

Bridging Social and Economic Sustainability

Determining the Social Sustainability dimensions
and their impact on the Economic Sustainability
of major business organizations in the
Netherlands.

- Research thesis -

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Abstract

This research focuses on the possible relationship between the different pillars of sustainability, in particular the relationship between social and economic sustainability. This research is theory-developing as it is concerned with the ambiguity regarding sustainability concepts. This research is theory-testing as it tests the predominant views on sustainability. Specifically, to determine the relationship between social sustainability and economic sustainability this research establishes social sustainability dimensions, the impact on economic sustainability is then tested through interviews and analyzed based on transcript coding.

This research found definitions for sustainability in business organizations. The adopted definition of social sustainability in this research is: "Socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities (Dyllick and Hockerts, 2002)." Additionally, this research found ten works guiding business organizations in their sustainability endeavors. The works guiding the sustainability endeavors in the business organization consist of indicator frameworks, governmental and European works, international standards and guidelines, and SRI indexes. Finally, this research found six social sustainability dimensions in ethical behavior, fair work and employee development, diversity and inclusivity, health and safety, community cohesion, and product responsibility.

The study population in this research was evaluated to determine the perceived impact of the six social sustainability dimensions on economic sustainability. The dimension of health and safety was unanimously found to impact economic sustainability. The other social sustainability dimensions were predominantly found impactful. The social sustainability dimension of ethical behavior is considered a precondition to exist. Finally, attracting, retaining, and developing the workforce is contemporarily relevant.

It can be concluded that all six social sustainability dimensions are recognized and to a degree perceived as impactful on economic sustainability. To further substantiate the exact impact of social sustainability on economic sustainability business organizations must prioritize conceiving KPIs. The establishment of KPIs allows for guided, transparent, and measurable reporting on a variety of social sustainability endeavors.

Keywords: social-economic sustainability, triple bottom line, sustainability dimensions, sustainability elements, sustainability impact, sustainability valuation

Executive summary

The starting point of this internship thesis is the triple bottom line of sustainability. This research recognizes the importance of sustainability and believes there is an economic viewpoint to investing in social sustainability. This thesis contributes to the understanding of sustainability in the business organization, the importance of social sustainability, and begins to categorize and emphasize the importance of committing to social sustainability from an economic sustainability standpoint.

This research aims to contribute to the theoretical understanding of social sustainability in major business organizations in the Netherlands. The research nature is both theory developing and theory testing. Social sustainability is ambiguous, therefore available definitions and views on sustainability are evaluated to derive social sustainability dimensions. The social sustainability dimensions are then tested against economic sustainability to determine the impact. In other words, this research contributes to the understanding of the impact social sustainability has on economic sustainability by identifying the social sustainability dimensions and underlying variables. The main research question of this research is formulated:

What are the social sustainability dimensions that impact economic sustainability in major business organizations in the Netherlands?

The following sub-research questions are formulated:

1. What are according to the literature on corporate sustainability, corporate social responsibility, social sustainability, and economic sustainability the social sustainability dimensions that impact economic sustainability in organizations?
2. What are the data required to validate the theoretical framework?
3. What can be analyzed based on the validated theoretical framework?
4. What can be concluded regarding the social sustainability dimensions that impact economic sustainability in organizations?

This thesis consists of two parts. The first part of this thesis is the literature research, the second part is the empirical research. The literature research focuses on conceptualizing sustainability in business organizations and establishing social sustainability dimensions. Based on the literature study the following has been found:

- The six dimensions of social sustainability are ethical behavior, fair work and employee development, diversity and inclusivity, health and safety, community cohesion, and product responsibility.
- The concept of sustainability is ambiguous with a variety of perceptions. The perceptions vary based on the underlying concepts adopted by the organization and the nature of its operations.
- The definition of social sustainability in the organization is "Socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities. They manage social capital in such a way that stakeholders can understand its motivations and can broadly agree with the company's value system (Dyllick and Hockerts, 2002)."
- The definition of economic sustainability in the organization is "Economic systems support sustainable social and environmental outcomes, where economics is the process through which humans create social and environmental outcomes (Spangenberg, 2005)".

The second part of this thesis is empirical research. To acquire the most prominent insights on sustainability, the study population must consult those with experience in and knowledge of sustainability. This research researches sustainability at major business organizations in the Netherlands. The study population is selected as the involved

organizations are the frontrunners for sustainability and are required to report on their sustainability efforts following the CSRD regulation. The selected organizations are then cross-referenced using the Erasmus corporate impact index to derive the final study population.

The interviewed companies that must adhere to CSRD conform to one or more of the following criteria under the methodology:

- An employee number over 250
- A turnover of 40 million euros or more
- A balance sheet of 20 million euros or more (European Union, 2021)

The interviews were recorded and transcribed. This research then utilized a coding process to derive the results and perform an analysis. Based on the analysis the following can be concluded from this research. Social sustainability is prominent in organizations, although defined through different means. Health and safety as a dimension is unanimously perceived to have a positive effect on economic sustainability. The other social sustainability dimensions are not conclusive although predominantly positive. To further substantiate the efforts in social sustainability and provide conclusive evidence of the effect on economic sustainability KPIs are required to monitor the costs and benefits. The interviewees see ethical behavior as a precondition to exist and emphasize the negative consequences of non-compliance. Finally, due to labor shortage, it is essential to maximize diversity and inclusivity as well as fair work and employee development to attract and retain employees.

Based on the conclusions of this research several recommendations are made. The recommendations are divided into future research endeavors and organizational recommendations. Regarding future research endeavors, three potential areas are identified. Firstly, the relationship between the other pillars of sustainability. Secondly, quantitative research into the relationship between the social and economic pillars of sustainability. Thirdly, research on the integration of sustainability into start-ups and small business entities. Regarding the organization, it is detrimental to create support within your organization to make your sustainability endeavors more resilient. The suggestion from this research is to categorize the sustainability endeavors either through a concept such as the SDGs (United Nations, n.d.a), or follow the dimensions utilized in this research and conceptualize measurable KPIs.

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Abbreviations

3Ps:	People, Planet, Profit
CED:	Committee for Economic Development
CFP:	Corporate Financial Performance
CS:	Corporate Sustainability
CSP:	Corporate Social Performance
CSR:	Corporate Social Responsibility
CSRD:	Corporate Sustainability Reporting Directive
ESG:	Environmental, social and governance
GRI:	Global Reporting Initiative
GTM:	Grounded Theory Method
NFRD:	Non-Financial Reporting Directive
OECD:	Organisation for Economic Co-operation and Development
TBL:	Triple Bottom Line

1 Introduction

The variety of sustainability definitions, combined with the existence of a multitude of frameworks, indexes, and sustainability labels complicates the efforts of business organizations to adopt sustainability in their day-to-day operations. The difficulty of incorporating sustainability is exacerbated by the vast differences among companies and the nature of their operations. The question for many business organizations then becomes, how do we best integrate sustainability within our organization?

This is a problem as the variety of sustainability definitions and ambiguous endeavors taken to sustainability in business organizations complicate the mandatory reporting and audits on sustainability. This research focuses on two of three sustainability pillars under the triple bottom line, in particular the impact of the social pillar on economic sustainability. This research aims to isolate and identify social sustainability dimensions from frameworks, indexes, and sustainability labels and determine their impact on economic sustainability.

Traditionally, the business organization is concerned with providing a maximum economic return to its stakeholders. Although economic growth remains the number one priority when Chief Executive Officers were asked, for the first time sustainability and workforce have entered the top ten priorities. Combined with people and purpose, industry leaders see sustainability as a mainstream concern and opportunity and are likely to remain important. These global trends substantiate the transition from pure profit-driven to the integration of more socially sustainable practices in the business organization (Gartner, 2022).

This research follows this global interest in social sustainability to substantiate a possible benefit to investing in social sustainability beyond its mandatory nature. In particular, if social sustainability turns out to have a positive impact on economic sustainability, this can incentivize organizations to intensify their social sustainability efforts. As a result, the internal and external organizational social circumstances ameliorate.

This research will pertain to large business organizations in the Netherlands for two reasons. Personal interest and the mandatory nature of sustainability reporting for large business organizations in the European Union (European Union, 2021). Restrictions in the study population limit the potential variance and therewith increase the external validity.

This research contributes to substantiating the many conceptualizations for sustainability. In particular, this research creates a set of dimensions based on the social sustainability elements which can then be used to test the impact on economic sustainability. Therewith this research contributes to finding the best way to integrate sustainability within the business organization. The research objective is the following:

To determine the social sustainability dimensions that impact the economic sustainability of business organizations using scientific literature supplemented by expert interviews on the perceived effects of social sustainability on economic sustainability.

1.1 Scientific relevance

This research on the identification of social sustainability dimensions and their relation to economic sustainability is scientifically relevant for three reasons. Firstly, this research derives a definition of social sustainability applicable to business organizations. Social sustainability is under-evaluated when compared to the economic and environmental dimensions of sustainability (Grießler & Littig, 2005). The interpretability of social sustainability exacerbates the unclarity (Boström, 2012). As a result, the implementation of social sustainability varies in practice. This research aims to contribute to the substantiation of social sustainability through the congregation of literature and by deriving a definition of social sustainability.

Secondly, this research conceptualizes social sustainability based on the different interpretations and applications of social sustainability. The result is a set of dimensions that describe social sustainability and can be empirically tested. More specifically, by aggregating the existing scientific literature a contribution is made to the understanding of social sustainability. The determination of social sustainability dimensions contributes to the measurability of social sustainability (Spangenberg, Omann & Hinterberger, 2002).

Thirdly, this research identifies and tests the possible causal relationship between two of the three sustainability dimensions, social sustainability, and economic sustainability. Focussing on two of three sustainability dimensions reduces possible noise and aims to relate the perceived effects to the sustainability pillars of choice. Therewith, this research contributes to the understanding of the relationship between the social and economic sustainability pillars. The identification of social sustainability and determining the impact on economic sustainability provides an entry point to bridge the social and economic dimensions of sustainability.

Together, the outcomes of the empirically tested social sustainability dimensions can foster further sustainability action in the business organization. Besides intrinsic motivation, the actions in the social sustainability pillar are substantiated through perceived economic sustainability impact. In this sense, the identification of a relationship between social sustainability dimensions, variables, and economic sustainability can stimulate economic incentives to further ameliorate social sustainability.

1.2 Research perspective

Research can be divided into theory-developing and theory-testing research. Theory-developing research is concerned with filling an identified research gap. Theory testing is related to testing existing theories and refining the theories (Verschuren & Doorewaard, 2010). This research is theory-developing and theory-testing.

The theory-developing nature of this research is concerned with ambiguity regarding sustainability concepts. Firstly, a unanimous definition of social sustainability does not exist. Second, and consequently, the dimensions and underlying variables used for measuring social sustainability are unclear. Third, the impact social sustainability has on economic sustainability in business organizations is unknown. This research aggregates literature related to sustainability, social sustainability, economic sustainability, and related concepts to identify social sustainability dimensions and underlying variables that impact economic sustainability.

The theory-testing nature of this research results is concerned with testing the predominant views on sustainability. The testing occurs in the empirical part of the research. Interviews are utilized to verify and supplement the found social sustainability variables and subsequently test the impact on economic sustainability.

1.3 Research framework

The research framework provides a schematic representation of this research and the steps required to conclude the research. A visualization of the research framework can be found in Figure 1.

1. The first phase is concerned with the construction of the theoretical framework. To construct the theoretical framework a literature study is performed. The theoretical framework incorporates social sustainability, social sustainability dimensions, social sustainability elements, and economic sustainability. The result of the first phase are the set of social sustainability dimensions and elements.
2. The second phase consists of the methodology. In the second phase the study population is determined and the interview protocol and questions are constructed.

3. The third phase are the results. Based on the conducted interviews following the protocol at the study population
4. The analysis of the returned results occurs in the third phase. The results highlight the retrieved social sustainability dimensions and elements with a perceived impact on economic sustainability.
5. The analysis of this research aims to determine the meaning behind the found results. The envisioned analysis occurs through a combination of deeper levels of coding and the determined social sustainability dimensions and their variables in literature.
6. Finally, the research framework concludes with a reiteration of the research objective. The objective of this research is to determine the impact of social sustainability on economic sustainability. Following the structure of the research framework, the objective of the research is accomplished.

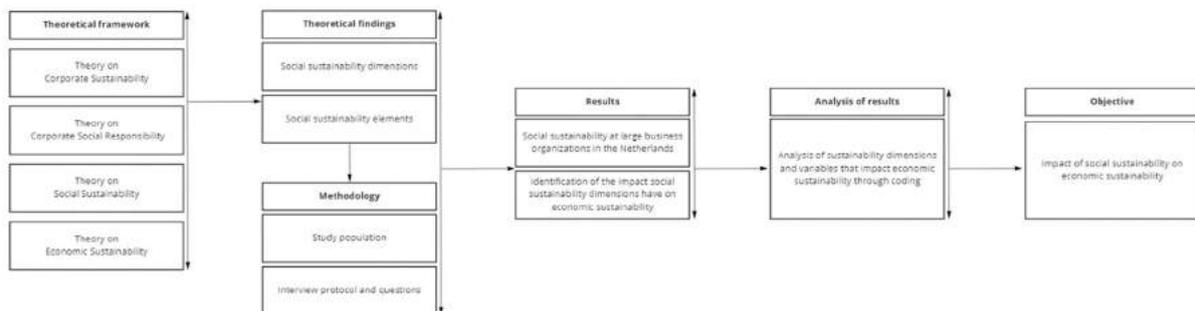


Figure 1. Research Framework

1.4 Research questions

Based on the research objective the following main research question is formulated:

What are the social sustainability dimensions that impact economic sustainability in major business organizations in the Netherlands?

A first conceptualization of the theoretical framework is based on the main research question and the research framework (Figure 2.). The concepts of social and economic sustainability are accompanied by the underlying dimensions and elements.

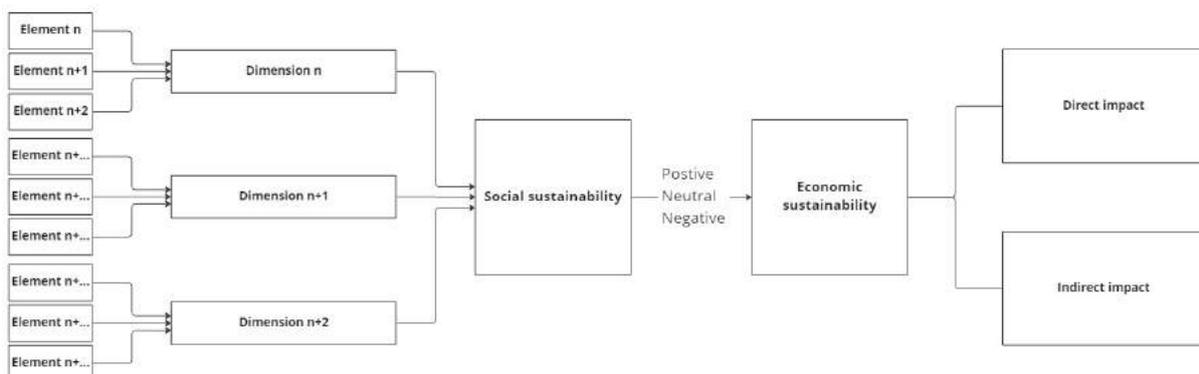


Figure 2. Conceptualized theoretical framework

The sub-research questions to answer the main research question are formulated based on the research framework (Figure 1.) :

1. What are according to the literature on corporate sustainability, corporate social responsibility, social sustainability, and economic sustainability the social sustainability dimensions that impact economic sustainability in organizations?
2. What are the data required to validate the theoretical framework?
3. What can be analyzed based on the validated theoretical framework?
4. What can be concluded regarding the social sustainability dimensions that impact economic sustainability in organizations?

The sub-research questions reflect the structure of the report. Chapter 2 consists of the literature studies required to construct a theoretical framework and aim to answer the first research question. Chapter 3 consists of the methodology. The methodology chapter describes the data required to validate the constructed theoretical framework and answers the second sub-research question. Chapter 4 consists of the results based on the gathered data as described in chapter 3. Chapter 5 consists of the analysis and discussion of the results and answers the third sub-research question. Chapter 6 forms the conclusion of the research and answers the final sub-research question, and the main research question.

1.5 Key concepts

The following sub-section provides the definitions and explanations for the key concepts and wording found in the research objective. Concepts related to the research questions, e.g., social sustainability, economic sustainability, corporate sustainability, and corporate social responsibility are further operationalized under the literature study in chapter 2. The wording choices are followed by their definition and where necessary an advocacy of its selection over other alternatives.

Determine: "to discover the facts or truth about something (Cambridge, n.d.a)."

This research uses 'to determine' over alternatives, e.g, to define, to figure out, to establish. Social sustainability dimensions result from scientific literature and indices and are rigid. Therefore, the objective to determine is a better fit than the more fluid subjective to define.

Dimensions: "a part or feature, or way of considering something (Cambridge, n.d.b)."

This research differentiates among different levels of sustainability. To break down the concept of sustainability in the organization this research uses the terms dimensions to describe the overarching sustainability dimensions of economic, social, and environmental sustainability. The sustainability dimensions are represented by a set of underlying variables.

Impact: "to have an influence on something (Cambridge, n.d.c)."

This research uses the word impact to describe the relationship between social sustainability and economic sustainability. The word impact is preferred over effect. Impact depicts the influence social sustainability has on economic sustainability. The word effect would describe the consequence of an action. Since it is unknown how social sustainability impacts economic sustainability, the relationship must be described by a word that does not implicate a positive or negative relationship.

Perceive: "to come to an opinion about something or have a belief about something (Cambridge, n.d.c)"

The word perceived is chosen in favor of measured or simply the impact of social sustainability as the research is qualitative. The exact impact of sustainability dimensions can not be substantiated in the allocated time frame. The result is a perceived impact rather than one that is substantiated in monetary value or goods.

1.6 Research background

The introduction described the organizational transition to more sustainable practices. The transition is witnessed in three practices. In particular in scientific development, sustainability benchmarks, and regulatory documents. The three practices warrant the emergence of sustainability, its perceived importance, and the increase of societal awareness.

Firstly, the scientific developments. Two important publications are highlighted here. The first is "Limits to Growth" by the Club of Rome (1972). Simulations of economics, the environment, and the world population result in three key takeaways. The inability to grow indefinitely, the depletion of natural resources, and the tradeoff between economic growth and the environment (Club of Rome, 1972). Although negative in its appearance, the publication is also a message of hope, that through limitation mankind can achieve an equilibrium in which population and production can continue indefinitely.

The second: "Our Common Future" (Brundtland, 1987) draws the line between economic development that impacts the social aspects of society. The Brundtland report acknowledges the interplay of planetary boundaries and sustainability at national, regional, and global scales. The result is the mass adoption of sustainability through its definition of sustainable development as "*Development that meets the needs of the present without compromising the ability of future generations to meet their own needs*" (Brundtland, 1987).

Following the Earth Summit in Rio in 1992 widespread acceptance grew for the inability to solve any one of the pillars of sustainability: social, economic, or ecological, without solving the others (Dyllick, 2002). Since the publication of the Brundtland report, "the world has gained a deeper understanding of the interconnected challenges we face and the fact that sustainable development provides the best opportunity for people to choose their future (Resilient people, resilient planet a future worth choosing)". However, in practice, it is often unclear what constitutes the sustainability pillars, where one starts and another ends, and how the sustainability pillars relate to each other in practice.

Secondly, the sustainability benchmarks. Following the scientific developments, the realization that growth cannot continue indefinitely, and the wish to provide the future generation with the means to satisfy their needs, several sustainability benchmarks further institutionalize sustainability. A large number of governments adopted the UN 2030 Agenda for Sustainable Development and signed the Paris Agreement in 2015 (United Nations, n.d.b). The UN 2030 Agenda for Sustainable Development governments had agreed to 15 years of goals to achieve a healthy, fair, and inclusive planet with resilient societies and prosperous economies following a total of 17 Sustainable Development Goals (European Union, 2018). The Paris agreement aims to keep global warming, well below 2 degrees Celsius. Together these regulatory documents form the backbone of national and international sustainability efforts.

Since this research focuses specifically on the Netherlands, the European Green Deal is added as a relevant sustainability benchmark. The European Green Deal was presented on the 11th of December 2019 and is the European answer to climate change and the deterioration of the environment. The European Green deal has three main aims:

1. Reduce greenhouse gas emissions to net 0% by 2050
2. Realize economic growth without depletion of natural resources
3. Prevent the abandonment of all humans and regions

Throughout its implementation various endeavors have strengthened the means of the Green Deal, examples include the '2030 Climate Target Plan' and 'Sustainable Blue economy' (European Commission, 2022).

Thirdly, the regulatory documents. Regulatory documents serve to conceptualize broader sustainability endeavors. Contrary to the sustainability benchmarks that are often broadly defined and lack concrete action plans, the regulatory documents form institutionalized and mandatory guidelines which guide business organizations and their sustainability-related actions. The documents are brought back to three overarching and contemporary regulatory documents that impact business organizations. The three regulatory documents that exemplify the endeavors toward sustainability in business organizations are CSRD (Corporate Sustainability Reporting Directive), ISSB (International Sustainability Standards Board), and SFDR (Sustainable Finance Disclosure Regulation).

The first regulatory documents presented here are the NFRD (Non-Financial Reporting Directive) and CSRD (Corporate Sustainability Reporting Directive). Companies subject to the NFRD must make public environmental matters, social matters and treatment of employees, respect for human rights, anti-corruption and bribery, and diversity on company boards (European Union, 2021). The companies that are subject to the NFRD include listed companies, banks, insurance companies, and public-interest entities.

The CSRD is an extension to the existing NFRD which amends the existing reporting requirements. In the extension, all large companies and those listed on regulated markets are subject to the CSRD. The newly amended requirements require audits, detailed reporting on sustainability endeavors, and digital tagging of the information to increase readability and transparency. The proposed changes will become effective as of 2023, although the first set of standards is set to launch in October 2022. The effective changes increase the number of reporting organizations from 11.700 to some 50.000 (European Union, 2021).

The second document presented here is the International Sustainability Standards Board (ISSB). Following a consultation regarding the need for global sustainability standards in 2020, the IFRS determined there was an urgent need for such a standard. As a result, the International Finance Reporting Standard has developed the ISSB. The ISSB is a framework for sustainability standards. The IFRS released two documents, the first is the general sustainability disclosure and the second is a climate-related disclosure. Although preliminary, these frameworks require the subject to indicate matters related to its objective, scope, governance, strategy, risk management, and metrics and targets. The ISSB streamlines sustainability reporting and allows for transparent and comparable sustainability reports (IFRS, n.d.).

The third document presented is the Sustainable Finance Disclosure Regulation (SFDR), part of the Sustainable Finance Action Plan (SFAP), which was adopted in March 2021. The European Union recognizes that rules regarding sustainability disclosures are unharmonized (European Union, 2019). The SFDR requires the disclosure of information on financial products and investments. The result is increased transparency. In particular, the distinguishment between requirements for financial products that promote characteristics of environmental and social sustainability, and those that have an objective positive impact on the environment and society (European Union, 2019, p.5).

2 Literature

The second chapter of this research report concerns the literature. The literature chapter is divided into six sections based on the preliminary research. The concepts of interest in line with the research objective are (1) Corporate Sustainability, (2) Corporate Social Responsibility, (3) Three pillars of sustainability, and (4) Social sustainability reporting. Together the sections of this chapter answer the second sub-research question:

What are according to the literature on corporate sustainability, corporate social responsibility, social sustainability, and economic sustainability the social sustainability dimensions that impact economic sustainability in organizations?

2.1 Corporate Sustainability

Corporate Sustainability (CS) represents the sustainability efforts made by the business organization. Corporate Sustainability (CS) is defined as “the inclusion of social and environmental concerns in business operations and interactions with stakeholders” (Van Marrewijk, 2003). The definition of CS is guided by the definition of sustainable development: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987) and expands upon the conventional responsibility of the firm to provide economic sustenance within social and ecological dimensions.

The concept of CS is subject to criticism. Banerjee (2003) notes that the Brundtland definition of sustainable development has become more of a slogan than a workable definition. As a result, “there is no standard recipe: corporate sustainability is a custom-made process” (Van Marrewijk, 2003). “The term (Corporate Sustainability) is a brilliant one; it means something, but not always the same thing, to everybody (Votaw, 1973).” The difficulty concerning CS lies in substantiating its roots in sustainability which is conceptualized in a variety of ways.

This research distinguishes between CS and Corporate Social Responsibility (CSR). Historically, CS is used in relation to environmental sustainability, whereas CSR is used in relation to the social dimension (Montiel, 2008). Nowadays this specific focus on a single sustainability pillar is less relevant and perhaps the focus on ecology altogether has become sidelined (Milne & Gray, 2013). The absence of a specific focus has resulted in the synonymous use of CS and CSR in which CSR is the more dominant concept in scientific literature.

This research views CS as the overarching aim for sustainable development in business organizations. This research views CSR as the corporate actions taken within the three pillars of sustainability (Figure 3.). Therefore, CSR is similar to the concept of the triple bottom line, differentiated by its specific application within business organizations. To determine social sustainability in the business organization it is essential to substantiate the concept of CSR. This research commences on the premise that the concepts of Corporate Sustainability (CS), Corporate Social Responsibility (CSR), and the Triple Bottom Line (TBL) follow a hierarchical structure (Kaptein & Wempe, 2002).



Figure 3. The hierarchical structure of sustainability (adapted from Kaptein & Wempe, 2002).

2.2 Corporate Social Responsibility

Historically, business organizations operate based on financial responsibility to their stakeholders. Gradually, business organizations started to recognize the importance of sustainability and operating in a socially responsible way. One perspective is that socially responsible business models may lead to long-term wealth maximization. Therefore, the adoption of key constructs such as CSR becomes more prominent. Ultimately, CSR in the business organization consists of actions and policies, in particular the actions and policies taken in line with the triple bottom line of social, ecological, and economical performance metrics toward its stakeholders. Adopting CSR ultimately leads to a shift away from a conventional business, purely profit-driven, to more sustainable business practices (Aguinis, 2012).

Four reasons are responsible for the widespread adoption of CSR. Firstly, the increase of societal concerns through the interconnectedness of globalization and industrial change. Secondly, the impact of social criteria on the investment decisions of both individuals and institutions. Thirdly, the increasing concern related to the damage done to the environment through economic activity by organizations. Fourthly, the increasing transparency of business activities through media and more modern information and communication techniques (Commission of the European Communities, 2001)

The concept of CSR emerged gradually from the concept of Social Responsibility (SR) in the business organization. SR is defined as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society” (Bowen, 1953) (Carroll, 1999). SR highlights that societal concerns have long had a place in the operation of business organizations.

Following the initial definition, SR received more attention in the 1950s. Davis (1953) argued that managing a socially responsible business would lead to long-term economic gain and emphasized that “the decisions and actions of a businessmen should to some degree extend beyond the direct economic and technical interest of the business organization (Davis, 1953).” Davis’s view would later be adopted in the 1970s and 1980s (Carroll, 1999).

Social responsibility in business is further emphasized by the Committee for Economic Development (CED) as “businesses function by public consent and its basic purpose is to serve constructively the needs of society—to the satisfaction of society” (Carroll, 1999). The CED view opposes the earlier historical perception that the sole function of a business organization is to provide maximum economic returns.

In the 1970s the social aspects and SR gain more traction. Accumulating to the definition of CSR by Carroll (1977) "The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (Carroll, 1979). The 1980s saw fewer attempts to define CSR, but rather define what it pertained to (Carroll, 1999).

CSR is associated with a variety of theories, approaches, and views (Garriga, 2004). Extensive research into CSR is conducted through a literature review and provision of history by Carroll (1999), a review of definitions by Joyner & Payne (2002), Carter & Jennings (2004), and Dahlsrud (2008), and a literature review by Van Marrewijk (2003). The variety of conceptualizations for CSR is tied to the transition from CSR as a social pillar to a more holistic view (chapter 2.1).

However, the wide range of CSR conceptualizations also leads to issues. Several examples of issues regarding CSR conceptualization: "Too often, CSR is regarded as the panacea which will solve the global poverty gap, social exclusion, and environmental degradation (Van Marrewijk, 2003)", "CSR is too broad to be relevant to organizations (Banerjee, 2001), and a "lack of an "all-embracing definition of CSR" (Holme & Watts, 2001). Instead, concepts and definitions are biased toward management disciplines' best interests (Van Marrewijk, 2003).

Two definitions for CSR are suited for adoption in this research. The first includes different categories of CSR. "The social responsibility of business encompasses the economic, legal, ethical, and discretionary (later referred to as philanthropic) expectations that society has of organizations at a given point in time" (Carroll, 1979). The definition includes four CSR categories, economic, legal, ethical, and philanthropic. Historically, organizations' main responsibility was to provide economic benefits to shareholders and operate under legal regulations. Carroll (1979) expands beyond the economic and legal commitment of the organization by integrating social responsibilities. Social responsibilities: "The idea of social responsibilities supposes that the organization has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations" (McGuire, 1963) (Carroll, 2010). Economic and legal responsibilities are required, ethical responsibilities are expected, and philanthropic responsibilities are desired (Carroll, 2010).

The second and selected definition for this research is: "Context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance (Aguinis, 2012)." Three reasons have led to its adoption. First, the definition is recent, and since 43% of all articles regarding CSR were released after 2005 it is more likely to represent CSR holistically (Aguinis, 2012). Second, is the integration of the triple bottom line, which ties into the sustainability field. As mentioned under 1.6.1 the interpretation of CSR changed from more socially oriented to one that includes the three dimensions of sustainability. Third, the definition follows from a multilevel perspective and multidisciplinary review that allows for the integration of the fragmented literature regarding CSR (Aguinis, 2012).

Many organizations have yet to adapt to CSR. However, organizations indicate that proper social and environmental records result in increased performance, generation of profits, and growth. The accompanying economic impact related to increased social responsibility can be a driver to pursue CSR. Internally, CSR practices can foster a better working environment and enhance the employees. Externally, promoting CSR can attract actor groups such as customers and investors (Commission of the European Communities, 2001).

2.3 The three pillars of sustainability

The three pillars of sustainability are social, economic, and environmental sustainability, often referred to as people, planet, and profit (Elkington, 2013). The three pillars of sustainability are also known under the 3Ps of people, planet, and profit (Elkington, 2013). The adoption of the three pillars of sustainability as the sustainability perception in this research follow from the relatedness to CSR.

Social sustainability is subject to limited studies. Therefore, this research utilizes a combination of snowballing, i.e., the use of credible literary sources and their bibliographies, and the concepts of CSR and people concerning sustainability, to define social sustainability. An example definition of social sustainability is "a life-enhancing condition within communities and a process within communities that can achieve that condition (McKenzie, 2004)." This research focuses on sustainability within the business organization. Therefore, the following is the adopted definition of social sustainability: "Socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities. They manage social capital in such a way that stakeholders can understand its motivations and can broadly agree with the company's value system (Dyllick and Hockerts, 2002)." The definition of social sustainability includes several stakeholders, an active contribution, and a combination of awareness and transparency.

Economic sustainability is an extension of economics. Economic sustainability is defined here as "Economic systems support sustainable social and environmental outcomes, where economics is the process through which humans create social and environmental outcomes (Spangenberg, 2005)". Economic sustainability then is a means through which the other dimensions of sustainability are realized. Economic sustainability can pertain to several criteria, e.g., innovativeness, competitiveness, debt, inflation, demand, and consumption (Spangenberg, 2005). This research utilizes economic sustainability as the means to persist and invest in other pillars of sustainability.

Economic sustainability is perceived in interplay with the social and environmental pillars of sustainability. Several definitions and perceptions illustrate the interrelatedness. Economic sustainability is "The criteria by how a pound of profit is made is a building block in the creation of a just capitalism; progressive profitability must replace simple financial profitability as the sole yardstick of business success" (Hutton, 2001), "Economic systems support sustainable social and environmental outcomes, where economics is the process through which humans create social and environmental outcomes (Zadek & Tuppen, 2001)". "Socio-economic development is "the degree to which a company actively and constructively uses its resources to support the social and economic development of communities, through direct investments of cash, in-kind support or staff time, or through company policies that generate community capital, such as local sourcing, hiring, partnerships and education (SustainAbility, 2001; UNEP, 2022)".

Economic sustainability as a means to realize the other sustainability pillars exemplifies that the relation between the sustainability pillars is not directional, but rather unidirectional. This research, however, focuses on the impact of social sustainability on economic sustainability. Therefore, the economic aspect of this research will be embodied by a monetary component.

2.4 Social sustainability reporting

Companies can choose a variety of methods to report on sustainability. This research utilizes the indicator frameworks, international and national standards and guidelines, SRI indexes, and scientific literature (Labuschagne & Brent, 2005; Olmedo, Torres & Izquierdo, 2010) to construct a list of social sustainability dimensions. The full list of documentation utilized in this research and the unfiltered social sustainability elements can be found in Appendix A.

When limiting the list of sustainability elements to the social sustainability elements, removing overlap, and duplicate elements, the following are the constructed dimensions for the social pillar of sustainability in the business organization:

- Ethical behavior
- Fair work and employee development
- Diversity and inclusivity
- Health and safety
- Community cohesion
- Product responsibility

2.4.1 Ethical behavior

Ethical behavior is isolated as a dimension of the social pillar of sustainability. The dimension of ethical behavior is based on the elements of anti-competitive behavior, anti-corruption, bribe solicitation and extortion, business behavior, competition, controversial issues, and transactions. Ethical behavior is part of the ESG and is measured by the KLD, Sustainable Industrial Revolution and Innovation, and Vigeo. Ethical behavior is also part of the ARESE Sustainable Performance Indexes, and AccountAbility (AccountAbility, 2018). Ethical behavior is then constructed by the norms and values that define what is right and wrong.

Based on the elements for ethical behavior, this research considers ethical behavior as the systems adopted by the organization to combat unethical and report on ethical behavior. Corruption and anti-competitive behavior are two unethical behavior elements adopted by the GRI. Corruption entails the abuse of power for private gain, which can either benefit the individual or the organization as a whole (Transparency International, Business Principles for Countering Bribery, 2011). Corruption can regard services, bribery, money laundering, and other advantages. Anti-competitive behavior is the behavior that would affect the market, by influencing customers, pricing actions, and monopoly practices. Reporting on the way the organization manages both issues of corruption and anti-competitive behavior adds to the transparency and reduces exposure to these issues (GRI, 2016b; GRI, 2016c)

Human rights are assimilated and isolated as a dimension of the social pillar of sustainability. However, its similarity to other categories and its assumed patency have led to its assimilation within ethical behavior. Human rights acknowledge the dignity of all human beings (Unicef, 2015) Human rights are interrelated, interdependent, and indivisible. Human rights resemble the many systems and practices in place to guarantee just practices, hence its inclusion within ethical behavior (Unicef, 2015)

The organization must take into consideration its operations and related supplying and connected firms regarding child labor and the rights of indigenous people. Certain operations or geographical areas are more likely to indulge in child labor practices or disrespect the rights of indigenous people. ILO 138 declares that the minimum age for legal work differs for each country, however, specifies a minimum age of 15 or the residing age of completion of schooling. Employment of child labor practices results in unqualified workers and unschooled workers. Unqualified workers stimulate further poverty. The organization operating in such industries must therefore report on the risk of child labor and exposure to hazardous work (GRI, 2016k).

Similarly the organization its operations can be harmful to vulnerable communities. Indigenous people are people that construct a vulnerable minority of the inhabitants of a country. An example of indigenous people is the remnant of a sub-group damaged by conquest, colonization, or other injustices. The organization can report on indigenous people's rights violations. The organization must consider the effect of its operations on less stable areas and how it affects its indigenous people, which share universal rights. (GRI, 2016m).

2.4.2 Fair work and employee development

Fair work and employee development are isolated as a dimension of the social pillar of sustainability. The dimension fair work and employee development is based on six elements. The elements are fair labor practices, training and education, recruitment, and retention, forced or compulsory labor, and remuneration.

The elements related to fair work and employee development can provide valuable insights for the organization. Fair work and employee development consider the organization its approach to labor and employment. The practices related to fair labor are hiring, retaining, recruiting, and labor conditions. The reported information on labor is beneficial to the organization as it can provide insights into the strategy of hiring and retaining employees. Further insights are derived into the attractiveness to a diverse group of employees or the possible lack of diversity. The turnover rate and other labor-related statistics can provide insights into the satisfaction of the workforce (GRI, 2016e; GRI, 2016f).

Several examples that shape fair work and employee development are presented here. The information regarding fair work and employee development is shaped by several demographics, labor practices, and employee information. Demographically these are the number of employed workers based on gender, age, and region. Other elements include the contract (form full-time, temporary, or part-time), the number of newly hired employees, and turnover time. The labor conditions are expressed by compensation, working time, rest periods, and holidays. The labor condition elements are supplemented by forced or compulsory labor. Compulsory labor includes mainly slave labor and forced labor, however, the thread of firing employees and working hours beyond the contractual agreed upon are included. The fairness aspect of labor can be warranted through policies of the organization regarding discrimination, equal remuneration, promotion, privacy, and human resource development. Finally, secondary benefits and access hereto. (GRI, 2016e; GRI, 2016f; GRI, 2016l)

Based on the GRI and OECD training and education includes the development of employee skills and performance, as well as providing feedback. Training and education are relevant for the firm to ensure continued employability and development of its workforce. Beyond developing essential skills, training and education increase the adaptability of the organization as a whole and increase the learning capacities of the organization. Finally, training and education services of the organization can include the assistance provided to employees to find and transition to another employer or retirement (GRI, 2016g). Training and education can then be reported as the number of hours of training per head, per group, e.g., gender, age, and employee category. Training and education can be reported as the amount of money or time received to pursue education. Training and education can be categorized based on the type of skills or topics acquired or discussed (GRI, 2016g).

2.4.3 Diversity and inclusivity

Diversity and inclusivity are isolated as a dimension of the social pillar of sustainability. The dimension of diversity and inclusivity is based on seven elements. The elements are discrimination, diversity, diversity and equal opportunity, equity, freedom of association, gender equality, and the right to collective bargaining.

The diversity and inclusivity dimension covers the differences among people and their beliefs across the organization. Therewith it concerns diversity and equal opportunity within the organization. Diversity includes but is not limited to gender, age group, and minority or vulnerable groups. Discrimination is included within the diversity and inclusivity dimensions. Discrimination can occur based on but is not limited to, the basis of race, color, sex, religion, politics, and other opinions. Discrimination from the organization its perspective can occur against workers, customers, and any stakeholder. The company can highlight its diversity and inclusivity by implementing policies and regulations regarding diversity and inclusivity. An active diversity policy inspires diversity, limits inequality, and

improves equal opportunity. Diversity policy affects the processes of hiring, retaining, and promotion. Discrimination is measured by keeping track of the number of incidents (GRI, 2016h; GRI, 2016i).

2.4.4 Health and safety

Health and safety are isolated as a dimension of the social pillar of sustainability. The dimension of health and safety is based on the elements of good health and well-being, health and safety, health outcome contribution, and security practices. Health and safe work conditions are connected to human rights through the International Labour Organization, OECD, World Health Organization (WHO), and the United Nations through the Sustainable Development Goals. The following paragraphs elaborate upon health and safety as a dimension and illustrate several of the found elements (GRI, 2018).

Health and safety at the organization consist of the promotion of health and safety of the employees and preventive measures. The creation of these working conditions can be warranted through active management systems and programs, supplying additional health care services and stimulating health promotion services and programs. Additionally, incident prevention is an important element of health and safety. Methods are hazard identification, risk assessments and identification, and employee hazard training. Another element of health and safety is the degree of participation and consultation of the employee regarding the policies, measures, and management of health and safety-related systems. One way to warrant participation is through committees. Major organizations report on measures and have in place policies taken regarding health and safety (GRI, 2018).

The promotion of employee health may occur through healthcare services provided by the organization and other non-healthcare services. The underlying aims are the SDGs and universal health. The role of the organization in providing such services contributes to the social dimension of sustainability. For countries in which health care is regulated through the government or standards are such that they are warranted, this is less of a contribution to social sustainability.

2.4.5 Community cohesion

Community cohesion is isolated as a dimension of the social pillar of sustainability. The dimension of community cohesion is based on three elements. The elements are community involvement, voluntary work, and donations.

Companies can engage with the community in a variety of ways. Examples of engagement are the provision of training, charity work or donations, recruitment of groups with limited access to the labor market, and other partnerships with the community (Commission of the European Communities, 2001). The increased relations with the community inspire collaboration, increase brand recognition, and constitute social capital. "The stock of shared meaning and trust in a given community (Commission of the European Communities, 2001)." Similar to financial capital, social capital is fluent and can be consumed and replenished.

2.4.6 Product responsibility

Product responsibility is isolated as a dimension of the social pillar of sustainability. The dimension of product responsibility is based on nine elements. The elements are consumer policy, consumption and production patterns, customer health and safety, customer responsibility, product responsibility, product safety and impact, product safety and quality, responsible consumption and production, and standards for suppliers.

Product responsibility considers both the manufacturing of products and services, as well as the supply chain partners and processes. Concerning manufacturing, the responsible use and acquisition of materials and the origin of materials are of relevance. The

organization is responsible for its due diligence regarding the environmental impacts within the supply chain (GRI, 2016d). Regarding supply chain procurement, the origin and stability of partner relationships are relevant. Social aspects of the supply chain are the ownership of partnering organizations, diversion within the partnering organizations, and representation of under-represented groups. Awareness of the processes and involved parties within the supply chain reduces exposure to negative impacts within the supply chain for the overarching organization (GRI, 2016a; GRI, 2016d).

The organization is responsible for its customer health and safety related to the product. The organization can report on the measures taken to ensure that products comply with rules and regulations. The organization can impact the product, and thus customer health and safety within the development and research phases, certification, use, and others. The reporting then occurs based on a reported number of measures taken and the number of incidents occurring that violate the health and safety regulations. (GRI, 2016n)

2.5 Conclusion

Sustainability in the business organization is described by the concepts of Corporate Sustainability (CS) and Corporate Social Responsibility (CSR). Historically, organizations are driven by a financial incentive to provide value for their stakeholders. Throughout the 20th century, a shift occurred in which the social responsibility of the organization was increasingly recognized. Gradually the concept of CSR was adopted in organizations which is perceived as the corporate actions taken within the three pillars of sustainability.

Similarly to CSR, sustainability is subject to a variety of definitions and conceptualizations. This further complicates the research and societal endeavors in the field of sustainability. Here the conceptualization of sustainability is based on the triple bottom line, presuming that sustainability can be divided into three pillars, social, economic, and ecological.

Three definitions result from the literature chapter:

- CSR: "Context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance" (Aguinis, 2012).
- Social sustainability: "Socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities. They manage social capital in such a way that stakeholders can understand its motivations and can broadly agree with the company's value system (Dyllick and Hockerts, 2002)."
- Economic sustainability: "Economic systems support sustainable social and environmental outcomes, where economics is the process through which humans create social and environmental outcomes (Spangenberg, 2005)".

To determine the relationship between social and economic sustainability this research identifies and categorizes social sustainability elements into larger dimensions. The social sustainability elements are found in three pieces of reporting documentation and supplemented by scientific literature, in particular indicator frameworks, international and national standards and guidelines, and SRI Indexes. The number of social sustainability dimensions was reduced from ten to six. The removed dimensions are assimilated into the remaining dimensions as they were not found to be mutually exclusive. The following are the social sustainability dimensions:

- Ethical behavior
- Fair work and employee development
- Diversity and inclusivity
- Health and safety
- Community cohesion
- Product responsibility

2.6 Theoretical framework

The theoretical framework consists of three key concepts. The key concepts are social sustainability, economic sustainability, and the study population. This research is qualitative. Therefore, no independent or dependent variable is annotated. Instead, the possible relationship between social and economic sustainability is researched.

Social sustainability is broken down into internal and external dimensions. The internal dimensions consist of ethical behavior, fair work and employee development, diversity and inclusivity, and health and safety. The external dimensions consist of community cohesion and product responsibility. The dimensions can be further substantiated into elements. Economic sustainability is broken down into direct and indirect impacts, although this research focuses on qualitative findings to be encompassing, as the empirical results may pertain to some quantifiables. The study population must conform to several selection criteria. The selection criteria are headquartered in the Netherlands, included on the corporate impact index, and compliant with the Corporate Sustainability Reporting Directive. The three key concepts are found in the literature chapter and their relationship is visualized in Figure 4. The study population consists of major business organizations in the Netherlands and will be further substantiated under chapter 3.1 of the methodology.

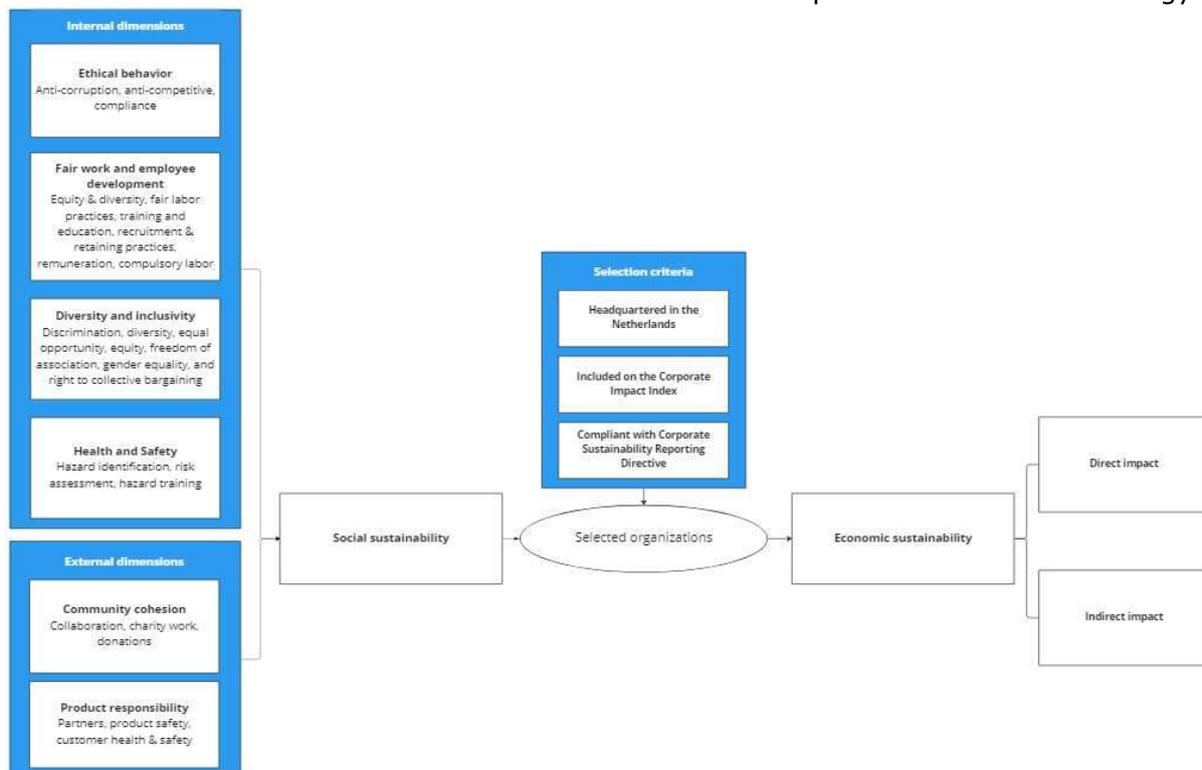


Figure 4. Theoretical framework

3 Methodology

The third chapter regards the methodology of the research. The methodology consists of six sections. Together the sections of this chapter answer the third sub-research question:

What are the data required to validate the theoretical framework?

3.1 Study population

The study population for this research consists of large organizations in the Netherlands. Specifically, the study population is distilled from two pieces of information. The first is an aggregated list of the hundred largest organizations in the Netherlands based on revenue. This list is cross-referenced with the corporate impact index (Erasmus, 2022). Together these two informative pieces provide a basis for the selection of organizations that commit to sustainability endeavors and disclose relevant sustenance to derive meaningful results.

Driving the study population selection for large Dutch organizations are two European directives regarding sustainability reporting. The first is the Non-Financial Reporting Directive (NFRD) of 2018. The NFRD entails reporting on key sustainability issues. The sustainability reporting obligation under the NFRD affects companies with a workforce of over 500 employees. The reporting concerns:

- Environmental matters
- Social matters and treatment of employees
- Respect for human rights
- Anti-corruption and bribery
- Diversity on company boards (European Union, 2014)

An extension to the NFRD is the Corporate Sustainability Reporting Directive (CSRD). The CSRD as suggested in 2021 and effective as of late 2022, requires all large organizations to report on sustainability. Under the CSRD the reported information is subject to audit, machine-readable, and requirements are more extensive. Companies subject to the CSRD criteria have:

- An employee number over 250
- A turnover of 40 million euros or more
- A balance sheet of 20 million euros or more (European Union, 2021)

This research can derive meaningful sustainability-related insights from organizations that actively engage in sustainability. The premise that large organizations in the Netherlands must adhere to both NFRD and CSRD regulatory documents under the European Union provides sustenance for its selection as the study population. As a result, the selection of the study population befalls large organizations within the European Union, and due to operation interest, headquartered in the Netherlands. The study population is to provide results regarding the social and economic sustainability relation.

3.2 Research design

The research design substantiates the choices made in favor of the research methodology. The following sub-sections form the research design. The research design sub-sections are research orientation, research strategy, interview protocol, data gathering, and source accessing.

3.2.1 Research orientation

The research orientation considers the subject approach (Verschuren & Doorewaard, 2010). The research orientation distinguishes between breadth and depth-oriented research. Breadth concerns a larger scale approach, whereas depth is more focused and regards a smaller scale. The literature study is considered breadth oriented. The literature study focuses on describing the relationship between the different concepts of sustainability related to the business. Thereafter, definitions and variables for

sustainability and social sustainability are proposed. The literature study directly contributes to the understanding of sustainability and the reduction of the ambiguity of related concepts. The research breadth is restrained in the methodology through, a focus area, a specific revenue or balance sheet, and the size of the organization. Nonetheless, the research is still considered breadth oriented rather than depth. For example, there is no single or multiple case evaluation utilizing extensive data triangulation. Rather, this research contributes to the understanding of the causality of social sustainability on economic sustainability. This research identifies the larger structures and aims to provide sustenance for future research endeavors.

3.2.2 Research strategy

The research strategy determines the execution of the research, e.g., in what way the relevant material is gathered and transformed to answer the research questions. The research strategies of relevance to this research are the desk research and the interview (Verschuren & Doorewaard, 2010). The following paragraphs elaborate upon the research strategies.

The desk research is applied in the literature study, the methodology, results, analysis, and conclusion. In the literature study desk research pertains to identifying and consulting academic sources to derive the theoretical framework and identify the social sustainability elements. The elements are then categorized by the researcher following larger concepts. Furthermore, desk research consists of gathering information to demarcate and establish criteria for the methodology, process the results and analysis, and draw conclusions.

The empirical part of this research takes place through interviews. The desk research has established the social sustainability dimensions and variables. The dimensions and variables are then put up for validation through interviews with the sample of the study population. An extensive data triangulation to perform a type of case study is not pursued in this research. The set of criteria for the research population (chapter 3.1), ameliorates the generalizability, e.g., external validity. However, the set timeframe reduces the ability to acquire a large enough sample size to make inferences about social sustainability in all businesses.

This research uses qualitative and quantitative methods. The research methods are a literature study, interview, coding, and quantification. The interview, coding, and inferences drawn from the coding are considered the qualitative research method. The quantitative aspects of this research are the quantifiable interview questions, specifically, the perceived impact of social sustainability on economic sustainability.

3.2.3 Data gathering

The information sources in this research consist of online available information, e.g., documents and literature, and individual people. To derive information that is substantial for this research documentation is consulted to construct the theoretical framework. Based on the theoretical framework the interview questions are divided. Finally, based on the gathered information from documents and the data from interviews, the information is transformed through coding to derive interpretable results.

Documentation

Documentation forms the basis of this research. Documentation includes the information found in scientific literature and European Databases. The strengths of documentation are its stability, unobtrusiveness, exactness, and broad coverage. The weaknesses are the retrievability, accessibility, and bias of both reporter and the information covered (Yin, 2009). The essence of utilizing documentation lies in finding the proper information researched by others, although carefully calibrating its usefulness.

Interviews

Interviews are an important source of information to verify the found information in the literature study. In this research, the interview aims to acquire information regarding the impact of social sustainability on the economic sustainability of the organization.

The interview can take several forms. In this research, we distinguish between the in-depth interview, the focused interview, and the structured interview. The in-depth interview is the most unstructured, whereas the structured interview is the most rigid form of an interview. The focused interview takes place in the middle. The in-depth interview is useful to determine a wide range of insights, although it can be lengthy. The focused interview allows for a combination of open and closed questions, especially suited to verify found information. Finally, the structured interview is often applied as a survey and is fit for quantitative information deriving. This research uses the semi-structured in-depth interview (Yin, 2009; Verschuren & Doorewaard, 2010).

Coding

Coding of the interviews consists of processes to sort the retrieved data and allows the interviewer to construct meaning from the interviews. To derive meaning from the interviews the Grounded Theory Method (GTM) is used. The GTM differentiates three steps. The steps are open coding, axial coding, and selective coding. In open coding, the researcher aims to identify concepts and themes for categorization. The concepts and themes can be short sentences or individual words. In axial coding, the found concepts and themes are further refined and categorized to create distinct categories to befit the selective coding. Selective coding further categorizes the found categories under axial coding. The selective coding elements can then be used to develop theory and establish a degree of causality amongst elements and responses. The GTM is an inductive form of research, e.g., it generates theory from the collected data (Williams & Moser, 2019).

3.2.4 Source accessing

This research is based predominantly on documents and literature. The accompanying source-accessing methods are the content analysis and search methods (Verschuren & Doorewaard, 2010). Content analysis in this research consists of generating data from documents and literature and audio-visual material in the interviews. The literature sources consulted are stored for replication of this research in Data Folder A. Impactful in the thoroughness of this research report are the search methods. Efficient search methods increase the odds of finding correct and useful information. This research utilizes scientific search engines sorted by the number of citations. The highest-ranking literature consists of keyword matches and renowned literature residing in prominent journals and books. Furthermore, the snowball principle is utilized to stand on the shoulders of prior research. The snowball principle allows for quick access to related information. The researcher remains responsible for verifying the information in the snowballed results.

3.3 Operationalization of concepts

The operationalization of concepts found in the theoretical framework (chapter 2.6) can be found in Appendix B. The operationalization distinguishes constructs, variables, and elements. The operationalization of concepts was added to Appendix B. to benefit readability.

3.4 Interview design

This research aims to establish the perceived impact of social sustainability on economic sustainability. To determine the perceived impact six social sustainability dimensions are constructed based on the literature part of this research. To determine the perceived impact of the constructed social sustainability dimensions interviews are conducted. The interviews conducted in this research comply with the study population requirements under chapter 3.1. The interview questioning tests the theoretical framework.

The interview consists of four segments. The first is a general introduction to sustainability. The second is the internal sustainability dimensions. The third is the external sustainability dimensions. The fourth is the future sustainability improvement areas. Together the four segments aim to determine the sustainability perception, the social sustainability initiatives, the perceived social sustainability impact on economic sustainability, and the areas of improvement or future focus areas.

The interview consists of 27 questions. The 27 questions are divided into 12 closed questions and 15 open questions. This research utilizes a semi-structured interview format. The semi-structured interview format utilizes the efficiency of closed questions with the deeper line of reasoning present in open questions. The closed questions can be evaluated through standardization. The deeper line of reasoning follows from exemplification by the interviewee and access to information that would otherwise not be available to the researcher. The interview form is added to Data Folder B and the constructed interview questions can be found in Appendix C.

The questions repeat throughout the different social sustainability dimensions. For example: "Does your organization pursue ethical behavior" can be answered with a yes or no. The interviewee is then asked "in what way does your organization pursue ethical behavior" which befits an open answer. The interviewees are expected to start answering questions simultaneously as the interview progresses.

3.5 Interview protocol

The interview protocol limits the room for human error when conducting interviews. Additionally, the interview protocol sets guidelines that lead to similar circumstances across all interviews. The interview protocol consists of a set of guidelines and procedures. The following are the guidelines for the interviews (Denzin, 2008):

- Never indulge in a long explanation of the study.
- Never deviate from the standardized study introduction, question format, and the wording thereof.
- Never let another person interrupt the interview or answer the question.
- Never agree or disagree with an answer.
- Never interpret the meaning of a question.
- Never improvise, regards questions, answer categories, and wording changes.

The procedures that follow these guidelines apply to the initial contact. Contact is established through email. The email is standardized and commences with a brief introduction of the research institute before introducing the research objective and the nature of the research. Thereafter, the email indicates its interview request accompanied by the time allocation. Finally, the interview highlights the perceived impact of cooperation and argues for the selection of the specific organization.

Following the initial contact, the interview commences. The interviews take place through digitized means to decrease time expenditure during travel. The interviews are recorded and transcribed with the permission of the interviewee. The interviews are stored and erased upon completion of the research. Microsoft Teams its native transcribing function transcribes the interviews. The transcription function reports the full wording of the interview, from the start of the introduction until all the questions are asked. The transcription will not include pause markings, 'mh'-s, intonations, or emotional expressions. Reliability is warranted as the interviewer remains the same person throughout the process. Although the individual interview skills may improve, the questions and transcriptions will not. The questions are worded as neutral as possible, and the interviewee will not be led to answer in a socially desirable way or to please the interviewer (Denzin, 2008).

3.6 Conclusion

The research is designed as follows. The research is predominantly breadth oriented as it identifies the larger structures and concepts and ultimately aims to provide sustenance for future research endeavors. To establish these larger structures and concepts the research strategies of desk research and interviews are utilized. Desk research is prominent throughout the entirety of the research, whereas interviews return in the empirical part of the research. To extract the necessary information from the desk research and interviews, data-gathering methods are utilized. The data originates in documentation, interviews, and coding. The specific data levels are operationalized in Appendix B. The research design substantiates the choices made in this research.

The selection of the study population is driven by the motivational question, "what companies can bring the most relevant sustainability insights." The answer is large organizations that are required to report on sustainability. Therefore, the CSRD guidelines are consulted and result in three organizational criteria from which one or more must be met. The criteria are:

- An employee number over 250
- A turnover of 40 million euros or more
- A balance sheet of 20 million euros or more (European Union, 2021)

Thereafter, the list of organizations is cross-referenced with the Erasmus Corporate Impact Index to result in a study population of 50 organizations most suited for this research.

Twelve out of 50 identified organizations are interested to contribute to this research by sharing their perceived impact of social sustainability on economic sustainability in interviews. The interviews are semi-structured and aim to determine the perceived impact of the social sustainability dimensions on economic sustainability. The following guidelines keep human error to a minimum (Denzin, 2008):

- Never indulge in a long explanation of the study.
- Never deviate from the standardized study introduction, question format, and the wording thereof.
- Never let another person interrupt the interview or answer the question.
- Never agree or disagree with an answer.
- Never interpret the meaning of a question.
- Never improvise, regards questions, answer categories, and wording changes.

4 Results

This chapter presents the interview results. The interview results follow from the interviews held following the methodology as described in chapter 3, over fifty companies were approached resulting in 12 interviews. The companies were asked about their efforts in social sustainability dimensions and the perceived impact of their actions on economic sustainability. The interview results are presented per question rather than per company to increase legibility.

4.1 General information

The first segment of the interviews consists of general information. The general information assesses the organization its conception of social sustainability and the impact of economic sustainability. The found results are presented below.

4.1.1 Social sustainability definition

In six instances, the interviewee indicates that the organization derived its social sustainability perception from an existing framework or guidelines. Respectively the social sustainability perception was ESG in two instances, TBL in three instances, and SDGs in a single instance. When delving deeper into each of the organizations' documentation several more iterations of SDGs-driven sustainability can be found. 50% of the interviewees link sustainability to a framework or international guideline. In four out of the six remaining instances, the interviewee elaborates upon their conception of social sustainability or their classification of sustainability:

- "We do not use social sustainability, we use social impact (interview 3)."
- "We view sustainable as an actual sustainable society in which people live together (interview 4)."
- "Our strategy is based on four shared values of which three are related to social sustainability (interview 9)."
- "Social sustainability for us consists of 4 aspects; employer, commissioner, influence across the chain, impact on the environment and society (interview 12)."

Finally, two out of twelve organizations did not specify their derived conception of social sustainability. Instead, two organizations answered the first question using elements, focus areas, or practical examples of social sustainability. The other ten organizations also exemplified their answer to the first research question with elements, focus areas, or practical examples of social sustainability.

4.1.2 Social sustainability impact

In nine instances the interviewee recognizes the impact of social sustainability on economic sustainability. A substantiation was given. On five occasions employee motivation and satisfaction were indicated to impact economic sustainability. The other interviewees took a broader approach:

- "When your social sustainability is insufficient it can endanger the longevity of your organization." (interview 1)
- "If consumers see unethical behavior that lowers the readiness of the consumer to buy our product." (interview 8)
- "It has to make an impact otherwise you cannot persist." (interview 9)

In three instances the interviewee does not recognize or does not fully recognize the impact of social sustainability on economic sustainability. The three instances all indicate some difficulty in recognizing the impact across the entire organization. The following reasons were given:

- “We have a government-appointed monopoly, so we do not have a predetermined profitability target. We must realize a net positive result on the year balance. (interview 3)”
- “We have recently commenced. Even if it were measurable, I am afraid the answer would be no. In our industry clients shift due to price action, not our social sustainability actions. (interview 5).”
- “For the persistence of the organization, I do not recognize it (interview 12). I can see how you relate to economic sustainability whether people want to work at an organization.”

4.2 Social sustainability dimensions

The first social sustainability dimension is ethical behavior. The most prominent ethical behavior initiative is a variety of documentation pieces, in twelve out of twelve instances. The documentation pieces include a code of conduct, compliance with European regulations, and bribery and corruption. In seven out of twelve instances the interviewee indicated some form of ethical behavior training or awareness creation. Human rights and forming unions were touched upon in six out of twelve instances. Finally, the whistleblower program was mentioned in two instances.

The second social sustainability dimension is fair work and employee development. The interviewees indicate on nine occasions that a form of personal development training or program is in place. Similarly, in nine instances the interviewee mentions fair remuneration, the lack of a pay gap, or a living wage. Finally, some additional remarks regard holding suppliers to fair work, and a recruitment policy that promotes fair chance.

The third social sustainability dimension is diversity and inclusivity. The interviewees indicate on six instances to take measures towards gender equality and in two instances on a broader basis utilizing networks and other instances. Another measurement and focal point is a person its age in three instances. Four organizations are found to give training sessions on diversity and inclusivity. Finally, organizations use a form of anonymous reporting and interviews to identify key bottlenecks regarding diversity and inclusivity in two instances.

The fourth social sustainability dimension is health and safety. Prominent are the safety training and procedures in five instances, work-life balance and the working space facilities in five instances, and vitality practices in six instances. Other health and safety elements include health checks and networks and cybersecurity. The final elements are incident reports and surveys to acquire further insights into health and safety perception.

The fifth social sustainability dimension is community cohesion. The found community cohesion elements are voluntary work or a societal contribution by the employees in four instances. Involvement of broader society in three instances. The sponsoring of events and initiatives in three instances and donations in two.

The sixth social sustainability dimension is product responsibility. The found product responsibility elements are the safety of the product in five instances, a supplier code of conduct or criteria in four instances, and several smaller initiatives. The smaller initiatives include financial-specific investments, customer satisfaction, and customer accessibility.

4.3 The perceived effect of social sustainability on economical sustainability

After indicating the practices related to each of the six social sustainability dimensions the interviewees were asked about the perceived effect on economic sustainability (table 1.). The interviewee has three options, negative, neutral, and positive. Negative means the social sustainability dimension is an economic investment and there are no direct or indirect outcomes, e.g., reputational benefits, that lead to increased economic sustainability. Neutral means the interviewee does not see any economic sustainability

benefits. Positive means the interviewee does perceive the efforts taken by the organization in the social sustainability dimension to have a positive effect on economic sustainability. The table below highlights the scores given by the interviewees in each dimension:

Table 1. The perceived effect of social sustainability dimensions on the economic sustainability of the organization.

Social sustainability dimension	Ethical behavior	Fair work and employee development	Diversity and inclusivity	Health and safety	Community cohesion	Product responsibility
Interview 1	Positive	Neutral	Neutral	Positive	Positive	Positive
Interview 2	Positive	Positive	Positive	Positive	Neutral	Neutral
Interview 3	Positive	Positive	Positive	Positive	Positive	Neutral
Interview 4	Neutral	Positive	Positive	Positive	Positive	Positive
Interview 5	Negative	Positive	Neutral	Positive	Positive	Neutral
Interview 6	Positive	Positive	Neutral	Positive	Neutral	Positive
Interview 7	Positive	Neutral	Positive	Positive	Positive	Neutral
Interview 8	Positive	Positive	Positive	Positive	Positive	Positive
Interview 9	Positive	Positive	Positive	Positive	Positive	Positive
Interview 10	Positive	Negative	Positive	Positive	Positive	-
Interview 11	Positive	Positive	Positive	Positive	Neutral	Neutral
Interview 12	Neutral	Positive	Positive	Positive	Neutral	Positive
Positive	9	9	9	12	8	6
Neutral	2	2	3	0	4	5
Negative	1	1	0	0	0	0

The table indicates that the health and safety dimension is unanimously decided to be of positive effect on economic sustainability. With nine positive indications, both ethical behavior and fair work and employee development dimensions were perceived as positive on economic sustainability in 75% of the instances. Community cohesion has eight positive indications amounting to a 66% score. Finally, product responsibility shows the biggest differences with six positive and five neutral indications.

4.4 Social sustainability improvement areas

The following improvement areas were found regarding social sustainability in the organizations. Two interviewees indicate adjusting to the coming European regulations as the first step and two interviewees highlight the need to further incorporate and develop the outlook on social sustainability. Three interviewees indicate an intensified focus on diversity and inclusivity and fair work and employee development. Similarly, three interviewees highlight the need to focus on standardization and the measurability of social sustainability dimensions in monetary value. Finally, two interviewees indicate that the organization will look for other areas of improvement but only when either the priorities shift or without sacrificing the core business concept and profitability.

4.5 Conclusion

The interviewees recognize and understand each of the social sustainability dimensions. Throughout the six social sustainability dimensions, the organizations focus on a variety of elements and practices. The elements range from widely adopted across organizations, to single organizational initiatives. The key takeaways from the results are visualized in table 2.

Table 2. Key takeaways based on the coded results

Interview topic	Key takeaway
Social sustainability definition	The business organization derives its social sustainability perception from existing frameworks or guidelines.
Social sustainability impact on economic sustainability	The organizations are governmental in three instances and indicate difficulty in recognizing the impact on economic sustainability across the entire organization.
	The health and safety dimension is unanimously seen as positive effect on economic sustainability.
	The organizations focus on a variety of elements and practices. The elements range from widely adopted across organizations, to single organizational initiatives.
Future improvement areas	Each interviewee recognizes at least a single area of improvement. Most efforts will be focused on individual endeavors of the business. Some interviewees directly link the future sustainability efforts to the social sustainability dimensions of this research. An important remark to make is that two interviewees indicate that further improvements will be made in segments that the organization deems important and depends on profitability.

The impact of each of the social sustainability dimensions on economic sustainability was perceived as positive on average. The positive impact of social sustainability on economic sustainability entails that the organizations believe that an investment will net a positive economic return. The health and safety dimension is unanimously positive. Ethical behavior, fair work, employee development, and diversity and inclusivity all received 75% positive scores. Community cohesion was perceived as positive in 66% of the cases, and finally, product responsibility received a slightly positive score with 55%. The elements found under each of the social sustainability dimensions are visualized in table 3.

Table 3. Occurrence of social sustainability elements based on the coded results

Social sustainability dimensions	Social sustainability elements	Occurrence
Ethical behavior	Code of conduct	12
	Training and awareness creation	7
	Human rights and union forming	6
	Whistleblower program	2
Fair work and employee development	Personal development training	9
	Fair remuneration, lack of pay gap, or living wage	9
	Accountability of partners	1
	Fair recruitment policy	1
Diversity and inclusivity	Gender equality	6
	Diversity and inclusivity training	4
	Age equality	3
	Network forming	2
	Anonymous reporting and interviews	2
Health and safety	Safety training and procedures	5

	Work-life balance and working space	5
	Mental and physical vitality practices	6
	Health checks and networks	4
	Cybersecurity	2
	Incident reports and surveys	2
Community cohesion	Voluntary work or some social contribution	4
	Involvement of the broader society	3
	Event sponsoring	3
	Donations	2
Product responsibility	Product safety	5
	Supplier code of conduct	4
	Customer satisfaction	2
	Financial investment responsibility	2

5 Analysis & Discussion

Chapter 5 analyzes and discusses the results presented in chapter 4. The analysis takes place based on the interview findings and is supplemented by the coded segments Data Folder D.. Chapter 5 discusses the most relevant findings first in the subsections. Chapter five aims to answer the third research question:

What can be analyzed based on the validated theoretical framework?

5.1 Social sustainability perception

Social sustainability is defined in a variety of ways by the interviewees. One of the reasons for selecting large organizations in the Netherlands is the compulsory nature of sustainability reporting through European regulation for organizations that meet an employee number of 250, a turnover target of 40 million euros, or a balance sheet of 20 million euros (European Union, 2021). Although the organizations share some of the criteria, their perception of sustainability varies.

The interviewees indicate recognizing the conceptualization of sustainability rooted in the triple bottom line as utilized in this research. On three occasions the interviewees indicate adopting the triple bottom line interpretation of sustainability and social sustainability. However, multiple perspectives on social sustainability exist beyond the triple bottom line. The perspectives of the organizations are rooted in ESG, social impact, SDG themes, and less constructed loose elements for sustainability. Other perceptions utilize a form of social and economic sustainability also. As a result, the sustainability perception underlying the theoretical framework remains unaltered.

5.2 Social sustainability dimensions

The social sustainability dimensions are composed under chapter 2.5. The social sustainability dimensions were recognized either immediately or with substantiation from the interviewer. Thereafter, each of the interviewees introduced initiatives relevant to their organization.

Open coding of the interview data highlights that the social sustainability dimensions that received the highest amount of positive recognition were also named the most often. The coding indicates that more time was spent elaborating upon and exemplifying social sustainability dimensions with positive recognition. A closer examination of the social sustainability dimensions shows that the internal dimensions receive more attention than the external dimensions. On average, the internal dimensions are named 61 times,

whereas the external dimensions are named on 16 occasions throughout twelve interviews.

Table 4. Number of coded segments per social sustainability dimension

Social sustainability dimension	Coded segments	Positive indications
Community cohesion	18	8
Diversity and inclusivity	27	9
Ethical behavior	86	9
Fair work and employee development	42	9
Health and safety	89	12
Product responsibility	14	6

The possibility is considered that the lower occurrence of external dimensions can be ascribed/prescribed to the late stage of the interview. In the later stage, the time limit becomes more pressing and the attention span is lower. There is no way to verify the effect of the position of the social sustainability dimension in the interview. Especially since the earlier considered dimensions have not shown any increase in occurrence.

A negative indication was given twice, once in ethical behavior and once in fair work and employee development. In both instances, the negative indication followed from the interviewee being unable to see the direct effect or any positive effect between the social sustainability dimension and the economic sustainability. Similarly, in most neutral indications the interviewee did not see a direct impact on economic sustainability.

5.3 Social sustainability elements

This analysis then turns to the social sustainability elements. Several examples were available for the interviewee in case of uncertainty or unclarity. Through axial coding, the specific initiatives for each of the social sustainability dimensions are identified. Below the elements related to each of the social sustainability dimensions are considered.

5.3.1 Ethical behavior

The first dimension is ethical behavior. Ethical behavior elements revolve around anti-competitive behavior, anti-corruption, bribe solicitation and extortion, business behavior, competition, controversial issues, and transactions. Some elements can be assimilated, however, most of the elements are retrieved in the interviews.

The repetition of the found elements in the theoretical framework by the interviewees reaffirms the design of the social sustainability dimension. Every organization has a code of conduct consisting of several basic elements, bribery, corruption and competition elements, compliance guidelines, and whistleblower practices. Other elements in line with the theoretical framework are the right to form unions and the right of association. The interviewees provide several additions to the found elements under the theoretical framework.

The supplementary elements are the inclusion of personnel in organizational decisions and a variety of educational incentives and training on ethical behavior. However, training and educational incentives can also be considered elements of fair work and employee development. Finally, the theoretical framework concerning ethical behavior elements remain receives some restructuring of elements.

5.3.2 Fair work and employee development

The second dimension is fair work and employee development. Fair work and employee development elements revolve around fair work and employee development, training and education, recruitment and retention, forced or compulsory labor, and remuneration. Fair work and employee development are found to be too general to be ascribed to any coded segments. Several adjustments are considered to the theoretical framework based on the interviews recorded fair work and employee development elements.

Recruitment and retention were only indicated once in the twelve interviews. However, in five interviews and on 19 instances the interviewees introduced talent attraction, retention, and the 'war for talent'. Therewith, recruitment and retention remain important elements, however, were not always specified under fair work and employee development.

Compulsory labor was never a response in the interviews. The indicated internal nature of the category did not lead to consideration of compulsory or unlawful labor. This element is better suited and shows overlap with the external product responsibility dimension.

The two most prominent elements were training and education in eight out of twelve interviews and remuneration in eight out of twelve interviews. Training and education consider a variety of initiatives. The initiatives are internal career development programs, and external opportunities offered by the organization. Remuneration considered the gender pay gap in all instances.

Finally, two adjustments are made to the theoretical framework. The first adjustment is the removal of fair work and employee development, equity and diversity, and compulsory labor as elements. The second adjustment is the addition of equal remuneration. The choice was made to retain recruitment and retention as it returns on several occasions throughout the interviews. Nonetheless, the dimension of fair work and employee development may not warrant the consideration of such initiatives, and a better, more encompassing name or a separate dimension may be suited.

5.3.3 Diversity and inclusivity

The third dimension is diversity and inclusivity. Diversity and inclusivity revolve around elements of discrimination, diversity, equal opportunity, equity, freedom of association, gender equality, and the right to collective bargaining. The initial list of elements is perceived as too large, not mutually inclusive, and overlapping with other dimensions.

Discrimination is not retrieved within the interviews. Diversity and diversity and equal opportunity are not mutually exclusive and resemble the dimension name. Freedom of association and the right to collective bargaining are prominent under ethical behavior and return within the code of ethics and human rights.

The organizations emphasize the creation of inclusive culture; however, substantiation of the diversity and inclusivity endeavors is lacking. Most of the elements include a form of training or awareness raising. Further initiatives regarding a diverse workforce include measuring parameters such as female leaders and age. Based on the interviews diversity and inclusivity relates to "Creating a workspace in which people can function and be their best self (interview 8)." and "build an inclusive culture...include people in defining our values and by including them create a more inclusive space (interview 7)." Accordingly, some organization host networking groups for like-minded people. What is found is that the social sustainability elements of diversity and inclusivity are rather abstract, and the emphasis lies on inclusivity more than the diversity aspect.

Although diversity and inclusivity is perceived as important there is a lack of substantiation. In accordance, several adjustments are made to the theoretical framework. Firstly, the removal of non-mutually exclusive elements and elements that reside within other dimensions. Secondly, the addition of two elements, training and awareness raising. Organizations are aware of inequality, “we have a lagging target on women (interview 7).”, and seek to measure these differences and spread awareness combined with targets to move towards a diverse and inclusive organization.

5.3.4 Health and safety

The fourth dimension is health and safety. Health and safety revolve around elements of good health and well-being, health and safety, health outcome contribution, and security practices. The health and safety dimension includes elements that are not mutually exclusive.

A variety of organizations joined these interviews. However, many organizations emphasize the importance of the workforce throughout the interviews “we want people to arrive home safely after each day (interview 11).” The more physical labor-oriented organizations retain a different perspective from the less labor-oriented organizations. The labor-oriented organizations indicate health and safety in the physical field and operational areas “we have a safety day once a year where everyone receives a training and is put on alert again (interview 7).”

Organizational initiatives can be categorized into four elements. In general, the organizations refer to vitality, sport-related initiatives, and physical well-being on six occasions. Mental well-being, such as access to mental health coaches, sleep coaches and preventing burn-outs on six occasions. A safe working space on three occasions. Finally, security practices, e.g., cyber security, on two occasions.

Finally, the restructured elements of the health and safety dimension are physical well-being, mental well-being, safe working conditions, and security practices. The three elements of good health and well-being, health and safety, and health outcome contribution are removed. Vitality is perceived as too broad and can be considered both physical and mental well-being.

5.3.5 Community cohesion

The fifth dimension is community cohesion. Community cohesion revolves around elements of community involvement, voluntary work, and donations. Unlike other social sustainability dimensions, the elements under community cohesion are all retrieved in the interviews.

Voluntary work was widely recognized, with seven out of twelve interviewees indicating some form of voluntary work to be present within the organization. Sponsoring and donations occur in six out of twelve organizations. Two out of six organizations do not engage in donations since they are governmental institutions. The governmental institution does not have a profit incentive and no additional cash on hand to engage in a variety of philanthropic initiatives. Community involvement was noted on several occasions, the most notable forms are: employing people at a distance from the labor market, recruiting from universities, purchasing local products, and the involvement and informing the community.

Finally, the elements of voluntary work and donations are suited to represent community cohesion. The element of community involvement appears broad but is encompassing a variety of initiatives organizations may employ. No additions were found suitable for the community cohesion sustainability dimension.

5.3.6 Product responsibility

The final dimension is product responsibility. Product responsibility revolves around elements of consumer policy, consumption and production patterns, customer health and safety, customer responsibility, product responsibility, product safety and impact, product safety and quality, responsible consumption and production, standards for suppliers, and suppliers. The list of elements is extensive, and several elements are found to be redundant.

The elements retrieved in the interviews vary widely. The elements are mostly tied to guidelines adopted by the organization. In five instances a link is made to a supplier code of conduct "we no longer do business with an increasing number of companies that earn revenue from tobacco, alcohol, and weapons (Interview 5)." The adopted guidelines vary across organizations depending on their industry and pertain to food in several instances and investing in others, however, several key ethical elements such as bribery and competition appear overarching.

Other finds in the interviews are the element of customer service and customer satisfaction in three instances. Customer perception highlights the importance of returning customers, communication, and the perceived image of the organization. The element of product access in two instances, in which the interviewees contemplate the product accessibility to an increasing number of people. Finally, in one instance an interviewee highlighted the difficulty of appointing responsibility in a multi-staged product.

Finally, product responsibility is covered similarly to ethical behavior. The predetermined and adopted supplier code of conduct specifies the rules a potential partner has to hold themselves to. Additional elements are the safety of the product, customer perception, and access to the product. Therefore, the list of product responsibility elements is restructured and limited to product requirements, which include safety, partner requirements, and product accessibility, which includes the perception of the product.

5.4 Different ways in which social sustainability dimensions impact the economic sustainability

Health and safety as a dimension has an undisputed positive effect on economic sustainability. Product responsibility environs about 50% in its perceived effect on economic sustainability and is not perceived as conclusive in this research. The four other dimensions are majorly perceived as positive, however not unanimous, and therefore cannot be concluded as having an impact on economic sustainability conclusively.

The interviewees see a direct relationship between health and safety and economic sustainability. On several occasions, the interviewee indicates health and safety to be the most important social sustainability dimension. The relationship between health and safety and economic sustainability is exemplified through illness and the absence of the workforce. The effect of health and safety can be substantiated through the number of paid hours in absence of the employee. Additionally, interviewees indicate that a healthy and productive workforce benefits the results of the organization and therefore economic sustainability.

The effect of ethical behavior on economic sustainability was met with affirmation. However, a recurring trend was the prevention of the negative effects of ethical behavior. "If we had a major ethical scandal that would lead to reputational damage, internally...Culture has an indirect effect on your economic performance (interview 2).", "If you claim to adhere to ethical behavior but do not act accordingly that can do more harm (interview 7).", "I believe it is a precondition to exist as an organization (interview 9)." Additionally, the aversion to the negative economic effect of inadequacy regarding ethical behavior may be rooted in brand perception. Reputational concerns and brand recognition were returned on several occasions in the interviews. Negative publicity can

impact employee attraction and retention as well as, therewith the effects on economic effects can be substantial.

Most social sustainability dimensions turn out to have a perceived positive impact rather than a substantiated effect. Interviewees indicate the desire to create or present Key Performance Indicators (KPIs) on social sustainability dimensions to substantiate the social sustainability endeavors on 36 occasions. The lack of substantiation is highlighted by the few direct links between social sustainability and economic sustainability as seen by the interviewees. This is further reinforced throughout the interviews by the indication that KPIs are crucial. "We have goals that are not fully quantifiable (interview 5).", "Our ambition is to measure social sustainability (interview 8).", "We do not measure this, or not enough (interview 7)." The establishment of KPIs that are expressed in monetary value and comparable across dimensions can highlight the costs and benefits accompanied by social sustainability narratives.

Throughout the dimensions of fair work and employee development and diversity and inclusivity, the following became clear. Employees and future employees value social sustainability endeavors. Social sustainability receives attention both within the organization and society (interview 5). Which is both relevant and contemporary, it is a societal shift and generational shift to do rewarding work. It is contemporary because, in the current market conditions, the options for employment are more abundant than the workforce. Therewith, organizations often highlight the importance of attracting and retaining staff. Moreover, talent acquisition and the war for talent are keywords that signify that creating a strong workforce is increasingly important.

The coding then highlights that the human aspect is detrimental to the success of the organization. "Binding people to your organization, to avoid having efflux, to have an engaged workforce...In the end that is the most crucial to the organization...Younger generations do not want to work for an organization that is purely finance-driven. They must see purpose within the organization and are prepared to lose out on salary for it (interview 7).", "Any organization is fully dependent on its social capital in its people...You cannot have the environmental and the economic elements without the social element (interview 6).", "People are of course central in our operation, without people we cannot operate (interview 2)." These quotes from the interviews reinforce the perceived importance of the social sustainability dimension and a sense of belonging within the organization are key to excelling in economic sustainability.

One final finding is the intrinsic motivation to invest in social sustainability. Although the business must remain net positive, economically. Three interviewees indicate sustainability must go beyond economic benefits. "You must have intrinsic motivation, investing in social sustainability is not purely to benefit economic sustainability, we have an impact on society (interview 1)." However, these opinions can be perceived as opinionated and may not reside within the wider organizational perception.

5.5 Conclusion

Several findings are prominent. Social sustainability is recognized although the conceptualization varies per organization. The perspectives of the organizations are rooted in ESG, social impact, SDG themes, and less constructed loose elements for sustainability.

Coding of the interview data highlights that the social sustainability dimensions that received the highest amount of positive recognition were also named the most often. The coding indicates that more time was spent elaborating upon and exemplifying social sustainability dimensions with positive recognition. Five dimensions, ethical behavior, fair work and employee development, diversity and inclusivity, health and safety, and product responsibility, out of six dimensions receive a predominantly positive perceived effect on

economic sustainability. However only health and safety can be quantified directly and is unanimously perceived as having a positive effect on economic sustainability.

The elements found in the indicator frameworks, governmental and European works, international standards and guidelines, and SRI indexes are utilized to construct the social sustainability dimensions. The analysis finds that the social sustainability elements in the dimensions of ethical behavior, fair work and employee development, diversity and inclusivity, health and safety, and product responsibility require one or more changes. As a result the theoretical framework now supports a set of new elements.

Several other findings have been found. Ethical behavior is found to be a precondition to exist for organizations and noncompliance has detrimental reputational and economic effects on the organization. Secondly, measurable performance indicators are missing for a variety of social sustainability dimensions which exacerbates the difficulty to establish economic sustainability from endeavors in the social sustainability dimensions. Thirdly, the contemporary labor market shortage makes inclusivity and employee development increasingly important to attract and retain employees.

5.6 Revised theoretical framework

Based on the results chapter and the analysis and discussion several changes are made to the theoretical framework (Figure 5.). Firstly, the dimension of product responsibility was removed due to a lack of perceived positive effects on economic sustainability. Secondly, the elements under the social sustainability dimensions are altered according to the found social sustainability in the major Dutch business organizations. Thirdly, although this research focused on the perceived economic sustainability the interview findings occasionally pointed towards a direct or indirect effect on economic sustainability. Therefore, economic sustainability can be categorized into direct and indirect impacts. The direct impact is measurable and results from health and safety, predominantly in time loss and employee absence. The indirect impact is perceived and can be classified into two main findings, the most damaging, reputational concerns, and the human aspect in which workforce and employee development are prominent.

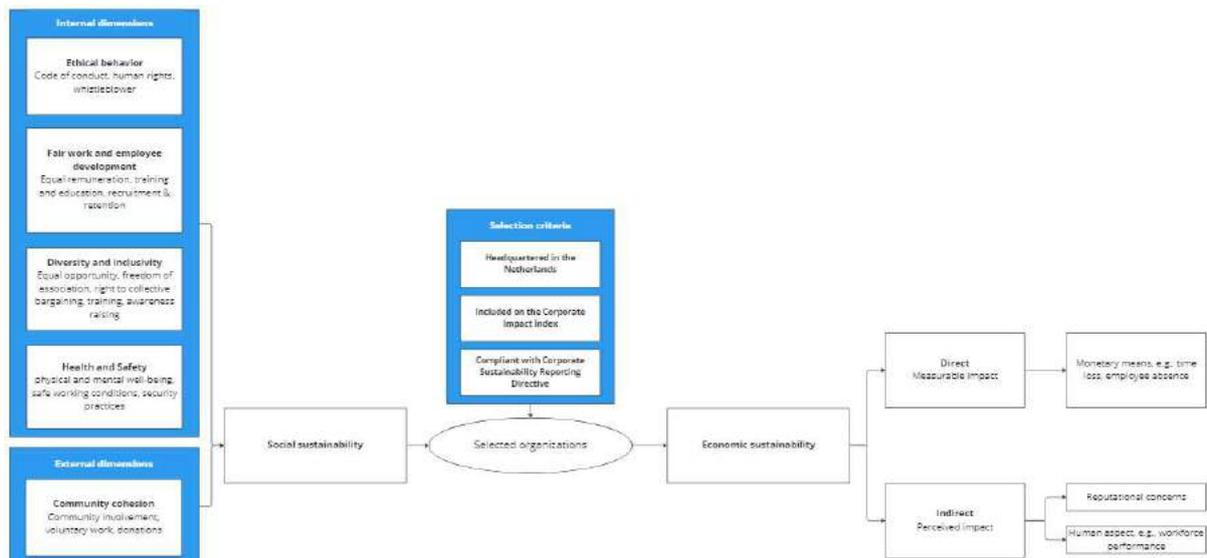


Figure 5. Revised theoretical framework

6 Conclusion

Chapter 6 presents the conclusion of this research. Therewith the sixth chapter answers the following sub-research question:

What can be concluded regarding the social sustainability dimensions that impact economic sustainability in organizations?

6.1 Conclusion

This theory-developing and theory-testing research set out to determine the social sustainability dimensions and test their perceived effect on economic sustainability at major business organizations in the Netherlands. To answer the main research question, a series of sub-research questions were developed. The sub-research questions subsequently aim to explore and substantiate relevant concepts in literature, set out an appropriate data collection method and determine the research group, analyze the gathered data, and finally make inferences based on the analyzed data and found information in scientific literature.

Sub-research question 1: What are according to the literature on corporate sustainability, corporate social responsibility, social sustainability, and economic sustainability the social sustainability dimensions in organizations?

The concepts and theories found in the literature chapter are utilized to construct the theoretical framework and form the foundation for the empirical aspect of this research. The theoretical framework considers the perception of sustainability both standalone and in the business organization, the social sustainability pillar, and the social sustainability elements found in a variety of documentation. The concepts and theories are based on scientific literature and sustainability indexes and benchmarks.

The adopted definition of sustainability in the business organization is: "Context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance (Aguinis, 2012)." The definition incorporates the predominate triple bottom line theory utilized in this research within the business organization. Furthermore, the definition differentiates between both implied regulations under policies and organizational actions.

The adopted definition of social sustainability is "Socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities (Dyllick and Hockerts, 2002)." The definition recognizes both the individual and the societal. The definition also acknowledges the communities in which the organization operates as an impactable environment.

The adopted definition of economic sustainability is an extension of economics and is defined here as "Economic systems support sustainable social and environmental outcomes, where economics is the process through which humans create social and environmental outcomes (Spangenberg, 2005)". The definition of economic sustainability highlights the required means to continue the operation and that those means can be used for social and environmental investment purposes.

The considered social sustainability indexes and benchmarks are Indicator frameworks, International and National Standards and Guidelines, and SRI indexes. The benchmarks consist of a variety of larger and smaller elements. This research categorizes and assimilates the elements into six overarching dimensions for social sustainability. The result is six overarching social sustainability dimensions of ethical behavior, fair work and employee development, diversity and inclusivity, health and safety, community cohesion, and product responsibility.

The theoretical findings led to the construction of the initial theoretical framework. The initial theoretical framework can be found in section 2.6. The theoretical framework is later adjusted under section 5.5 of the analysis and discussion chapter. The following is visualized under the theoretical framework:

- The social and economic sustainability as a potentially related concept
- The six dimensions of social sustainability, ethical behavior, fair work and employee development, diversity and inclusivity, health and safety, community cohesion, product responsibility, and their related elements
- The financial performance as perceived impact and true impact

Sub-research question 2: What are the data required to validate the theoretical framework?

The data required to validate the theoretical framework resides in the conducted interviews following the criteria. The conducted interviews were recorded, transcribed, and coded. The data required to validate the theoretical framework consists of the interviewee's responses to the questions and the coded segments derived from the transcriptions.

The selected organizations conformed to the following criteria:

- An employee number over 250
- A turnover of 40 million euros or more
- A balance sheet of 20 million euros or more (European Union, 2021)

The organization criteria increase the reliability of this research. Organizations in the Netherlands that meet the criteria are required under European law to report on their sustainability endeavors. Therefore, the selected study population actively engages in sustainability-related endeavors and is expected to contribute to this research.

Sub-research question 3: What can be analyzed based on the validated theoretical framework?

The analysis of the interviews and coded segments results in the analysis and discussion of the found results. An elaborate analysis and discussion can be found in chapter 5. Based on the validated theoretical framework several points of analysis are made.

The defined sustainability perception rooted in the triple bottom line is adequate. The interviewees recognize the social sustainability dimensions. The dimensions that received the most attention within the interview are also the dimensions that receive the highest perceived impact on economic sustainability. The dimension of health and safety was unanimous in its perceived positive impact on economic sustainability. Although the other dimensions receive predominantly positive indications, it is not considered sufficient to conclude their positive impact on economic sustainability. Several elements require restructuring based on the findings of the interviews.

Health and safety is recognized as the most important social sustainability dimension concerning its impact on economic sustainability. Fair work and employee development as well as diversity and inclusivity further highlight the importance of the employee, its hiring and retention within the organization, and the creation of a sense of belonging within the organization. Finally, ethical behavior is predominantly viewed as a precondition to doing business and has severe negative consequences upon unconformity.

6.2 Social sustainability dimensions that impact economic sustainability

This research set out to answer the main research question: "What are the social sustainability dimensions that impact economic sustainability in major business organizations in the Netherlands?" The conclusion to the main research question is drawn based on the answers to the sub-research questions under the theoretical and empirical parts of this research. The following is the conclusion:

This research found that the social sustainability dimension with a perceived impact on economic sustainability is health and safety. Although their impact on economic sustainability was perceived as predominantly positive the other social sustainability dimensions are not conclusive. Out of the social sustainability dimensions, health and safety can be quantified directly, whereas the other dimensions require standardization through KPIs to be functional. The interviewees see ethical behavior as a precondition to exist and emphasize the negative consequences of noncompliance. Furthermore, in the current contemporary settings of labor shortage creating an environment that is inclusive and develops employees is increasingly important to attract and retain employees.

7 Recommendation

Chapter 7 regards the recommendations of this research. The recommendations are categorized into two sections. The first is the recommendations for future research endeavors. The second is the recommendations for large business organizations in the Netherlands. The recommendations are made based on information found in the theoretical and empirical parts of this research.

7.1 Recommendations for future research endeavors

Firstly, this research researched the relationship between two out of three layers of the triple bottom line. In particular, the impact of social sustainability on economic sustainability. The theoretical framework was tested at major business organizations based on a set of dimensions and accompanying elements. Potential future research areas are the impact of environmental sustainability on economic sustainability. Research into the impact of environmental sustainability can be approached in a variety of ways, e.g., in terms of resource depletion, resource emissions, impact on the environment, or a return on investment.

Secondly, social sustainability dimensions. This research identified and aggregated social sustainability dimensions from a variety of sources. However, the interviewees mostly had a general view of the social sustainability endeavors of the organization. Social sustainability dimensions such as employee development and ethical behavior reside in different organizational departments such as human resources or compliance. Therefore, specific research can be conducted related to a single social sustainability dimension and emphasizing its quantification to determine the impact of social sustainability on economic sustainability.

Thirdly, the research perspective. This research is conducted at major business organizations in the Netherlands. The research population was selected for its perceived sustainability endeavors and likely insights. Although not regulatory, smaller business organizations may aspire to implement sustainable business models. Research at smaller business organizations and sector-specific research can indicate an emphasis on different social sustainability dimensions.

7.2 Recommendations for large business organizations in the Netherlands

The following recommendations briefly regard the research population of large organizations in the Netherlands. The sustainability endeavors vary broadly amongst organizations; therefore, the recommendations are more suited to some organizations than others. Two main recommendations are made here.

The first is to substantiate the organizational social sustainability endeavors into a clear set of dimensions, categories, or SDGs, similar to this research. The categorization of sustainability endeavors creates an overview of the related initiatives. Thereafter, the organization can begin to substantiate the sustainability endeavors further and measure performance through KPIs.

The second follows from remarks made in the interviews. On several occasions, the interviewees indicate the importance of attracting, retaining, and developing the workforce in the current market conditions. The increased organizational and societal focus on social endeavors leads to an increase in employees that look for meaningful work and a sense of belonging and are willing to hand in on salary. Communicating the organizational social sustainability endeavors, especially employee development and inclusion may lead to an increase in attracting, retaining, and developing the workforce.

8 Reflection

This research aimed to contribute to the understanding of sustainability. In particular, this research contributes to the understanding of the different pillars of sustainability and the relationship between the pillars of social and economic sustainability. This research identified six dimensions of social sustainability. The main contribution of this research is the categorization of social sustainability elements into dimensions, the establishment of the perceived effect of each dimension on economic sustainability, and several smaller findings.

This research initially set out to quantify the effect of social sustainability on economic sustainability. However, three key factors played a role in a shift towards qualitative research. Firstly, the complexity of sustainability and sustainability-related perceptions. Secondly, the broadness of sustainability and its many facets made it implausible to quantify all elements properly and cohesively within different organizations. Thirdly, a standardized approach to evaluate and ascribe value to all social sustainability efforts was found to be beyond the scope of this research. The result, is explorative research that clarifies the many different social sustainability endeavors and their perceived effect on social sustainability. This research can be utilized as the baseline for future more specific and quantitative research.

Initially, it was expected for this research to produce a wider variety of outcomes. However, the specific focus on social sustainability, the dimensions, the elements, and the perceived effect on economic sustainability warrant the outcomes. The outcomes are suited to answer the main research question and therewith provide a conclusion to the report.

On a more personal level, this research internship report has contributed in a variety of ways. Firstly, conducting this research internship has allowed me to work with highly professional teams teaching me how to perform and communicate in professional settings. Secondly, this research internship has allowed me to make a direct contribution to science while contributing to and satisfying the needs of a more practical society. Thirdly, this research internship required me to act independently and work diligently on a product that I carry the final responsibility for.

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Appendix A

Table 5. Social sustainability frameworks, standards, guidelines, and indexes

GRI	OECD	AccountAbility 1000	Social Accountability 8000	ESG
Anti-corruption	Human rights	Community cohesion	Child labor	Human capital development
Anti-competitive behavior	Employment and industrial relations	Community involvement of company	Forced or compulsory labor	Labor practices indicators
Child labor	Environment	Stakeholder participation	Health and safety	Supply chain labor standards criteria
Customer health and safety	Combatting bribery	Equity	Freedom of association	Business behavior
Diversity and equal opportunity	Bribe solicitation and extortion	Fair work and employee development	Right to collective bargaining	Philanthropy
Employment	Consumer interests	Human rights	Discrimination	Community relations
Equity	Science and technology	Health and safety	Disciplinary practices	Social reporting
Forced or compulsory labor	Competition		Working hours	Human rights criteria
Freedom of association and collective bargaining	Taxation		Remuneration	Rights of indigenous people
Health and safety			Management system	Product safety and impact
Labor				Diversity
Local communities				Industry specific criteria
Non-discrimination				
Product responsibility				
Rights of indigenous peoples				
Security practices				
Training and education				

United nations	European greenpaper	Dow jones sustainability index	Ftse russell	Domini 400 social index
Poverty	Human resource management	Organizational citizenship	Labor standards	Community relations
Gender quality	Health and safety	Philanthropy	Human rights and community	Employee relations
Nutritional status	Change adaptation	Controversial issues	Health and safety	Environmental stewardship
Mortality	Environmental impact management	Dilemmas in lending and financing	Customer responsibility	Human rights
Sanitation	Local communities	Financial inclusion		Product safety and quality
Drinking water	Business partners	Health outcome contribution		Corporate governance
Healthcare delivery	Suppliers and consumers	Human capital development		
Education level	Human rights	Labor practice indicators		
Literacy	Global environmental concerns	Social reporting		
Living conditions		Stakeholder engagement		
Crime		Standards for suppliers		
Population change		Access to drugs		
		Talent attraction and retention		

Appendix B

Table 6. Operationalization of the constructs and variables of the theoretical framework

	Constructs	Dimensions	Elements	Scale
Social sustainability	Internal dimensions	Ethical behavior	Reporting systems, auditing targeting befitting anti-corruption, anti-competitive, human rights	Nominal, open
		Fair work and employee development	Fair work and employee development, remuneration, amount of training and education	Nominal, open
		Diversity and inclusivity	Diversity policies, diversity figures, promotion, retention, employee turnover rate, equity	Nominal, open
		Health and safety	Health and safety training, health and safety incidents, vitality programs	Nominal, ordinal, open
Social sustainability	External dimensions	Community cohesion	Charity work, community involvement, donations	Nominal, ordinal, open
		Product responsibility	Partner selection policies, product safety, customer health and safety	Nominal, open
Economic sustainability	Exact economic impact	Total income/revenue Yearly turnover	Amount in €/year	Ordinal, ratio
	Perceived economic impact	Graded impact	Negative, neutral, positive	Ordinal

Appendix C

Introduction	Commitment <ol style="list-style-type: none">1. Can you indicate how the organization defines social sustainability?2. Can you indicate how social sustainability impacts economic sustainability?	
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Internal dimensions	<p>Ethical behavior</p> <p>3. Does your organization engage in ethical behavior?</p> <p>4. In what way does your organization engage in ethical behavior?</p> <p>5. Do the actions in ethical behavior have a positive/neutral/negative effect on economic sustainability?</p> <p>6. Can you substantiate your answer regarding the effect on economic sustainability?</p>	<pre> graph LR subgraph Ethical_behavior [Ethical behavior] E1[Form unions] E2[Human rights] E3[Anti-corruption] E4[Anti-competitiveness] E5[Code of ethics] E6[Whistleblower] end subgraph Employment [Employment] E7[Job creation] E8[Promotion opportunity] E9[Remuneration] E10[Training and education] E11[Involvement] end subgraph Equity_and_Diversity [Equity and Diversity] E12[Gender, age, group dispersion] E13[Managerial functions] E14[Equity and diversity training] E15[Superior integrity] end subgraph Health_and_Safety [Health and Safety] E16[Health and safety training] E17[Safe work] E18[Health care services] E19[Health promotion] E20[Security] end Ethical_behavior --> ISS[Internal social sustainability] Employment --> ISS Equity_and_Diversity --> ISS Health_and_Safety --> ISS </pre>
	<p>Fair work and employee development</p> <p>7. Does your organization engage in fair work and employee development?</p> <p>8. In what way does your organization engage in fair work and employee development?</p> <p>9. Do the actions in fair work and employee development have a positive/neutral/negative effect on economic sustainability?</p> <p>10. Can you substantiate your answer regarding the effect on economic sustainability?</p>	
	<p>Diversity and inclusivity</p> <p>11. Does your organization engage in diversity and inclusivity?</p> <p>12. In what way does your organization engage in diversity and inclusivity?</p> <p>13. Do the actions in diversity and inclusivity have a positive/neutral/negative effect on economic sustainability?</p> <p>14. Can you substantiate your answer regarding the effect on economic sustainability?</p>	
	<p>Health and safety</p> <p>15. Does your organization engage in ethical behavior?</p> <p>16. In what way does your organization engage in ethical behavior?</p> <p>17. Do the actions in ethical behavior have a positive/neutral/negative effect on economic sustainability?</p> <p>18. Can you substantiate your answer regarding the effect on economic sustainability?</p>	

External dimensions	<p>Community cohesion</p> <p>19. Does your organization engage in ethical behavior? 20. In what way does your organization engage in ethical behavior? 21. Do the actions in ethical behavior have a positive/neutral/negative effect on economic sustainability? 22. Can you substantiate your answer regarding the effect on economic sustainability?</p>	<pre> graph LR LS[Local suppliers] --- CC[Community cohesion] CW[Charity work] --- CC D[Donations] --- CC CS[Customer satisfaction] --- PR[Product responsibility] PS[Partner selection] --- PR PSS[Product and service safety] --- PR CC --> ESS[External social sustainability] PR --> ESS </pre>
	<p>Product responsibility</p> <p>23. Does your organization engage in ethical behavior? 24. In what way does your organization engage in ethical behavior? 25. Do the actions in ethical behavior have a positive/neutral/negative effect on economic sustainability? 26. Can you substantiate your answer regarding the effect on economic sustainability?</p>	
Future improvement areas	<p>27. What are the possible future improvement areas and opportunities regarding social sustainability?</p>	