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EXECUTIVE COMMENT

Corporate Responsibility Among Business Council Members

Over the past few years, Corporate Responsibility (CR) has become an important part of an organization's business strategy; and members of the Business Council of BC (the Business Council) are no exception. A broad definition of CR includes the social and environmental aspects of an organization's activities that go beyond the ordinary course of business. This definition also encompasses the concepts of triple-bottom-line reporting, sustainability and corporate community involvement.

The Business Council recently canvassed its members to "elicit member attitudes, experiences, and activities concerning corporate responsibility." For the purpose of this survey, the definition of Corporate Responsibility was "loosely defined", in order to better understand "how [Business Council] members conceptualize CR." The survey focused on four areas of interest: organizational commitments and utilization, barriers, motivations and effectiveness of CR.

For many employers, their focus in the area of CR was dependent on the industry they conduct their business in. For example, employers in resource industries were more concerned with environmental issues, compared to the retail industry, which was more concerned with more social/community issues. The most common areas of focus for members were children and youth, community and economic development; education/training; and arts, culture and sport.

The survey found that many employers have made commitments to engage in CR activities. Just under half of respondents have made a full and explicit commitment to CR. While many employers have committed to making CR a part of their organization's strategic plan, few have fully developed and implemented their CR activities/programs. Fewer than 40 per cent have fully created and implemented programs relating to CR. This gap between commitment and implementation may be attributed to the fact that a firm's engagement in CR is relatively new, and therefore will take employers time to properly develop and execute programs supporting their organization's strategy.

Nearly all respondents currently make or have made direct financial contributions to non-profit organizations. A significant amount of respondents also supported or encouraged their employees to volunteer or raise funds for charity. Other areas mentioned were donation of goods and services, and engaging in community development. These forms of engagement tend to be the initial stepping stones for many organizations, allowing them time to properly align the CR strategy to the organization's business strategy.



One indication from the survey that the gap, between commitment and implementation, should decrease over time is the increased level of priority given to CR activities/programs over the past three years. “Three years ago, 54% saw [CR] as high or very high priority, today it is 83%, and 90% expect CR to be a high to very high priority three years from now.”

Employers also face many challenges when implementing Corporate Responsibility into the organization’s business strategy. This was the case for many of the respondents. Some of the key barriers recognized by respondents were: lack of employee time and resources, difficulty measuring the impact of CR activities to an organization’s business strategy, and difficulty responding to increasing number of requests from non-profit organizations.

However, for many employers, there seems to be enough benefits to still engage in CR activities. Respondents indicated that engaging in CR has had a positive impact on their organization.

For a majority of the respondents, their efforts “have been somewhat or very effective over the past three years, especially in term of their key drivers”. Respondents believe their endeavours were most effective in demonstrating the organization’s traditions and values, enhancing relationships with communities, building public trust in the organization, and enhancing overall reputation. Employers who have implemented CR have found it to be an excellent recruitment and retention tool.

Although many organizations are taking an active role in CR, there are still many ways “to grow the capacity [of] CR.” This includes: Developing measures and evaluation tools, improve alignment of CR objectives with the business cases, develop common terminology, raising awareness of a comprehensive approach to CR, and continue to share best practices.

Overall, majority of the respondents were “strongly engaged in many aspects of CR.” It appears that Business Council members “feel there are significant benefits to participating in and supporting the communities in which they live and operate.”

The general consensus is that CR initiatives have significant benefits to participating. The Business Council hopes that by increasing awareness of corporate responsibility, BC will become “a center for innovative approaches to CR.”
