

Chapter TWO

Stakeholder Satisfaction

Some Theoretical Reflections

A healthy environment is essential to a livable Oregon and a strong economy.

— Ted Kulongosky

2.1 Introduction

An important issue bothering the industrialists worldwide at present is the contempt about industrialists and industrial activity among large sections of the society, more due to problems arising out of industrial activity. Any industrial unit embroiled itself in more than acceptable levels of social contempt faces harder times in coexisting with the society. For the sake of brevity, it would be suitable to call contempt of the various sections of society as a whole as ‘social contempt’. Since nature of contempt differs, based on situations faced by respective industrial units, it is essential to understand its different types – initial dissatisfaction, sustained dissatisfaction, cloned dissatisfaction and activity specific dissatisfaction – and reasons for such types of dissatisfaction.

Since social contempt levels cannot be made part of any discussion in society due to possible flare-up of emotions, it is always safe to move around, generally, opposite of contempt ‘social satisfaction’ on the industrial unit is measured. Hence, it is essential to deal with different facets of social satisfaction, both in theory and practice. Sections of people that need to be monitored to assess social satisfaction levels, how those sections become dissatisfied with the activities of the industrial unit, and the factors

causing contempt also need explanation. These theoretical reflections would help in understanding better of the need for keeping the satisfaction levels to the optimum, apart from in assessing the same scientifically at frequent intervals. Basic premise for such discussion is social satisfaction levels can be modified by adopting appropriate CSR initiatives. To achieve social satisfaction levels to the optimum, both in short and long runs, adoption of triple bottom line approach are generally suggested.

2.2 Triple Bottom Line Approach

The triple bottom line approach demands sustainability in three distinct areas, i.e., economic, social and environmental sustainability. Which means, every rupee spent by the company need to adopt a measure questioning ‘whether the activities of the company stand the scrutiny of sustainability’ on the above three areas. If any one of these three areas is found to be neglected, then the final result from the industrial activities will invite the wrath on all three areas.

There are two important issues to be noted in triple bottom line approach: each of these areas needs to be seen independent of one another; and in all the three areas – economic, social and environmental – the company shall seek sustainability. Sustainability implies maintenance of the results in the long run that are acceptable to both shareholders and all other community members.

- **Economic Sustainability** Long-term economic sustainability of a company demands long-term financial solidity rather more volatile short-term high profits. Such sustainability covers the issues related to use of inputs and outputs, input-output matrix, gross and net profits, share prices, earnings per share and rates of depreciation. Hence, the industrial units should take care of not only short-term economic interests but also of long-term economic interests on all the above areas.

Economic sustainability also includes prevention of aversion, let alone rebellion, of economically weaker sections – refer them as ‘have-nots’ in Marxist phrase – against the industrial units, i.e., ‘haves’ and very industrialisation. This issue is more related to social sustainability as well.

- **Social Sustainability** The humanity of a country, generally, consists of different social, economic, political and cultural segments. Unless all such segments sustain in generations to come, there is no meaning in society at all. In addition, unbiased law of humanity dictates ‘peaceful coexistence’ of all sections of people – industrialists, labourers and others of the society; the last category consisting of a very large segment. However, inequalities between haves and have-nots remain the defining issue of this law of humanity. Following this law scrupulously alone allows social sustainability. As the imbalance between these two sections grow, as the rich get richer and poor get both poorer and more numerous, the chances that society itself might collapse in anger; naturally, increasing the chances of rebellion. Which means, for a business to be stable in the long-term, opportunities and subsequently wealth need to be spread out

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