

CORPORATE SOCIAL RESPONSIBILITY

Introduction

As climate change has become the 'hot topic', the concept of Corporate Social Responsibility has been down played in the media.

Sempre Avanti Consulting believe that the key to managing any climate change issues is the same as the key to managing wider issues of corporate social responsibility – Sustainability.

In fact, both climate change/carbon management and corporate social responsibility can both be seen as part of the move to a new social, governmental and corporate paradigm – Sustainability.

What is Corporate Social Responsibility?

Corporate social responsibility [CSR] has many and varied definitions. From the mushy:

CSR is about how companies manage the business processes to produce an overall positive impact on society

To the hard edged:

There is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits

Sempre Avanti Consulting suggest that CSR can be defined as a company's commitment to operating in an ethical and environmentally, economically, and socially **sustainable** manner whilst balancing the interests of diverse stakeholders including improving the quality of life of the workforce and their families as well as of the local community and society at large

Ethics

The subject of corporate ethic would take a position paper in itself.

Corporate ethics in the age of Enron seem to some to be an oxymoron, and many New Zealand companies have come up short in the way they have treated customers. This is largely because transactional managers have laid down and stringently enforced rules without providing an ethical and social context in which the organisation is to operate.

It is clear that some form of the 'golden rule' should govern corporate ethics. Recent research suggests that treating others well and in a way that you would want to be treated has positive social outcomes.

Organisations need to be completely clear about their ethical position, put in place systems and processes to monitor compliance, engage the hearts and minds of the people with exemplary leadership, and communicate this commitment throughout all the stakeholder communities.

Environmental Sustainability

The broad issues around environmental sustainability have been discussed in our Position Paper – Sustainability is Good Business

Organisations need to be completely clear about their position on environmental sustainability, put in place systems and processes to ensure easy compliance, engage the hearts and minds of the people with exemplary leadership, and communicate this commitment throughout all the stakeholder communities.

Economic Sustainability

Again, the concept of economic sustainability deserves a position paper in its own right. In the long run, an organisation will only be economically sustainable when it earns enough profit to pay for the total cost of capital.

The concept of economic sustainability is well understood and has been promoted by Peter Drucker since the 1960's. In more recent times, Economic Value Added concepts, such as those promoted by Stern Stewart, have come to the fore.

It is clear that such concepts must be embedded into the organisation's business model and clearly communicated to the stakeholder community.

Social Sustainability

It is in the area of social sustainability that CSR is usually played out.

Government, seeing itself as the representative of society at large, regulates and legislates to control an organisation's social impact as well as its economic and ethical impact. In an increasingly regulated environment, the position that the Government will take needs to be understood and factored into any consideration of CSR. The position government takes is conditioned by ideology as well as political pressure from the public and from other political groups.

Local government see themselves as the representatives of the local communities and thereby can have a similar position as central government. The overtly political approach of central government is conditioned somewhat at the local level by a more common sense approach in local government to getting things done.

Local communities interrelate to organisations as customers and partners, customers when consuming the organisation's products or services and partners when consuming sponsorship resources.

The way an organisation treats its workforce and their families has many aspects. When an organisation lays off members of the workforce it is likely to receive attention in all areas – the ethics of outsourcing jobs to Asia – the economics of exporting jobs – the impact of government attitudes to free trade – local attitudes to sweeteners to keep jobs in a region, and so forth.

With an increasing competition for talent, the consideration of an organisation's impact on the workforce and their families goes beyond social sustainability and affects the organisation's economic sustainability. Without enough people to get the job done, organisational initiatives are choked off.

The organisation's position on social sustainability needs to be viewed as a core value of the organisation. Therefore it needs to be lead, sustained, and managed by the CEO and the leadership team.

The Operating Model

So who has to make sure what happens on Monday morning?

Taking each 'issue, some are more strategic while others are more operational – strategic level issues address values and beliefs while operational issues address organisational behaviours and capabilities.

The following table summarises these points, gives a quick 'headline' summary of the issue and suggests where in a business organisation each issue would fit from a responsibility perspective and from the perspective of what organisational officer/manager is responsible for delivering each issue.

For smaller businesses and non-business organisations, most of the responsibility falls on the CEO and leadership team as they will be lacking access to the specialist departments tabulated below.

The new position of Chief Sustainability Officer reflects Sempre Avanti's belief that we are seeing a paradigm shift that will place sustainability at the core of the organisational model for the foreseeable future. The CSO is responsible for the setting the leadership position on sustainability, engaging the rest of the C suite and top reports in the organisation to provide compelling leadership in each of their areas, setting policy and putting in place systems and procedures for ensuring organisational action is embedded in day to day routines. The CSO will have significant organisational power as well as significant influencing skills to ensure others buy in to the Sustainability programme.

Issue	Driver	What is it? (In a nutshell)	Organisational Level Responsible	Organisational Facilitator Responsible for Delivery
Sustainability	Vision and values	Sustainability of the organisation	CEO and leadership team	Chief Sustainability Officer
Ethics	Vision and values	Developing and leading from an ethical core	CEO and leadership team	Strategic Organisational Development Management
Environment	Vision and values	Ensuring the future of the planet	CEO and leadership team	Chief Sustainability Officer
Workforce (1)	Vision and values	How do we treat people?	CEO and leadership team	Strategic Organisational Development Management
Economics	Behaviours and capabilities	Making sure we'll still be in business	CEO and leadership team	CFO
Government	Behaviours and capabilities	Anticipating govt. actions and attitudes and shaping them	CEO and leadership team	Chief Marketing Officer
Society at large	Behaviours and capabilities	Anticipating societal actions and attitudes and shaping them	CEO and leadership team	Assurance
Local government	Behaviours and capabilities	Anticipating govt. actions and attitudes and shaping them	Regional General Management	Regulatory Affairs Manager
Local communities	Behaviours and capabilities	Anticipating societal actions and attitudes and shaping them	Regional Sales and Marketing Management	Regional General Management Sponsorship Management
Workforce (2)	BOTH	Attracting, developing and retaining people	All leaders at all levels	Human Resources Management
Families of workforce	Behaviours and capabilities	Ensuring quality of life	All leaders at all levels	Human Resources Management

Communications and PR underpin all external and internal communications – lavish and relentless communication is required to get the message across

Reporting and Communication

Once an organisation has done all this work on CSR and Sustainability, the formal communication of the results needs to be considered.

You are asking for a PR disaster If it becomes known that your organisation has undertaken some CSR/Sustainability initiatives AND you are not prepared to report the results. The conclusion will be that it showed such a poor result that you are embarrassed OR you have something bad to hide.

However if you know you have the ability to solve or at least mitigate anything that arises then a poor baseline will make any improvements look good.

So before engaging in any substantive work on Sustainability, think through what you are likely to find and consider to what extent you act. Market and political pressure will force you to act sooner or later so you need to go into it with your eyes wide open.

How We Can Help

Sempre Avanti Consulting can help you to start the process of placing Sustainability within the context of Corporate Social Responsibility in your organisation through a structured process of site reviews, systems and process reviews, design reviews, mitigation planning, and mitigation management.

We have dedicated and experienced consultants who are able to assist your organisation with this task.

For more information on this topic and to receive your 30 minute free assessment please contact:

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