

Bhabani Shankar Nayak
Naznin Tabassum *Editors*

Modern Corporations and Strategies at Work

 Springer

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About This Book

Modern strategies are integral to the start, growth, expansion and sustainability of modern corporations. The agile strategies are central to overcome challenges of the turbulent times accelerated by risks, pandemics, wars, political instabilities and environmental disasters. The operational agility and organisational ability to engage with diverse challenges help modern corporations to face challenges and overcome the crisis. The volatile business environment is creating conditions of instabilities for the market to function effectively and efficiently. Such conditions are weakening all agents and structures operating within international business and world economy. *Modern Corporations and Strategies at Work* focuses on different strategies followed by corporations. It makes critical reading of corporate strategies and evaluates them. The book offers insights into the way corporations develop and implement strategies to face different challenges. The book explores wider world of corporate strategies and their limitations.

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Introduction



Bhabani Shankar Nayak and Naznin Tabassum

The future of the world economy and international business is shaped by large modern corporations and their rapidly changing business, management, and marketing strategies. Modern nation states stand behind these corporations to ensure that their strategies are successful in a world of complex challenges and, indeed, collaboration between the state and modern corporations is part of the corporate strategy at work today. Modern strategies are integral to the start, growth, expansion, and sustainability of modern corporations. In this regard, agile strategies are required to overcome the challenges faced in turbulent times, accelerated by risks, pandemics, wars, political instabilities, and environmental disasters. Having the operational agility and organisational ability to face these diverse challenges can help modern corporations overcome crises in a volatile business environment in which it is difficult to function effectively and efficiently. Such conditions weaken all agents and structures operating within international business and world economy.

There is no doubt that Covid-19 has forced corporations to shift their short-term strategic paradigms to develop strategies both for global challenges and a sustainable corporate climate that works locally, regionally, nationally, and globally. Even profit-driven corporations and their strategies have started to look at the issues of the environment and workers. Flexibility, agility, and sustainability are no longer three buzz words, and have become the central pillars of all corporate strategies. However, today, these ideals are insufficient when facing a corporate crisis, as modern corporate strategies now need to create and expand the conditions of democratisation,

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participation, inclusivity, transparency, and a culturally diverse workforce in order to achieve the goals of a free and fair market that works for all.

With strategic challenges and opportunities moving together, modern corporations need to develop strategies by keeping both the planet and people in mind. A profit-driven corporate strategy is neither an alternative nor viable prospect in the new business environment of the post-pandemic world. That is, modern strategies need to be able to create transformative conditions which are egalitarian, creative, productive, and secure for all involved in the processes of production, distribution, exchange, business, and management.

Old-style, predatory and profit-driven corporate strategies are no longer able to overcome everyday corporate challenges. What is doomed is the well-established corporate strategy of transforming a need-based society into a desire-based one, in which over-consuming individuals resolve issues of over production within a capitalist system. Predatory corporate strategies are unsustainable and have ruined both lives and the planet. A new vision for modern corporate strategies contains the twin principles of social accountability and environmental responsibility; it is these which corporations, businesses and markets around the world need to include when meeting the challenges, they face. The pursuit of peace, pleasure, and well-being in the labouring class must be central to corporate strategy formulation, implementation, and evaluation. The 'hire and fire' policy of dealing with workers for short-term profit is a dangerous paradigm and must end in strategic thinking. The transformation of corporate strategic objectives from the maximisation of profit to that of human happiness can create a sustainable future for all.

Socially accountable and environmentally responsible corporate strategies can create collectivist conditions, in which creativity, productivity, and efficiency grow. The values of share, care, and co-creation help individuals, societies, and corporations grow together without domesticating one other. They help individuals, societies, and corporations face challenges and overcome risks through sharing. The Mondragon Corporation in Spain is a classic example of success run on the basis of the strategic principles of a workers' cooperative. Mondragon is socially accountable and environmentally responsible in its everyday operations and has business strategies based on its core values of cooperation, participation, social responsibility, and innovation. It invests in empowering human capital for human wellbeing, and these principles make Mondragon one of the best performing and most resilient corporations in Europe today.

1 Features of Socially Accountable Corporate Strategies

Over the years, several researchers and practitioners have defined corporate social responsibility (CSR). The concept of CSR was introduced by Bowen (1953) in his seminal work highlighting the economic rationality of investing in social responsibility to enhance employee wellbeing. Bowen also stressed that the decisions and

actions of businesspeople affect their stakeholders, employees, and customers, and as such directly impact quality of life. Similarly, Carroll (1979) suggested that there are four expectations of an organisation: economic, legal, ethical, and discretionary (philanthropic) (Carroll, 1979, 1991, 1999). Based on these expectations, businesspeople have an obligation to pursue policies and follow lines of action which are desirable in terms of the objectives and values of a society.

Companies have been involved in addressing social and environmental challenges and have focused on diminishing vulnerability in business settings. Several examples show how companies have worked to reduce social and environmental problems, such as: using technological development like drones and artificial intelligences to help the environment; developing drugs which improve quality of life; and, attempting to reduce gender inequality and the gender gap (Mazur-Wierzbicka, 2021; Mintzberg, 2019; Carroll, 2016; Visser, 2011; Mahmood et al. 2021). However, these changes are not happening in the same way and have not been adopted by all companies around the world. A collective approach is thus required, and CSR needs to be incorporated into business strategies and embedded in all parts of a business.

CSR has gained more importance in recent years due to the increased need for sustainable development and the Covid-19 pandemic. CSR can contribute to the normalisation, reinforcement, and reduction of economic inequalities in society (Bapuji et al., 2020). As Carroll (1979) noted, CSR must be responsible for the economic, legal, ethical, and discretionary/philanthropic expectations. Businesses should ensure they operate ethically and fulfil their economic responsibilities within the society that allowed their creation and sustainability.

Businesses should also fulfil philanthropic responsibilities towards this society to demonstrate good citizenship and enhance their reputation (Carroll, 2016). Although philanthropic responsibilities are not mandatory for businesses, they may become involved in them as societies expect businesses to be good corporate citizens. Businesses should be involved in various forms of giving, for example, gifts of monetary resources, donations of products and services, volunteering by employees and management, community development, and any other discretionary contribution to the community or stakeholder groups that comprise the community (Carroll, 2016). For instance, Starbucks committed a USD \$1 billion investment in the fiscal year 2022 to uplifting Starbucks' partners (employees) and the store experience (Starbucks.com, 2022). Salesforce has not only achieved leadership in the technology field but is also a trailblazer in corporate philanthropy. They have always been innovative, such as with the launch of their new citizen philanthropy programme and reimagining their approach to empowering employees. Salesforce employees are allowed seven paid days of time off for skills-based volunteering purposes, and up to USD \$5,000 in matching gifts annually (Aziz, 2022). These are socially accountable strategies considered by the above companies.

2 Features of Environmentally Responsible Strategies

Environmental issues have become a topic of concern in recent years. Experts suggest that the impact of climate change and degradation of the environment will be irreversible in just a few years, indicating that it is time for individuals and companies to change direction (Hristov, 2022). As Cantele and Zardini (2018) suggested, companies have only become aware of the need to be sustainable during the last two decades, and now realise the importance of jointly addressing social, environmental, and economic sustainability (Adams & Frost, 2008). Although governments and companies realise the need for sustainable development, urgent action is required to include social and environmental responsibility into corporate strategy (Bhattacharya, 2019) and create effective and efficient solutions.

The focus of the concept of sustainable development is people and their wellbeing. Sustainable development initially emerged as an economic model, but this resulted in several issues of social and environmental destruction, such as social exclusion, excessive consumerism, pollution of natural resources, waste, an unhealthy environment, and a loss of quality of life (Meadows et al., 1972). Discussion on these points is linked more to the external environment of organisations. Companies have only started to look at their activities in line with sustainable development with the interpretations of John Elkington and, later, with Kofi Annan's call to sign the Global Compact. This marked the importance of the involvement of organisations in facing social and environmental problems. The objective was that companies everywhere align their operations and strategies with ten universal principles covering human rights, labour, the environment, and anti-corruption (UN, 2020). Nowadays, the 2030 Agenda is the UN's blueprint for a fairer future for the planet and people. The agenda was adopted in 2015 and is composed of 17 sustainable development goals (SDGs), drawn up in collaboration with governments, businesses, civil society, and citizens.

The integration of sustainability and corporate strategy proves beneficial to companies as it brings advantages in terms of financial performance. For example, in a study by Hristov et al. (2022), 82 managers were interviewed, and it was found that sustainability is strongly linked to financial performance. The managers highlighted the role of using, reusing, and recycling the low-cost inputs and benefits of renewable sources, leading to increased efficiency and productivity, as well as cost reduction and revenue growth. Moreover, the managers emphasised the benefits of eco-innovation, which is now considered an opportunity to improve overall performance. As Przychodzen and Przychodzen (2015) suggested, engaging in eco-innovation investments has positive effects on return on assets and return on equity. Moreover, firms which are not eco-innovative are more exposed to financial risks.

Several companies have included CSR into their corporate strategies. For example, Lego is focusing on using sustainable, renewable, and recycled materials, sustainable packaging, replay, reducing CO₂ impact, and zero waste. It also has a WWF partnership to build a sustainable future and make a positive impact on the planet which the future generation will inherit. Among others, the most challenging mission for Lego

is to make all core Lego products from sustainable materials by 2030 (Lego.com, 2022). By 2030, Starbucks aims to reduce carbon emissions by 50%, and reduce waste sent to landfills from stores and manufacturing by 50%. This is driven by a broader shift towards a circular economy and will also replenish 50% of the water currently being used for direct operations and coffee production. Starbucks is also looking to expand into plant-based and environmentally friendly menu options by 2030 (Starbucks.com, 2020). These are the environmentally responsible strategies being considered by the above companies.

3 Issues Within Corporate Strategies

The first chapter critically evaluates different theories and models of organisational culture. It investigates gender discrimination within the technology industry by looking at the organisational culture of AMD and Nvidia. It argues that there is a significant gender gap in leadership and management within these two companies. The insights from the chapter help to improve understanding of organisational culture in order to demonstrate which measures are necessary to avoid gender inequality and discrimination in the workforce within the technology industry.

The second chapter engages with the internal environment of Amazon, based on its set of activities, such as operations, inbound and outbound logistics, marketing and sales, services, as well as infrastructure, human resource management, technology and procurement. There is a critical review of Porter's value chain model within the context of Amazon.

The third chapter explores the impacts of streaming video platform TikTok on online shopping. Streaming video is an innovative way of video playback. With the rise of streaming video, the addition of shopping windows on the online platform gives consumers a new way to shop. Using the Aida model, the behaviour of consumers is analysed by looking at four stages: attention, interest, desire, and action.

The fourth chapter deals with the different features of the sustainable marketing practices of Walt Disney and Warner, while the final chapter deals with the Google Walkout for Real Change and argues for an inclusive workplace policy integrated with CSR.

4 Conclusion

Attempts are being made to profoundly reshape the corporate strategies of modern corporations in order to deal with a post-pandemic society. It is perhaps not too far-fetched to conclude that the remaking of corporate strategies is at a crossroads today due to their intrinsic profit motives. This remaking of modern corporate strategy

comes in the wake of a global health crisis whose full impact is yet to be felt, evaluated, and understood. A comprehensive shift in corporate strategy, from formulation, implementation, and evaluation to remaking, is at the heart of the transformation in the working of corporations and their fundamental ideological apparatus.

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