

Can CSR help engage employees?

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If by “CSR” you mean groups of staff going off to paint an old people’s day center, or raising funds for a company “charity of the year,” then perhaps, in a modest way, yes. I prefer to talk about responsible business and sustainability – companies minimizing their negative environmental and social impacts, and maximizing their positive impacts. In other words, corporate responsibility (CR) is not just about community involvement. Rather it is about how the business carries out everything that it does. Good HR is an integral part of CR. In that sense, does CR help engage employees is a circular argument.

Giving employers pulling power

Seeking to be a business that continuously improves its environmental, social and governance performance can improve employee engagement and overall business performance in several important ways. There is a proportion of employees who particularly want to work for such an employer. Consider the following:

- A 2007 study of UK senior executives found that: “Employees expect the business that they work for to adopt a like-minded approach to the environment, community welfare, sustainability, employee diversity and work/life balance” (Institute of Chartered Accountants in England and Wales, 2007).
- A September 2009 article in the *Harvard Business Review* notes that: “Recent research suggests that three-fourths of workforce entrants in the United States regard social responsibility and environmental commitment as important criteria in selecting employers” (Nidumolu *et al.*, 2009).
- The Reputation Institute asked to what extent people would “prefer to work for a company that is known for its social responsibility.” On average, two-thirds of those polled in some 25 countries would prefer to work for a company that is known for its social responsibility (Boston College Center for Corporate Citizenship and Reputation Institute, 2009).
- Monster Worldwide, the online jobs site, reports that 80 percent of its users, when surveyed, said they are interested in a job that has a positive impact on the environment and 92 percent would prefer to work for an environmentally friendly organization. The same survey (by Ipsos MORI) found that nearly eight out of ten would prefer to work for “environmentally ethical” organizations (Senge *et al.*, 2008).
- Adam Werbach of Saatchi and Saatchi’s Sustainability practice argues in his latest book that “sustainability provides a fresh conversation for soliciting employee input, unleashing employee creativity, surfacing and recognizing leadership talent, and driving innovation – all of which further engage employees” (Werbach, 2009).

Embedding CR and sustainability

Engaged employees, and especially employee “advocates,” are more likely to offer good service and enhance customer satisfaction. Engaged employees are also more likely proactively to suggest cost-saving ideas and business innovations; and generally be more willing to go the extra mile where they believe their contribution will not just help the bottom-line but will help the triple-bottom line (environmental and social as well as economic).

Customer satisfaction, cost reductions and new product development all drive value-creation. A new study by a European research team, led by the Doughty Centre, examines the ways that CR can contribute to these individual drivers of value-creation (European Academy for Business in Society, 2009). In order for these benefits to be realized, companies have to embed CR. The commitment has to be genuine and consistent. Employees will quickly smell inconsistencies and the inauthentic. CR has to be built in to business purpose and strategy. Emerging practice suggests that this requires both the cafetiere and the percolator: i.e. it has to be top down and bottom-up. The board and senior management have to “walk the

talk” and set the tone from the top. There has to be regular communication and stakeholder engagement – not just with employees, but with suppliers and other external stakeholders.

A recent Doughty Centre “How-to” guide for managers identifies how companies can establish and sustain champions networks for CR and sustainability. Retailer Marks and Spencer, for example, has champions for its “Plan A” sustainability plan in all its 570 stores. Telecommunications company BT has managing directors championing each of their key sustainability objectives. Our next how-to guide will examine how companies can make CR and sustainability part of every employee’s job, rather than just the activity of a few. Among the key elements are empowering employees, which means providing training and encouragement, recognizing and celebrating successes, capturing and disseminating good practice and linking sustainability performance to employee’s personal objectives, appraisal and compensation/promotion.

Like all change projects – which is what embedding CR and sustainability is – there have to be regular reminders of what the overall purpose is, what the goals are and what progress is being made. Nowadays, there are many more interactive and immediate mechanisms, such as blogs, podcasts and live webinars, for engaging and communicating with employees.

References

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David Grayson

is based at Cranfield School of Management.

About the author

David Grayson CBE joined Cranfield School of Management as Director of the new Doughty Centre for Corporate Responsibility in April 2007, after a 30-year career as a social entrepreneur and campaigner for responsible business, diversity and small business development. He is a Visiting Senior Fellow at the CSR Initiative of the Kennedy School of Government, Harvard. He has Masters degrees from the Universities of Cambridge and Brussels, and an honorary doctorate from London South Bank University. He has co-authored several books on CR. David Grayson can be contacted at: david.grayson@cranfield.ac.uk