
INSEAD Explains Sustainability: Stakeholders and Local Contexts



By INSEAD Knowledge with Lite J. Nartey , INSEAD

To be successful in the long run, businesses need to embrace more inclusive and tailored sustainable practices.

As the climate crisis simmers, sustainability is no longer a peripheral concern for businesses but a core element of long-term strategy. Companies face increasing pressure from **diverse stakeholders** – consumers, governments, employees and communities – to adopt sustainable practices. A key challenge is balancing their interests.

To do so, companies must engage with their entire ecosystem, says INSEAD Affiliate Professor of Strategy Lite Nartey in this episode of the **INSEAD Explains Sustainability** series. They should understand the diverse and sometimes conflicting perspectives of those affected by their operations.

This inclusive approach fosters trust and unlocks valuable insights that can drive innovation and sustained success. Ignoring any stakeholder group risks reputational damage and even legal challenges.

“Sustainability by its very nature is interconnected and interdependent,” says Nartey. “Successful businesses recognise that their success is tied to the well-being of everyone in their orbit.”

The pursuit of sustainability also demands locally tailored strategies. A one-size-fits-all approach is inadequate, Nartey observes, as environmental, social and economic realities vary significantly across regions. Local strategies enable businesses to respond effectively to specific challenges, whether it be water scarcity in one area or waste management in another.

This localised approach fosters stronger community relationships, says Nartey, demonstrating a company's commitment to the long-term well-being of the region. It also allows businesses to tap into local knowledge and resources, leading to more innovative and effective solutions.

What emerges is a more nuanced approach to sustainability, one that recognises local contexts and stakeholder interests.

Find article at

<https://knowledge.insead.edu/leadership-organisations/insead-explains-sustainability-stakeholders-and-local-contexts>

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