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PTC 642

16 April 2007

**Podcast Script: The Importance of Integrated
Corporate Social Responsibility Policy**

INTRO

Welcome to the Corporate Communication Podcast series on Corporate Social Responsibility. My name is Paula Some and the title of this podcast is “The Importance of Integrated Corporate Social Responsibility Policy”. In today’s global, competitive market economy, it’s critical that companies integrate a corporate social responsibility strategy throughout their organizations.

BODY

In March 2007, Fortune magazine editors ranked General Electric at the top of their America’s Most Admired Companies list. GE’s “Ecomagination” campaign brilliantly combines investor-friendly increased revenues with a doubled research and development budget. With this strategy, GE has become a 21st century leading industry innovator. Research includes plans for solar energy hybrid locomotives, reduced emissions aircraft engines, more energy efficient lighting, and advanced water-purification systems. What’s more, GE has visibly practiced what it preaches by cutting internal energy bills and reducing their greenhouse emissions. Therefore, it’s no coincidence that General

Electric also ranked number one in its industry on the Fortune Magazine list for social responsibility.

Corporate Social Responsibility has become the “IN” phrase of 21st century business practice. No matter what term used....CSR...Sustainability, Corporate Citizenship, or Accountability....we’re talking about the same concept. For organizations to achieve overall long term global financial success, they must strive to completely integrate Corporate Social Responsibility, or CSR for short. In the 2002 Price Waterhouse Global CEO survey launched at the World Economic Forum Annual Meeting, also in 2002, 70% of the 1161 chief executives in 33 countries surveyed, agreed that CSR is vital to profitability. Current society has certain expectations. Corporations can become more competitive as they illustrate, in concrete and measurable ways, their commitment to a set of values. Most importantly, it is critical to plan how to communicate these values and policy to stakeholders. After all, today, consumers aren’t just buying a product but a reputation and set of values they respect. Furthermore, employees are more likely to reflect positively on their employer when the commitment to social responsibility is obvious to the public.

The ultimate goal here is the “triple bottom line” where economic, social, and financial factors all weigh equally in corporate value.

Let’s further define Corporate Social Responsibility, a concept that is still evolving and gradually reshaping the role of business in society. CSR stems from the idea that

corporations no longer exist in a vacuum solely for the purpose of making money. Instead, they are “citizens” of the global community. This issue is about more than traditional business ethics. As discussed in an article published by the International Business Ethics Institute, business ethics is rooted in preventing harm and managing risk. On the other hand, CSR recognizes the positive impact business can have on society. CSR defines the values of an organization as it engages with the rest of society. One company is distinguished from another not only by product and service, but by how they each deliver and represent their core values. CSR accounts for the social and environmental impact of a company and its operations rather than just financials. CSR includes good employment practices, workplace diversity, fair trading, environmental responsibility, human rights practices, and community investment.

Effective CSR affects the entire lifecycle of a product and all levels of an organization. This is especially important for multinational companies that must deal with varying laws and regulations all over the world. For example, a U.S. company purchasing supplies from Asia has a responsibility for the working conditions in the supplier’s factory.

This example helps illustrate that an effective CSR policy creates a proactive rather than reactive operation. Certainly in the public relations arena, it is better to promote positive social responsibility than respond to an internal crisis originating anywhere the company operates. Unfortunately, in our globalized world, it’s become easier for companies to think only of the financial bottom line and try to circumvent international laws or standards. Effective CSR makes this type of activity less attractive since stakeholders throughout the organization require accountability.

An important question for us to continue discussing is...why is CSR relevant? Today's business operates in a world of increasing affluence, increasing social expectations, and market globalization. Our highly connected information-centered world makes businesses and their actions immediately and widely visible. Companies are now expected to make positive contributions to community, and are judged not only by product quality but by their reputation. Reputation is in great part determined by how well companies communicate their commitment to society.

CSR is all about being responsible and responsive to stakeholders. Stakeholders are anyone who affects or is affected by a company's operations and actions. Ok, so exactly who are these stakeholders? We're talking about employees, investors, government, the community and the media. Customers, including consumers and distributors are also stakeholders. The last group is business partners, and includes suppliers, unions, trade associations and service providers. Today, stakeholders have become empowered and have tremendous influence on the activities of an organization.

It's important to note that organizations sometimes develop CSR, or stages of CSR, due to the pressures or requirements of certain external factors. In other words, because of laws, regulations, or societal demands, companies literally have no choice but to instill a policy. For example, US banks must adapt to regulations that require that loans be provided in low-income communities where they operate. In the Manufacturing industry, regulations mandate health and safety CSR. Companies that deal with natural resources

are under the watchful eye of non-governmental organizations ready to pounce on environmental issues. Sometimes these factors are regionalized. US corporations traditionally tend to get involved in community affairs and volunteerism to some degree. In Europe, there's pressure for better CSR reporting and participation in CSR forums.

It is critical for corporations and other organizations to acknowledge the need for CSR policy and develop an implementation plan. Now, in the 21st century, effective CSR means developing a complete strategy that begins at the highest levels and permeates through an entire organization. A new international study by The Society for Human Resource Management titled "2007 Corporate Social Responsibility: A Pilot Study" revealed that 4 out of 5 organizations surveyed in the US, China, India, Mexico, Brazil, Australia, and Canada have some sort of CSR policy. The 20% of companies without a strategy risk losing competitive advantage. So, we ask, where to begin?

An organization looking to implement or upgrade CSR should first conduct an internal evaluation of existing practices. Various assessment tools are readily available from a number of sources. For example, the Boston College Center for Corporate Citizenship offers an online survey to determine an organization's stage of CSR development. Once this is complete, new policy should, in some form, address the following:

1. a clear statement of vision and organization values
2. complete stakeholder consultations
3. creation of policies that align corporate commitments to stakeholder expectations
4. measurement of social performance

5. embedded strategies to address social issues within the organization
6. create links between stakeholder consultations and corporate governance
7. a commitment to regular reporting and continuous improvement

The Center for Corporate Citizenship provides some examples of methods currently being used by corporations for embedding their CSR strategy. These include:

- establishing a Bd of Directors level committee or Top Executive Steering Committee.
- implementing CSR risk management systems
- utilizing a Stakeholder and Issues Management matrix
- monitoring key performance indicators and conducting internal reviews
- conducting life cycle value assessments
- using triple bottom line score cards
- instituting employee sustainability training

It's not enough anymore for companies to just say or write that they take the idea of Corporate Social Responsibility seriously. It's not enough to casually walk through the steps of employing some basic strategies to connect with a few key stakeholder groups. Measurable CSR must be highly visible and communicated effectively. Proponents of CSR see it as a vehicle to open doors and create competitive advantage in today's global economy.

For a complete list of resources used to develop this discussion, please visit the CorpCommPodcast website.

OUTRO

Thank you for tuning in. Again, this is Paula Some. You have just listened to a Corporate Communications Podcast on Corporate Social Responsibility.

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