

Management thinking

Starting to 'get' responsibility

The message that corporate social responsibility has to be an integrated part of core business practice finally appears to be getting through, says Phil Rudolph

At the end of last year, my Ethical Leadership Group colleagues and I embarked on a series of meetings with our ethics and corporate responsibility clients to better understand their list of goals, wishes and concerns. Think of it as a "listening tour", inspired by the crazy notion that consultants are likely to be better at what we do if we genuinely "get" and are interested in what keeps our clients up at night.

We learned quite a few valuable things from the company leaders. One cry we heard from many of these leaders resonated especially powerfully with me. This "wish" was enunciated in a variety of ways, but may fairly be summarised as follows: they strive for the day when their corporate responsibility and ethics functions are so fully integrated into the business of their companies that they are no longer thought of as separate functions at all.

For other business functions, this day has arrived, or can certainly be seen in the immediate future. Safety at most companies (at least those in the developed world) has become inseparable from, rather than adjunct to, day-to-day business operations. Diversity efforts are woven into the broader human resource management at more and more companies, rather than appended to it.

Recognising the opportunities

At risk of oversimplifying, this evolution has occurred as companies have recognised the fundamental link between these issues and the strategic objectives of the business itself.

Corporate responsibility is not yet there. But some recent activities have reinforced for me just how far corporate responsibility has come. For example, two years ago this month Andrew Newton and I were debating in the pages of this magazine Clive Crook's cover story in the 22 January, 2005, issue of the Economist ("The Good Company"), which savaged the notion of corporate social responsibility. In contrast, Business Week's 29 January, 2007, cover story, "Beyond the Green Company", offers a clear-eyed discussion of how and why corporate responsibility has moved to the top of the agendas of many chief executives.

And no lesser a light than Michael Porter, writing with Mark Kramer in the December 2006 issue of Harvard Business Review ("Strategy & Society"), states: "CSR has emerged as an inescapable priority for business leaders in every country." They add that successful businesses will be those that understand how to integrate corporate responsibility into their core strategies. The authors devote the rest of their lengthy discourse to building a framework for helping businesses to do precisely that.

With due respect to Dr Porter, what he describes as "a new way



Bringing responsibility into the circle

to look at the relationship between business and society" is not all that new. Many people, including myself, have made this point before, and the strategic importance of corporate social responsibility to business was quite ably addressed in Ian Davis's excellent opinion piece ("The Biggest Contract") in the 26 May, 2005, issue of the Economist. Nevertheless, the fact that Dr Porter and the Harvard Business Review have jumped on the bandwagon is nothing to sneeze at, and the Porter/Kramer piece offers a degree of depth and insight that should certainly advance the conversation.

Not so new

So, the academics and journalists have plainly started to get it. But more importantly, businesses leaders themselves appear in far greater numbers to be moving past the notion of "CR as PR".

The just-released PricewaterhouseCoopers 10th Annual Global CEO Survey reports that 81% of chief executives surveyed (1,084 interviews in 50 countries between September and December 2006) either agreed or strongly agreed with the following statement: "My company's development programme focuses increasingly on equipping leaders to take a role in creating a sustainable business environment." Notably, an identical percentage of respondents agreed, in a US Chamber of Commerce survey conducted in late 2005, that companies need to make corporate citizenship a priority.

What this says, at least to me, is that a significant number of businesses have got past the "why" of ethics and corporate responsibility – a critical breakthrough – and are now trying to wrap their brains around the "how". And this, in turn, tracks the far less statistically significant but very real feedback my colleagues and I heard during our December road trips. Ethics and corporate responsibility leaders strive to be fully integrated components of the engine that impels their businesses forward – a goal they appear to share to a greater and greater extent with their senior leadership.

I'm not so naïve as to think that all business leaders understand this, or even that those who do will be able to move easily from recognition to strategic implementation. But, they say acceptance is the critical first step on the road to progress. I'm delighted to find a growing band of fellow travellers on that road. ■

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