



Keywords

Social Enterprise Orientation,
Organization and the Pursuit of
Corporate Sustainability

Received: December 21, 2014

Revised: January 07, 2015

Accepted: January 08, 2015

An Examination of the Link Between Social Enterprise Orientation of an Organization and the Pursuit of Corporate Sustainability

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Citation

Jerome Nyameh, Mahmood Hamid Umar. An Examination of the Link Between Social Enterprise Orientation of an Organization and the Pursuit of Corporate Sustainability. *International Journal of Management Science*. Vol. 2, No. 4, 2015, pp. 79-83.

Abstract

Many contemporary organizations are placing a greater emphasis on business enterprise systems as a means of generating higher levels of economic development and sustainability. Many business research and literature has also concur that enterprise drive economic development, giving little or no credit to social enterprise, whose profit is reinvest to the community development compare to the business enterprise that share their profit to shareholders. Economic development and corporate sustainability includes economic policies that affect the beneficiaries of the economic entity and how it support corporate sustainability as a multifaceted concept that requires organizational change and adaptation on different levels. In this paper, we provide a closer examination of this suggested link between the social enterprise orientation of an organization and the pursuit of corporate sustainability. We suggest that producing social enterprise increments may be best achieved by orienting social enterprise entrepreneurs system to promote economic development and corporate sustainability, which is the new approach to organizational excellent. To this end, we describe a new approach to the social enterprise process that includes social entrepreneur and the key drivers of economic development and corporate sustainability at each stage. We present a social enterprise that incorporates the main ideas of the paper and suggests a new perspective for thinking about how to foster and manage social enterprise to achieve high levels of economic development and corporate sustainability as a new ways of achieving organizational excellence. Specifically, we seek to assess (1) what constitutes a corporate sustainability-oriented organization culture, (2) whether it is possible for organizations to display a unified corporate sustainability as a result of social enterprise (3) whether organizations can become more sustainable through social enterprise change.

1. Introduction

Social enterprise describes any business with social objectives whose profit are reinvested either in the community or in the business itself, should the business be geared toward serving the community in some way. The term social enterprise finds its

root from social entrepreneur, a term that refers to businessmen who had genuine concern for the welfare of their employees and society. Contrary to conventional businesses distribute their profit among shareholders, in a social enterprise profits are either directed to social causes like job training for the disabled, ex-offender re-entry, youth development or are reinvested in the business to create employment opportunities for individuals who are socially marginalized. Social Enterprise a nonprofit advocacy group and think-tank, defines social enterprise as having three common characteristics: i. Enterprise orientation: They are directly involved in producing goods or providing services to a market. They seek to be viable trading organizations, with an operating surplus.

ii. Social Aims: They have explicit social aims such as job creation, training or the provision of local services. They have ethical values including a commitment to local capacity building, and they are accountable to their members and the wider community for their social environmental and economic impact.

iii. Social ownership: They are independent organizations with governance and ownership structures based on participation by stakeholder groups, like clients, local community groups or by trustees. Profits are distributed as profit sharing to stakeholders or used for the benefit of the community.

Corporate sustainability: is a business move toward the creation of long-term consumer and employee value by creating a "green" approach designed toward the natural environment and taking into consideration every dimension of how a business operates in the social, cultural, and economic environment.

2. Statement of Problem

Social enterprises has been recommended to be the major drive for corporate sustainability, knowing that conventional enterprises has left the environment vulnerable building individual shareholders without considering the need for environmental sustainability and the social system suffered, meaning the service to the community in some way is no longer obtainable (Nyameh 2013). Hence this critical situation requires a green approach in order to consider how a business operates in the social, cultural, and economic environment and to benefit is the business to the environment and not only to individual shareholders.

3. Objectives of the Study

The major objective of the study is to examine the link between social enterprises in pursuit of corporate sustainability and specifically:

- i To determine the link between the social enterprises and the corporate sustainability
- ii To analyze the role of social enterprise to environment
- iii To establish the benefits of corporate sustainability to

the economic development

4. Motivation and Significance of the Study

The iniquity of business, the failures of capitalism, and the promise of social enterprise to correct these ills gave birth to research approach in order to obtain relevant solution against traditional for-profit ventures which hardly benefit society. The social enterprises deliver products and services that improve consumer welfare, they create jobs, they advance economic growth by purchasing goods and services, and they generate capital that may be invested in other productive activities which directed towards sustainable societal benefits than building individual shareholders. The study unveils the need for building a synergy by the creating holistic contributions to both the business and the economic environment which has been abused by the so called capitalism approach.

5. Social Enterprises and Corporate Sustainability

Research and several management theories assert that the corporation's sole objective is maximizing shareholder wealth. Despite these theoretical approaches, however, actual corporate conduct in some cases is not in agreement with shareholder value maximization as the sole objective of the corporation. In fact, corporations are now engaging in environmental and social causes with multiple stakeholders in mind and this is especially true for the world's largest corporations. Overall, the paper presents an alternative view of the role of the corporation in society where the objective of the corporation is a function of its size. Specifically, the largest corporations are forced to balance different stakeholders' interests instead of simply maximizing shareholder wealth. The author attributes this change in the role of the corporation to the increasing concentration of economic activity and power in a few corporations which has resulted in

- i a few companies having a very large impact on society,
- ii corporations and influential actors which are easier to locate, and
- iii Increasing separation of ownership and control. Both owners and "the control" accepting public interest as the objective of the corporation. Key concepts include:
 - The role of the corporation in society can be a function of the broader economic, social, and political context and as a result evolves over time.
 - Corporations are not a homogeneous group as it is assumed by profit maximization theories. Not all corporations have the same role in society.
 - Increasing corporate engagement on environmental and social goals has redefined the relation between business and society.

Social Enterprise appears to be motivated by a different set of factors than other for profit. have found that social norms around environmentalism have a larger impact on the entry rates of environmentally-motivated entrepreneurs remain in business longer than purely profit-motivated (Arosio, 2011))

6. The Link between the Social Enterprises and the Corporate Sustainability

Corporate enterprise is concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. (Freireich, . & Fulton, 2009) The definition has a numbers of links to corporate sustainability.

The fact that corporate enterprise is the integration of social and environmental concerns within business operations means that corporate enterprise is not just generosity. The emphasis is on how enterprises do their daily work: how they treat their employees, how they produce goods, how they market them, and so on. Corporate enterprise is not so much about what enterprises do with their profit, but how they make that profit in such a way that environment does not suffer but invariably benefit from the business (Jenkins & Ishikawa, 2009).

Interaction with stakeholders is a decisive aspect of corporate enterprise. Effective corporate enterprise requires exchange of ideas with stakeholders such as trade unions, public authorities, non-governmental organizations, and business representative organizations. Thirdly, by describing corporate enterprise as voluntary, this implies that corporate enterprise relates to what enterprises can do in the social and environmental fields (Bugg-Levine, Antony. et al. 2012)

Corporate Enterprise is a very wide-ranging concept, which is one reason why measuring its uptake and impact presents complex methodological problems. It is often divided into four main areas: workplace, market-place, environment and community (J.P. Morgan, et. al. 2010).

Workplace Environment: corporate enterprise refers to how a company treats its employees. It includes issues such as recruitment, work-force diversity, pay and working conditions, health and safety, and recognition of trade unions. It can also refer to human rights issues.

Marketplace Environment: corporate enterprise covers the ways in which a company operates in relation to its suppliers, customers and competitors. It covers issues such as responsible advertising and marketing, dealing with customer complaints, anti-corruption measures and ethical practice, and imposing social and environmental requirements on suppliers.

Environment and Community: corporate enterprise describes the measures a company can take to mitigate its negative impact on the environment, for example energy efficiency measures or less use of pollutants. It can also refer to goods and services that actively help to improve the environment. Community-related to corporate enterprise as a

relations between the company and the citizens and communities that may be affected by its operations. It includes issues such as human rights, dialogue and partnership with potentially affected communities, and active contribution to community wellbeing, for instance through employee volunteering schemes. Some of these areas inevitably overlap in practice. For example, the environmental dimension of corporate enterprise can be of great importance in relations with communities affected by the operations of an enterprise.

7. Role of Social Enterprise to Environment

Corporate sustainability is manifested in the activities of social enterprises when businesses that pursue double and triple approach one to themselves while other the environment. There mission are driven towards a better society and are dedicated to being socially responsible from their inception, unlike other corporations that pursue for marketing purposes or to cut costs and increase profits. While there is value in doing the "right" things, even if it is for selfish reasons, there is a certain purity about these social enterprises that has a special appeal for those of who cherish people and planet as well as profits (Jenkins, B. et al. 2011).

In fact, social enterprise are now engaging in environmental and social causes with multiple stakeholders in mind and this is especially true for the world's largest organization today. Research has presents an alternative view of the social enterprise in society where the objective of the corporation is a function to strike a balance between different stakeholders' interests instead of simply maximizing shareholder wealth. This change is increasing concentration of economic activity and power in a few social enterprises which has resulted in

- i) a few companies having a very large impact on society,
- ii) Social enterprise and influential actors which are easier to locate, and
- iii) Increasing separation of ownership and control.

8. Benefits of Corporate Sustainability to the Economic Development

Corporate sustainability is a framework within which a continuous the satisfaction of human needs constitutes the ultimate goal. When transposing into business level corporate sustainability meeting the needs of firms direct and indirect of stakeholders(employees, employers, clients, communities) without compromising its ability to meet the future needs of stakeholders as well. Towards this goal the firm maintain and grow economic, social and environmental capital base while actively contributing to sustainability in the political domain. (Bugg-Levine, Antony. et al. 2012)

8.1. The Stakeholder Approach to Business, Society and Ethics

Stakeholders are Individuals and groups with a multitude of interests, expectations, and demands as to what business should provide to society.

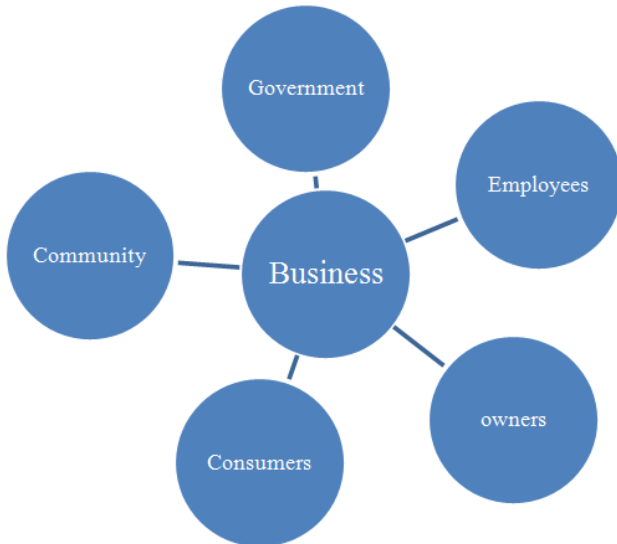


Fig. 1. Business Stakeholders.

8.2. Researcher's Approach 2015

The business stakeholder presents opportunities through building good productive working relationships with the stakeholders and also challenges are representative of how the firm handles the stakeholders, there a link between the business stakeholders that is healthy for the system. The government protect the business and the business pay tax to the government, the business benefits from the services rendered by the employees and the business pay for the service to employees which serve as their sources of income, the community are the recipient of the business hence both income realize from the business are deposited for community well being the consumer and the owner drive utility from consumption and profits.

9. Conclusion

Conclusively, measuring the performance of a social enterprise is much more complex than it is for a commercial business, which can simply measure financial success. Measuring and monetizing lives saved, quality of life increased, and environmental damage mitigated., which implies that social enterprises orientation has a link to corporate sustainability. In another word corporate sustainability in organization can be achieve when the business valued the entire system and not only striving for profit.

Recommendations

Having ascertain the link that exist between social

enterprises orientation and the corporate sustainability, the following recommendation were advanced to reinforce this significant relationships

- i Products safety: Through product safety companies create products or employ processes that offer greater environmental benefits or impose smaller environmental costs than those of their competitors. Such efforts may raise the business's costs, but they may also enable it to command affordable in order to be of great benefits to the society which will lead corporate sustainability.
- ii Healthy Competition: Some companies may be able to derive environmental and business benefits by working to change the rules of the game, joining with similarly positioned companies within an industry in order help to shape the rules just to help the society , this may a sure way for corporate sustainability
- iii Costs reduction. In reconciling shareholder value with environmental management focuses not only on competitors but on internal cost reductions that at the same time improve environmental performance..
- iv Environmental Risk Management. For many businesspeople, environmental management means risk management. Their primary objective is to avoid the costs that are associated with an industrial accident, a consumer boycott, or an environmental lawsuit. Fortunately, effective management of the business risk stemming from environmental problems can itself be a source of competitive advantage.
- v Markets re-organization. Some companies are following several approaches at once and, in the process, are rewriting the competitive rules in their markets. This strategy, which can entail significant market, regulatory, and scientific risks, is usually undertaken by leaders in industries that face intensifying environmental pressure

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