



LEEDS
BECKETT
UNIVERSITY

Sustainability, stakeholders and shared value

Dr Davina Stanford, Responsible Tourism Management

October 2019

Traditional business view

“... there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”

Milton Friedman (1970)

What is stakeholder theory?

Working with stakeholders rather than shareholders

- Supply chains
- Employees
- Customers
- Communities

Stakeholder Theory

“Our current way of thinking about business and management simply asks the wrong question. It asks how we should distribute the burdens and benefits among stakeholders. The managing for stakeholders mindset asks how we can create as much value as possible for all our stakeholders”.

Freeman et al (2007)

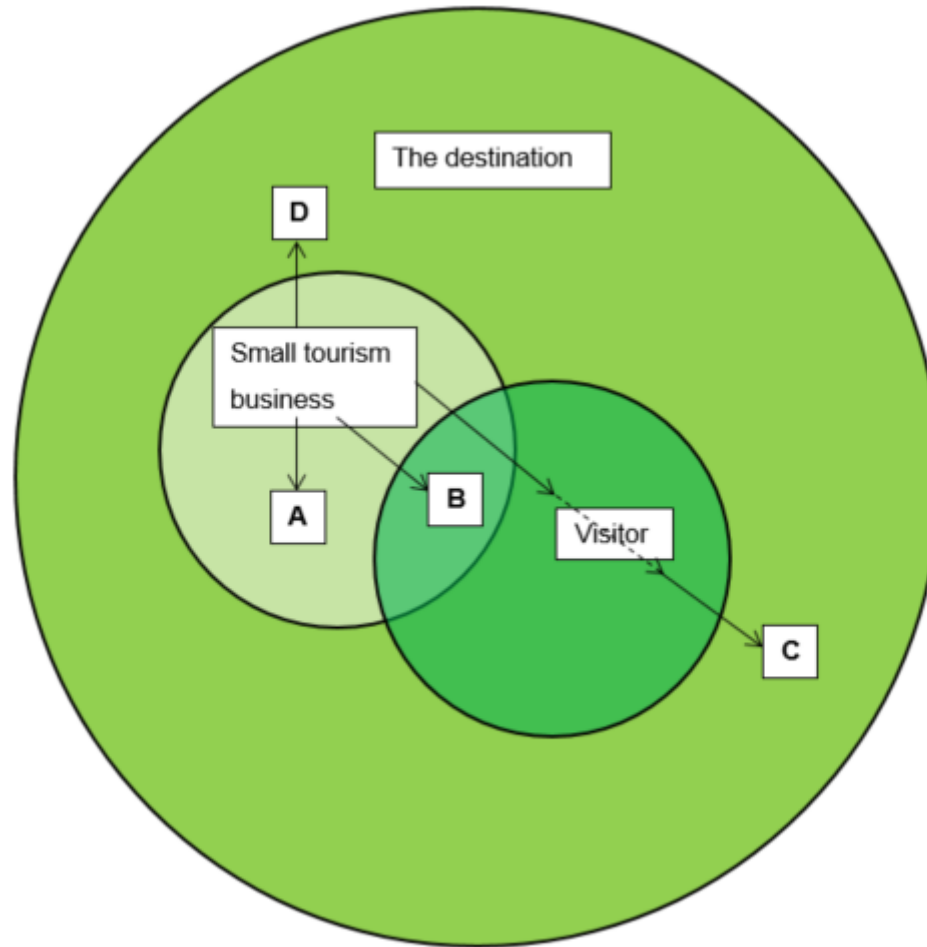
<http://www.youtube.com/watch?v=bIRUaLcvPe8>

CSV rather than CSR

CSR → CSV

- | | |
|---|--|
| › Value: doing good | › Value: economic and societal benefits relative to cost |
| › Citizenship, philanthropy, sustainability | › Joint company and community value creation |
| › Discretionary or in response to external pressure | › Integral to competing |
| › Separate from profit maximization | › Integral to profit maximization |
| › Agenda is determined by external reporting and personal preferences | › Agenda is company specific and internally generated |
| › Impact limited by corporate footprint and CSR budget | › Realigns the entire company budget |
| Example: Fair trade purchasing | Example: Transforming procurement to increase quality and yield |

Creating shared value – different levels of action



Examples of sustainability actions at different levels

Action type A

Actions purely at a business level within the confines of the business, behind the scenes and not requiring any visitor action. E.g. low energy light bulbs or eco-friendly washing powder.

Action type B

Actions are still taken within the business but this time involve the visitor in some way. E.g. asking guests to reuse towels, to turn lights off or encouraging them to recycle on site.

Action type C

Actions involve visitors within the destination not just within the business. E.g. encouraging car-free activities or suggesting purchasing or eating at places which use local produce.

Action type D

Actions is within the destination not just within the business, actions do not require visitor action. E.g. participation in a management group or association or sourcing local products.

Over to you!

- In groups consider actions which could easily be taken at each of these levels.
- Use the Post It notes provided to record your actions
- Post them on the boards provided.

Thank you

Any questions?

D.j.Stanford@leedsbeckett.ac.uk