

How social sustainability can positively impact the triple bottom line

To drive the sustainability agenda, businesses - locally and globally, across various sectors - have rapidly shifted from being solely shareholder-focused toward a more inclusive stakeholder focus.

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A stakeholder approach to sustainability in business has myriad benefits: it positively impacts society and the environment while simultaneously enabling better business practices and outcomes. The triple bottom line (TBL) impact of people, planet and profit extends beyond the traditional measure of maximising shareholder value.

So why should business care? Because this TBL approach has proven to have a positive impact on more than just the environment as a whole and society at large: it also boosts morale and encourages teamwork – without sacrificing profit. Simply put, sustainable businesses are focusing beyond the biggest possible return (profit) and looking at creating value for all constituents in the value chain.

Implementing a sustainability strategy is complex, social sustainability even more so because you need to engage people. And people are dynamic elements who want solutions that benefit them, too, not just the business. Without people, there is no business. So how do senior leadership at executive and board levels ensure that social sustainability strategies and initiatives are in fact relevant, implementable and sustainable without compromising the bottom line? Our experience has shown that the following three factors drive transformational change that effect impactful social sustainability.

Leverage the social labour legislative framework as a strategic advantage

Sustainability-related compliance and legislation are admin intensive and cumbersome. It is often perceived as “additional administration”, “costly for business” or as a mere “checkbox exercise”. But many businesses that view compliance and regulatory processes with a positive mindset have found it to be:

- a valuable method to manage costly organisational risks by reviewing data and assessing risks,
- an opportunity to assess relevant issues; the insights from assessment exercises aid business strategy, allowing management to amend strategic directions,
- an opportunity to assess operational issues and improve compliance and reporting processes and optimise operations

- an enabler of transparency which can boost stakeholder confidence, and
- a platform from which to advance the global social sustainability agenda and participate in building a better world.

The data derived from comprehensive reports is critical information relevant to the business and stakeholders across the value chain.

Essentially, the question, “What do we do with this data to improve sustainability efforts?” is a key question to ask to shift beyond compliance and legislation just being a reporting exercise.

Leadership commitment

Top-level executives can see new visions and directions for the business realised. Their positions come not only with the responsibility, but also the ability and support to effect enterprise-wide commitment to transformation initiatives. When leaders demonstrate a personal commitment to sustainability goals they inspire management and employees (internal stakeholders) as well as the local community, customers, suppliers and shareholders (external stakeholders). Internally, the top down approach facilitates the integration of sustainability decisions into three key business management spheres: human resources, operations and finance. Beyond risk and governance, it enables sustainability considerations to become a core part of the business. When leadership reaches outward, beyond the boundaries of the business, to learn about the expectations and considerations of external stakeholders, it allows the business to learn and drive effective collaboration and communication efforts.

Stakeholder engagement

Engaging stakeholders is not a tickbox exercise. It is key that leaders assume proactive communication roles when engaging stakeholders on important aspects of social sustainability initiatives. A “distant approach” leads to reactive communication that hampers two-way engagement – a key element to stimulate meaningful dialogue. A positive feedback loop is a strong indication that the business functions well. An engagement programme requires feedback from relevant stakeholders. All views and opinions should be taken into consideration and assimilated through appropriate vehicles applicable to specific stakeholder profiles, both internally and externally.

In this way sustainability efforts are strategically aligned at various levels of the business – effecting positive transformation from within, boosting production and driving profits.

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