

Corporate responsibility: You can't afford to ignore it

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- Businesses can be socially responsible without reducing competitiveness.
- One of the key drivers of corporate responsibility has been the development of the global community, accompanied by the rise of social media.
- This article provides advice on how corporate responsibility can be incorporated into business models.

Companies are increasingly recognising the importance of contributing meaningfully to the community and learning how to integrate corporate responsibility (CR) into their business models, while maintaining economic viability.

Adopting corporate responsibility may give your business a competitive edge

Although innovative products, price point or even convenience are all vitally important to gaining a competitive edge, using your resources, skills and profits to help communities in need may give your business a competitive advantage.

The corporate responsibility concept (CR, also known as 'CSR', corporate social responsibility) helps businesses respond to the ethical, legal, environmental and social expectations of their stakeholders, while at the same time helping them achieve their economic imperatives. Underpinning CR is the notion that companies can, and should, do their part to make a meaningful and positive contribution to the community.

CR combines business management tools, such as global reporting guidelines, governance, risk management processes, supply chains, labour standards, reduction of carbon emissions and anti-corruption measures, with philanthropy, such as

volunteering, fundraising, donations and community engagement.


Responsible and sustainable business valued by employees and consumers

CR is swiftly becoming mainstream for forward-thinking businesses. One of the key drivers has been the development of the global community, greatly assisted by the rise of social media which has brought together citizens advocating for people and the planet.

Their concerns include climate change and adaptation, food and water security, increased global tensions and the ever present divide between rich and poor. This global community is being pushed along by the next generation of employees and consumers who are acutely in tune with responsible and sustainable corporate activity.

Against that backdrop, a well structured, carefully coordinated and well executed CR program can bring a business a great many competitive advantages such as:

- increased customer loyalty
- favourable community and government support
- improved brand image and reputation
- increased sales, higher profits, investor attraction
- operational cost savings
- enhanced innovation



CR must help, not hinder, a business, so it is important that CR fits with your company's needs, capacities and priorities and doesn't impede its economic viability.

- improved productivity and quality
- improved recruitment and retention of staff
- better risk management processes.

Crucially, beyond competitive advantages, CR programs have the ability to make a huge and lasting impact on communities.

How do I structure my company's CR program?

CR programs need to be properly structured and led from the top.

Resources and personnel

Resource your CR program properly and employ the right sized team to lead the charge. The size of the team will obviously depend on the size of your organisation, how advanced or early you are in your CR journey and what your organisation's aims are in the short term, mid-term and longer term.

Commonly, an organisation will employ someone to head up their CR division, in the same way the organisation does for other corporate services such as human resources, communications and finance. That person will need to have the support and backing from the highest levels of the organisation, namely through the CEO, managing director or managing partner. Part of their role will be to champion the work of the CR division and demonstrate to all stakeholders (internal and external) that the organisation's CR offering is endorsed from the very top.

In my experience, a CR program can only succeed with strong support from the most senior people within the organisation. It is also important that the role of the head of CR is properly defined. The lead needs to have sufficient autonomy to set the strategic direction of the organisation's CR program.

Stakeholder engagement

Identify who your internal and external stakeholders are and consider how your company's activities affect them. If you are launching a CR offering from scratch, one of the best things you can do is consult widely.

For example, when I started with the firm, I spent the first three months in the role meeting with all partners one on one to talk in detail about the sort of CR practice they envisaged and the sorts of issues they were keen to iron out. This was a crucial process and while time consuming, it was extremely illuminating.

I learnt a tremendous amount about the organisation, its people, what had been done in the past, some of the areas of concern and where there were existing relationships that I could tap into. Additionally, I conducted an all-staff online survey where I posed seven key questions designed to elicit as much information from our people as possible.

Finally, I also held a lunchtime roundtable discussion in each of our offices with a range of non-partner, senior staff. Those sessions gave

an insight into what was planned and I was able to test certain ideas and initiatives. Armed with all the information gathered over three months, I was able to distil it into a workable policy and manual, with a corresponding CR strategic plan for the next three years.

Policies and procedures

Get your house in order. Ensure that your suite of policies addresses key areas of risk, including health and safety, supply chain management, environmental and community impact and anti-corruption.

Rather than a range of separate policies, it is becoming increasingly common for organisations to consolidate all of their policies into the one document. In my view, this creates a far greater chance of success, because oversight is more focussed rather than being spread across a range of areas.

Reporting

Integrate your strategic plan with your policies and procedures and link them with the legal, ethical, social and environmental imperatives of your stakeholders. Then track and report on performance.

Community investment

Give back to your local community as well as your workforce. The options are unlimited but should be closely aligned with your core business. Use

your existing competencies for the betterment of the community. Donating funds is one way to make a significant contribution, but also engage your people through volunteering, fundraising and awareness raising. In my view, the key to a successful community offering is both focus and genuine investment.

The power of collaboration

A well structured, well supported CR program can produce significant and impressive results. This is particularly the case when corporations collaborate with one another on ambitious projects dedicated to improving people's lives.

A striking example of this type of collaboration is Habitat for Humanity, a global not-for-profit housing provider working in over 80 countries around the world. The companies which partner with Habitat for Humanity include QBE, Boral, ARUP, Dulux, Selleys, Nissan and many others. They help by fundraising, donating building materials and having their staff (and retired staff) work as volunteers on projects both in Australia and overseas.

Following the December 2004 Indian Ocean tsunami which displaced 1.7 million people in a number of Asian countries including Indonesia, Sri Lanka, India and Thailand, Habitat for Humanity worked with its corporate partners to build houses for 25,000 families which had lost their homes.

Another example of corporate collaboration producing significant positive results is the support given by a range of companies in Australia to projects targeting people who are at risk of missing out on the opportunities provided by information and communications technology, including people on low incomes and those who live in remote communities.

For example, on Palm Island — a disadvantaged indigenous community off the coast of Queensland — several corporations partnered with the Queensland PCYC and the state government to provide internet connectivity to the community's youth centre. Cisco Systems provided equipment for wireless networking

and a VOIP phone system; Telstra contributed broadband internet connectivity; IBM donated laptop computers and Austar provided pay TV channel content.

Corporate social procurement

Obviously, large corporations have the opportunity to make a social impact on a grand scale — if they choose to do so — but it would be wrong to think that smaller companies cannot make a difference.

One opportunity available to businesses large and small is to build corporate responsibility into your procurement policy. No matter what your company's line of business is, you need to spend some amount of money every year buying goods and services. These dollars can be used as a tool for social good.

Instead of basing your purchasing decision purely on obtaining the cheapest price, consider giving the work to a disability organisation, a fair trade business or a social enterprise which employs marginalised job seekers. At least let them have the opportunity to give you a quote.

Triple bottom line approach endorsed by the United Nations

CR must help, not hinder, a business, so it is important that CR fits with your company's needs, capacities and priorities and doesn't impede its economic viability. The United Nations advocates for the 'triple bottom line' approach, which it recognises as a successful tool for meeting social and environmental concerns without reducing competitiveness.

According to the website of the United Nations Industrial Development Organization (UNIDO): 'The perspective taken is that for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environmental impacts and act in conformity with societal expectations.' ■

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