



Creating the Future: "Is Corporate Social Responsibility Real?"

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1. Introduction

The Polish poet Stanislaw Lec once asked, "is it progress if a cannibal uses a fork?". John Elkington pursued this thought in his book "Cannibals with Forks: the Triple Bottom Line of 21st Century Business" (first published in 1997).

The related concepts and practices associated with

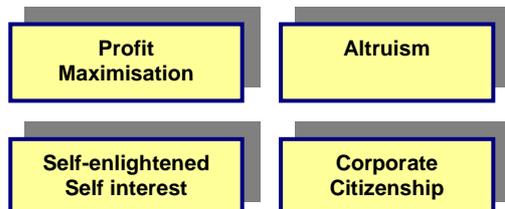
- Sustainability,
- Corporate Social Responsibility (CSR) and the
- Triple Bottom Line - the measured contribution by an organisation to economic prosperity, environmental quality and social development,

are being increasingly considered by organisations in many sectors (with potentially a *quadruple bottom line* emerging due to the growing focus on Corporate Governance).

2. Corporate Social Responsibility Developments

The New South Wales State Chamber of Commerce's *Common Good Program* published a report in 2001, titled "**An overview - Corporate Social Responsibility in Australia**". The report identified that the Australian business community was lagging behind the UK, USA and the EU in some key aspects of CSR. Very few Australian organisations had an integrated strategy to manage CSR activities.

Key drivers for organisations practising CSR were considered to be 1) sustainability and 2) long-term competitive advantage. Four different rationales were being used in the adoption of CSR:



At a recent (March 2003, Sydney) Australian Financial Review BOSS Club seminar on "**Corporate Social Responsibility - Rhetoric or Reality?**" guest speakers Richard Lambert, a former editor of the UK *Financial Times*, and Julia Cleverdon, CEO of the UK based *Business in The Community*, presented their observations and experiences with CSR.

Richard Lambert commented that CSR does not necessarily mean charity nor writing cheques nor PR and marketing spin - it is about raising educational standards, improving working conditions, and organisations having a positive impact on the physical environment. Businesses are able to use their collective powers for the benefits of communities through costed and measured business plans.

He cited three reasons for organisations adopting CSR:

- *It is strategic to their sustainability*
- *It impacts on their values, morale, recruitment and development: for example, London based law firms and banks are involved in community projects in which they apply their management and business expertise*
- *It impacts on their image and reputation.*

Richard commented that companies bring "scale" to CSR projects - their experience in business management, project management and mentoring, and being able to easily form partnerships, take calculated risks, and move quickly with projects.

He suggested that there are two critical factors for CSR success:

- *Active leadership from the organisation's CEO and senior managers*
- *Programs built on properly constructed business cases.*

Julia Cleverdon indicated that business leaders are working with different parts of society to understand *real* community issues - the outcome is that communities can trust businesses that can then be regarded as "good community neighbours".

Julia's views on the drivers for the uptake of UK CSR initiatives include:

- *Increasing community expectations of business*
- *A change in the composition of the workforce - many cultures that are now accommodated*
- *The media's interest in social issues.*

3. Some Global Sustainability Initiatives

The Common Good Program - New South Wales State Chamber of Commerce

The *Common Good Program* is a program that was launched by the NSW State Chamber of Commerce (www.thechamber.com.au) in 2000. The program assists the Australian business community to pursue social and environmentally responsible practices, while building long-term competitive advantage.

Business in the Community - UK

Business in the Community - BiTC (www.bitc.org.uk) is a UK non-profit membership organisation. Its purpose is to "*inspire business to increase the quality and extent of their contribution to social and economic regeneration by making corporate social responsibility an essential part of business excellence*". BiTC's members include many of the UK's FTSE 100 companies.

One of BiTC's initiatives, the annual **Business in the Environment** (BiE) Index of Corporate Environmental Engagement, benchmarks companies' performance against peers, and industries against each other, on the basis of their environmental management and performance in key impact areas.

The 7th BiE Index (2002) formed part of Business in the Community's new **Corporate Responsibility Index**. The Corporate Responsibility Index benchmarks companies on strategy, integration, management practice, performance and impact.

Local Government Internationally

ICLEI, The International Council for Local Environmental Initiatives - (www.iclei.org) is an international association of local governments implementing sustainable development. ICLEI's purpose is "*to build and serve a worldwide movement of local governments to achieve tangible improvements in global environmental and sustainable development conditions through cumulative local actions*".