapids. (www.seedsofpromise.net) Over 50 endorsing
113 stakeholder partners, consisting of mainly non-profit organizations, are helping to create and establish

114 an empowered, grassroots, community based leadership model at the neighborhood level. Significant
115 positive social sustainability impact and results have been generated in developing a new healthcare
116 strategy involving local churches for those residents that are marginalized or live in a welfare state;
117 generating new sustainable jobs for those in a welfare or in poverty; helping and teaching children that
118 need access to basic reading, comprehension, and literacy skills; and creating new local community
119 capital resources and reinvestment.

120 The positive impact of social sustainability is gaining traction and momentum in our West Michigan
121 community! There has been a natural progression of social responsibility, corporate citizenship, and
122 social entrepreneurship initiatives. Through the partnerships and working relationships that our
123 community has formed across the public, private, academic, and service sectors and with the
124 availability and use of shared, community, cultural, social, networking, and knowledge capital
125 resources, West Michigan is beginning to see the positive impacts of social sustainability! Sustaining
126 sustainability requires reinvestment of capital sources. West Michigan is thankful to the many business
127 and civic leaders that have reinvested their time, treasures, and talents back into our community. Today
128 as a region, West Michigan ranks above the national average in hours spent volunteering and second in
129 the nation in philanthropic giving (www.hellowestmichigan.com).

130 **3. Method**

131 The triple bottom line of sustainability is well known to many. In laymen's terms sustainability is a
132 set of applied best practices and skillsets, a "toolbox", that businesses and organizations can implement
133 and use to make better decisions today, as well as for future generations, that will result in overall
134 improved environmental, economic, and societal impact. The triple bottom lens of sustainability is an
135 important methodology to use when looking at systemic community issues. Using the sustainability
136 lens allows the business, societal, and environmental case to be examined at the same time, as well as
137 for the mutual conflicts between prosperity, services, and resource scarcity to be analyzed [3]. Take for
138 example lead based paint. The environmental case is that lead based paint can be toxic and should be
139 removed from older inner city houses, where this paint has been used and exposed. The economic case
140 is that these costs could be offset by a grant from a government agency, such as a Housing and Urban
141 Development (HUD) program, to help remove the lead based paints from older homes in our cities and
142 communities. The societal impact of lead based paint can sometimes be overlooked, as young children
143 who live in these homes could be exposed to this paint over long periods of time and can incur health
144 and learning disability issues. What then is the long term societal impact from the use of lead based
145 paint?

146 Today, there is a fuzziness developing between businesses and NGO's and their mutual roles in the
147 community. Businesses are being asked to help solve societal problems and NGO's are being asked to
148 provide a greater return on investment for the use of charitable dollars and donations. In essence, some
149 are asking businesses to look more like NGO's by being good stewards of their resources and willing
150 servers in their community. NGO's are being requested by their donor base to look more like a
151 business by providing improved financial metrics for their resource use. Is it possible that a non-profit
152 can generate a return on investment or "ROI" for their program and services? How can businesses and
153 non-profit organizations begin to work together?

154 First, businesses and non-profit organizations must mutually understand each other including their
155 mission and vision, their role in the community and their resources and assets. One engagement
156 approach can be to discuss together all the types of capital that are available for mutual use regarding a
157 specific social sustainability issue. Capital formation and use can come from a number of sources
158 including:

- 159 • Financial, shared, asset or manufactured capital i.e. economic capital
- 160 • Natural capital i.e. environmental capital
- 161 • Community, cultural, advocacy, networking, human, intellectual, and knowledge capital i.e.
162 social capital.

163 Many times today, businesses and non-profits are being able to work together more closely on
164 solving specific systemic social sustainability issues in their community through networking,
165 knowledge, and shared capital resources.

166 Companies and organizations are also now able to obtain efficiencies and productivity results
167 regarding positive social impact through employee health and wellness programs, decreased employee
168 lost work time, reduced employee health expenses, and improved reputation in the community through
169 retention of existing workers and reduced expenses for new hires.

170 In their January- February 2011 article in the Harvard Business Review, Michael Porter and Mark
171 Kramer discuss the importance of shared value [4]. They acknowledge that “societal needs, not just
172 conventional economic needs, define markets, and that social harms can create internal costs for
173 companies.” Porter and Kramer provide a compelling case that the competitiveness of businesses and
174 organizations and the overall health of communities are intricately interwoven and intertwined.
175 Businesses need a successful community for its marketplace, but also for its public assets and
176 infrastructure. Communities need successful businesses to create sustainable jobs and generate wealth
177 for its residents. Shared value is defined as “policies and operating practices that enhance the
178 competitiveness of a company while simultaneously advancing the economic and social conditions in
179 the community in which it operates” [4]. The key is to bond socio-economic progress with the right
180 value principles and performance metrics that encompass cost efficiency, cost avoidance, and societal
181 value benefits.

182 **4. Conclusions**

183 The greater Grand Rapids Michigan area has been on a sustainability journey for many years. The
184 focus has always been on the triple bottom line of sustainability including environmental, economic,
185 and social impact and monitoring overall progress. Environmental and economic “low hanging fruit”
186 projects have been naturally targeted and are providing positive results. Social impact issues have been
187 harder to address and get at root causes. Whose responsibility is it to address and meet urgent societal
188 needs? Today, many of our existing and established decision making models for improving social
189 impact are not able to meet the growing needs of our communities, as well as having the necessary
190 resource requirements to be effective. Communities will now have to draw upon new creative
191 interdisciplinary holistic system approaches to solve systemic sustainability “quality of life” issues. I
192 have been in the “sustainability space” for the last seven years at Grand Valley State University, after a

193 career in business. I have gained a great appreciation for the proven applied sustainability best
 194 practices at our university that are available for finance and administration, campus dining and
 195 housing, and facilities planning and services. Recently, the Seidman College of Business developed a
 196 new MBA course on Creativity and Social Entrepreneurship. After teaching this course and listening to
 197 the dialogue and conversation among students and local leaders, I am convinced that social enterprise
 198 and social entrepreneurship will generate creative new profitable decision making models for the
 199 future.

200 Today businesses, organizations, and social entrepreneurs have access to new accepted social
 201 business models and structures. Muhammad Yunus in his book “Building Social Business” offers
 202 several new social business structures beyond the traditional non-profit organization [5]. These new
 203 entities include non-profit organizations with earned income whose primary mission is to improve job
 204 training and skill development; several types of new social business models; non-profit organizations
 205 that are linked to for profit companies; community interest companies; low profit limited liability
 206 companies; and B corporations. These available new social business structures now offer the
 207 opportunity to address profitable solutions and create a positive social impact, while meeting specific
 208 social quality of life issues.

209 There are many successful examples of these new social business structures. Some of them include:
 210 Girl Scouts; Goodwill Industries; Mozilla Foundation and Mozilla Corporation; the Chicago News
 211 Cooperative; and Cascade Engineering.

212 The positive impact of social sustainability has gained traction and momentum in our West
 213 Michigan community. Progress is being made, but we have a long way to go. Social sustainability is
 214 about inclusion and connectivity and having the right voices and partners at the table for discussion. To
 215 solve our most difficult systemic sustainability issues will require innovative grassroots inside out
 216 empowerment models, not outside in command and control models.

217 Moving forward, it is encouraging to see that the state of Michigan has developed a new dashboard
 218 that covers 11 performance metrics and indicators covering specific areas of social sustainability
 219 including health and wellness, quality of life, and public safety (www.michigan.gov/MiDashboard).
 220 The Michigan dashboard displays green, yellow, or red results for the indicators in these social impact
 221 areas, as well as others, to acknowledge whether the state is improving, staying the same, or declining
 222 in overall progress. Peter Drucker was an advocate for managing by objectives and was quoted as
 223 saying “If you can’t measure it, you can’t manage it” [6]. By effectively developing and
 224 communicating social impact goals and measuring them on a continuous basis, the positive impact of
 225 social sustainability will continually be realized.

226 **Conflict of Interest**

227 The author declares no conflict of interest to the best of his knowledge.

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