
Guest editorial: Multi-stakeholder engagement and responsible business

Journal of Service
Management

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The call for responsible business practices has become increasingly resonant across diverse stakeholder groups in the contemporary business landscape. Governments, investors, communities, customers and employees demand that firms address systemic environmental and societal issues. This collective demand has spurred a significant transformation in how service firms operate, pushing them toward adopting more responsible business practices that align with or contribute to the United Nations Sustainable Development Goals (UN SDGs).

The UN SDGs provide a comprehensive framework for addressing global challenges such as poverty, inequality, climate change, environmental degradation, peace and justice. For service organizations, aligning business strategies with these goals is not merely a matter of compliance or corporate social responsibility (CSR); it represents a fundamental shift towards sustainable value creation.

This shift is driven by the recognition that long-term business success is inextricably linked to the well-being of the broader ecosystem in which companies operate. As a result, service organizations are embracing responsible business practices aligned with or contributing to the UN SDGs and are actively reporting on their sustainability efforts. Beyond mere reporting, those organizations, as part of various ecosystems, engage with multiple stakeholders to enhance their approach to sustainability. Within this ecosystem approach, there are essential factors to consider enabling such sustainable value creation by responsible business practices for all stakeholders.

The role of governments

Governments play a crucial role in this paradigm shift by setting regulatory standards and providing incentives for sustainable practices. Policies promoting renewable energy, waste reduction and fair labor practices compel firms to rethink their operational strategies. Additionally, governments often act as large-scale consumers of services, thereby influencing market dynamics and setting benchmarks for responsible business practices through public procurement processes.

Investors' influence

Investors, too, have become powerful advocates for sustainable business practices. The rise of environmental, social and governance (ESG) investing reflects a growing awareness that responsible business practices can drive financial performance and mitigate risks. Investors are increasingly scrutinizing firms' ESG disclosures and integrating these factors into their investment decisions. This trend has prompted many service firms to enhance transparency, adopt rigorous sustainability reporting, and engage in more proactive stakeholder dialogs.

Community engagement

Communities are at the heart of the sustainable development discourse. Service firms often operate within complex social fabrics where their activities, directly and indirectly, impact local populations. Engaging with communities helps firms understand local challenges and



Journal of Service Management
Vol. 35 No. 4, 2024
pp. 461-463
© Emerald Publishing Limited
1757-5818
DOI 10.1108/JOSM-07-2024-524

opportunities, fostering a collaborative approach to problem-solving. This engagement builds trust and enables firms to tailor their services to meet the specific needs and aspirations of the communities they serve, thereby enhancing their social license to operate.

Customer expectations

Customer expectations are evolving rapidly, with a growing preference for brands that demonstrate a commitment to sustainability and ethical practices. Service firms respond by embedding sustainability into their value propositions, from eco-friendly products to services promoting social good. This alignment with customer values can differentiate firms in competitive markets, drive customer loyalty and open new revenue streams.

Employee involvement

Employees are crucial internal stakeholders whose engagement is vital for successfully implementing responsible business practices. An organizational culture that prioritizes sustainability and ethical behavior can enhance employee morale, attract talent and boost productivity. Empowering employees to contribute to sustainability initiatives and involving them in decision-making can foster a sense of ownership and commitment to the firm's broader mission.

The reporting imperative

Public reporting on sustainability activities has become a cornerstone of responsible business practices. Transparent reporting satisfies stakeholder demands for accountability and enables firms to benchmark their progress, identify areas for improvement and communicate their contributions to the UN SDGs. Robust reporting frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) provide valuable guidelines for firms striving to enhance their sustainability disclosures.

The multi-stakeholder engagement approach of this special issue underscores the interconnectedness of firms and the broader societal and environmental context. Service organizations that embrace this approach and align their operations with the UN SDGs are contributing to global sustainability efforts and positioning themselves for long-term success. The evolving expectations of stakeholders require firms to continuously innovate and adapt, fostering a dynamic interplay between business practices and sustainable development imperatives.

As co-editors of this special issue on responsible business for the *Journal of Service Management*, we aim to inspire further research and dialog on how service firms can effectively navigate and contribute to this transformative journey. The six articles featured in this issue originated from a thought leadership conference titled "Multi-stakeholder Engagement and Responsible Business," held from May 4–6, 2023, at the Tarrytown House Estate in Hudson, New York. This conference was supported by the *Journal of Service Management* and the Responsible Business Center (RBC) at Gabelli School of Business, Fordham University.

The RBC at Fordham University's Gabelli School of Business (<https://www.fordham.edu/gabelli-school-of-business/industry-collaborations/responsible-business-center/about/>) is a platform for interdisciplinary engagement in the area of sustainability and business responsibility. RBC advances, convenes and informs cross-industry collaborations; generates and supports academic research and enriches business school learnings to inspire student development and responsible leadership. The RBC's mission is to inspire, inform and activate

industry professionals, academics and students to collaboratively foster a more just and sustainable business ecosystem that serves all people and sustains our planet. The theme of the thought leadership conference and the subsequent special issue was in response to increasing demands from numerous stakeholder groups, including governments, investors, communities and customers, resulting in many service firms feeling compelled to address systemic environmental and societal issues.

RBC proudly sponsored the Thought Leadership Conference as it closely aligned with the organization's mission and strategic objectives, including generating and supporting academic research in the area of responsible business and sustainability. Further seeking to bridge the gap between industry and academia, bringing scholars and practitioners together to develop action-oriented and practical research to benefit a more just and sustainable world. The event not only facilitated the exchange of innovative ideas but also fostered collaborative efforts toward addressing critical environmental and societal challenges.

Subsequently, the six articles in this special issue align with the six tracks of the conference, each addressing critical aspects of responsible business practices in the service sector: customer engagement, technology, performance measurement, organizational culture and leadership, systemic change and collaboration and ethical implications and challenges. Together, these contributions illuminate the pathways service firms can intentionally take toward more responsible business practices.

We invite the readers of this journal to engage with these insights, reflect on their implications, and contribute to the ongoing discourse on creating a sustainable and equitable future for all.

Sertan Kabadayi and Yuliya Komarova

Department of Marketing, Fordham University, New York, New York, USA, and

Jay Kandampully

Department of Consumer Sciences, The Ohio State University, Columbus, Ohio, USA