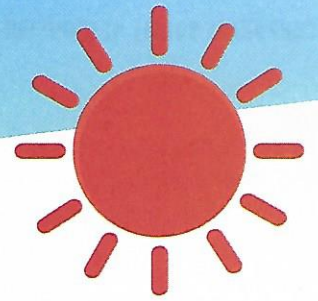




CORPORATE SOCIAL RESPONSIBILITY



HAPPY CUSTOMERS



THE GREATER GOOD

David Finney, CQP MCQI, explores the rationale behind corporate social responsibility and how to incorporate it into an organisation's quality management system



Why would a busy organisation take time to develop a corporate social responsibility (CSR) profile? For three reasons: The desire to make a meaningful contribution to the greater good; the need to increase staff engagement and enhance employee satisfaction; and the recognition that customers have demonstrated that CSR influences their buying habits. Furthermore, why would they need to incorporate CSR into their existing business or quality management system (QMS)? ►

In 2009, Business in the Community Ireland, a non-profit organisation, revealed in its CSR Survey that eight out of 10 people said an organisation's commitment to social and environmental responsibility was important to them when forming a decision to buy a product or service. Following that survey, various studies have demonstrated that consumers' buying intentions are influenced by a company's approach to CSR. In a 2017 survey by Cone Communications, 87% of consumers said they would purchase a product because a company supported an issue they care about, and 76% will refuse to buy from a company if they learn it supports an issue contrary to their own beliefs. Significantly, 8,000 businesses around the world signed the UN Global Compact pledging to show good global citizenship in areas of human rights, labour standards and environmental protection.

Originally, CSR had been perceived as a project, an initiative or a programme of events that a company would undertake to demonstrate that it is running a profitable business while making a social contribution globally or locally. The evolution of CSR has produced a different kind of philosophy, where many organisations are embedding CSR into business practices to ensure that the business is being run in a responsible manner and that making a positive social contribution is a central part of the management system. Corporate Responsibility Adviser, Wiebke Flach, a freelance consultant, explains: "Adopted properly, corporate social responsibility today should mean that businesses are shifting their approach to risk management of brand and reputation to looking at climate change, resource scarcity and modern slavery in supply chains as drivers for innovation, quality and sustainability. CSR can significantly contribute to cost savings, from improved resource management to increased staff engagement. Attracting and retaining talented staff, as well as customer trust and brand value." What was once seen as a differentiator for choosing a supplier is gradually becoming an expectation.

CSR in a quality management system

The 'Context' clause in ISO 9001:2015 invites organisations to think more broadly about the world around them while the 'Leadership' clause calls for integration of the QMS into the business, ie, that the quality policy and objectives are aligned with the key aspects of the organisation's context, including its strategic direction. This presents an opportunity for



CSR STORIES



A COMPANY ONLY FOCUSED ON QUALITY IS IN DANGER OF IGNORING ITS SOCIAL RESPONSIBILITIES



GreySpark

GreySpark is a management consultancy specialising in financial services. Its headquarters are in London and it has offices in other locations around the world. GreySpark's approach to CSR reflects ISO 26000:2010 Clause 6.2.3.2: "An organisation's decision-making processes and structures should enable it to ... encourage effective participation of all levels of employees in the organisation's social responsibility activities".

Frederic Ponzio, GreySpark's Managing Partner explained that the company's approach is to empower employees to demonstrate CSR leadership from anywhere across the business. CSR activities are hence driven by staff and coordinated by the company's human resources team, and they encompass a wide variety of voluntary and other charitable causes. Every member of staff is allocated six days a year each for approved CSR initiatives which are managed through a timesheet system. The company has found that collaboration and camaraderie generated across different staff levels has helped to strengthen relationships, which the management team has found to be particularly beneficial in those challenging projects that do not run as smoothly as planned. CSR now forms a core part of GreySpark's strategy for recruitment as graduate applicants are enticed by the potential added value to their personal role. There is now a CSR section in the company's quarterly newsletter which has helped to embed this behaviour into the culture.



businesses to think and act in a more holistic manner and for business leaders to engage with the standard in a way they may have not done previously. Issues not necessarily connected directly to the product or service can be brought into the QMS so that organisations can simultaneously bolster their CSR profile.

The standard provides useful notes (Clause 4.1) that includes guidance around PESTLE (Political, Economic, Sociological, Technological, Legal, and Environmental), a tool that facilitates analysis into the external factors impacting on an organisation. Issues such as ethical trading, information security and environmental management can be brought into the QMS without necessarily having to achieve conformity to social accountability standard SA8000, environmental management ISO 14001 and information security management ISO 27001. What company would not be concerned about its environmental impact and about information security breaches? The arrival of the General Data Protection Regulation (GDPR) and the increased number of fines administered by the Information Commissioner's Office has reinforced this. Environmental contribution and information security are increasingly becoming requirements for many clients and so they neatly fall back into the scope of a QMS.

ISO 9001:2015 gives leaders the opportunity to consider what leadership styles are effective while risk-based thinking could trigger a powerful question: What are the risks of pursuing our business goals to the detriment of other issues? Business leaders will need to consider all impacts to feel comfortable with their decision-making. ISO 14001:2015 'Environmental Management Systems' cites in its introductory paragraphs: "Achieving a balance between the environment, society and the economy is considered essential to meet the needs of the present without compromising the ability of future generations to meet their needs. Sustainable development as a goal is achieved by balancing the three pillars of sustainability." A company only focused on quality is in danger of ignoring its social responsibilities; hence this is not about certificates. If a company is not certificated to ISO 14001, does this mean it does not care about the environment? If a company doesn't have certification to SA8000, does it mean it does not have values concerning ethical trading? With this in mind, the primary focus of this article is not certification, but how to incorporate CSR into the basic structure of a QMS. >

BEGIN A DIALOGUE THAT LEADS TO THE TYPES OF CSR INITIATIVES THAT PEOPLE WISH TO BE INVOLVED IN

Forest Green Rovers

Forest Green Rovers (FGR) demonstrates ISO 26000:2010 Clause 7.3.3.2 'Exercising influence' by engaging in dialogue aimed at improving awareness of social responsibility and encouraging socially responsible behaviour. The League 2 football club was awarded the first ever 'Green Heart Hero' Sustainability in Sport Award for its public vegan declaration. The award was presented to the company by the Climate Coalition at a ceremony at the British Parliament.

Dale Vince, Chairman of Forest Green Rovers, and Owner of Ecotricity, stated: "Personally I'm vegan and have very strong views on the environment, animal welfare and human health. Sustainability and sport are two words that aren't often seen together, but at FGR we're bridging that gap and demonstrating that there is another way."

Tesla Cars were the first automotive company to publicly declare that their cars were 100% vegan "to accelerate the world's transition to sustainable energy."

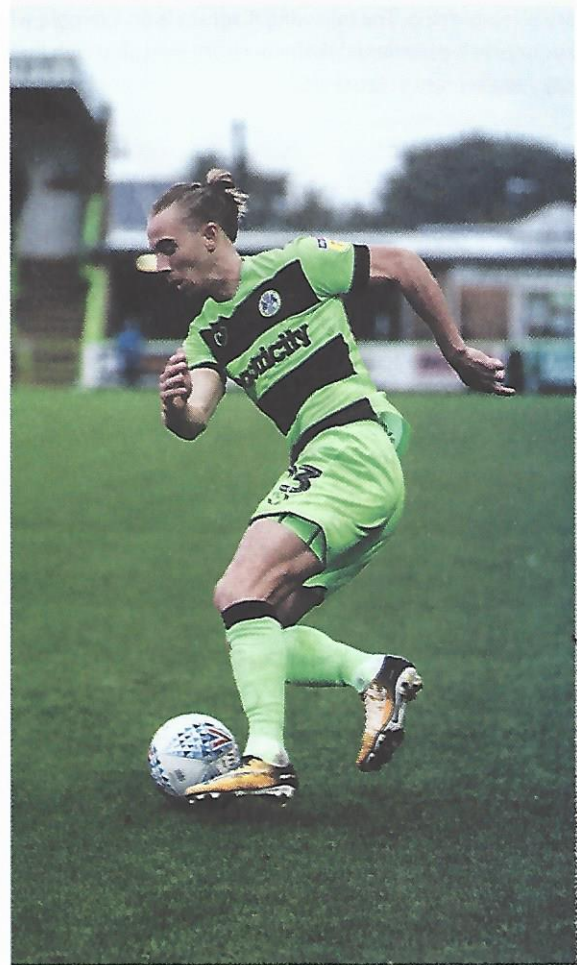


Photo: Forest Green Rovers Football Club

Commencing CSR and QMS integration

So where would an organisation start? Below is a four-step guide to initiating a programme where CSR is integrated into a QMS. If you have already embarked on or transitioned to ISO 9001:2015, step 2 may have already partly been achieved but could be revisited with a CSR perspective. If you already have ISO 14001:2015, the environmental aspects may have been covered and if you have ISO 27001:2013, the information security threats may have already been realised. Integrated management systems aim to prevent siloed thinking.

1 Establish a CSR coordinator who will have the motivation and the drive to make things happen but who also recognises the importance of not neglecting aspects of their existing role. Depending on the size of your organisation, you might consider supporting the role with some CSR champions.

2 Conduct a context analysis whereby the focus is very broad and is therefore not solely about delivering products and services. A spider diagram that maps each interested party around the organisation and states the key issues and requirements may be helpful. For simplicity, you could divide the interested parties into five categories: shareholders, staff, society, suppliers and subcontractors. Look at issues and impacts but ensure there is a focus on seeking opportunities. It is also important to recognise and appreciate the good things that you are already doing. The following diagram is an example whereby the key interested parties/stakeholders are indicated with their potential key requirement in brackets:



The glaring omission in this diagram is customers, but presumably those requirements have been taken care of in the original QMS, be it in a formal or informal format. However, customer requirements can also cover some of the above. For example, a computer retail company may require its suppliers to contribute to its environmental policy throughout the supply chain – for instance when hiring a logistics firm, it may ask them to use hybrid or electric vehicles. A charity may be concerned about its promotional merchandise coming from factories using slave

labour (from both an ethical point of view and a legal perspective, ie, the UK's Modern Slavery Act 2015), and so may require its designers to conduct audits on its factories before selection. A financial services company may require its suppliers to implement information security policies such as clear desk, clear screen and access control. And so, when we talk about these as customer requirements, we return once again to the very heart and soul of ISO 9001.

Within the 'society' group are client contacts (as individuals), lapsed clients and prospective clients, all watching the news and social media very carefully. By asking staff what is important to them there, you can begin a dialogue that leads to the types of CSR initiatives that people wish to be involved in.

Community or charity projects (at a local or global level) might involve teaming up with other groups, while in an HR department it could be a good time to ensure there are adequate policies in place (eg, diversity, inclusion) or to launch CSR activity days. Marketing teams can help CSR champions to promote social responsibility both within the company and across the supply chain.

How incredible it would be if an initiative multiplied in effort and effectiveness through the engagement of other interested parties. One group may examine environmental contribution through increased recycling practices, minimisation of energy consumption or reduction of carbon or methane emissions. Success stories could be shared on social media which may result in good PR and possibly increased business from like-minded peers in other companies. This can become a hugely rewarding experience for CSR champions. Inspired and self-motivated staff can build bridges across the business and often produce better work, as Daniel Pink illustrates in his book *Drive*, when he talks about 'intrinsic motivation'.

3 Examine the risks of undertaking each initiative to ensure these opportunities do not create internal or external issues for the business. For instance, some activities may present internal resource challenges or conflict with other strategies in the business and so adjustments may need to be made. This can be measured against the risk of not conducting these activities. Once the final project or projects have been established, CSR objectives can be set for each.

Consider how to evaluate the success of the initiatives, not just through the CSR objectives that have been set but to analyse other key performance indicators (eg, customer feedback, employee satisfaction, repeat sales, new business, etc) and see if any trends appear.

4 Ensure CSR is firmly embedded into the management system – eg, it becomes a regular feature in company newsletters, staff meetings and management reviews (Clause 9.3.3c1 and 9.3.2f).

When we close each day with our thoughts about the work we have done, we might ask ourselves what we did to contribute to the greater good and what we did to detract from it. Business leaders and their brands are constantly in the spotlight and sometimes at the mercy of reactive tweets and posts. The ISO website presentation on ISO 26000 pertinently asks us: "Would you be comfortable if your actions were to become public knowledge?" CSR is gradually becoming an expectation not a differentiator.



United Utilities

ISO 26000:2010 Clause 6.8.3.2 states: "An organisation should ... consult representative community groups in determining priorities for social investment and community development activities. Special attention should be given to vulnerable, discriminated, marginalised, unrepresented [individuals] and underrepresented groups, to involve them in a way that helps to expand their options and respect their rights." United Utilities, the water and wastewater services company for North West England, exemplifies this principle.

It has set 34 responsible business commitments in its business principles covering customers, communities, employees, stakeholders and the environment. This includes 39 measures and targets (agreed to 2020) to demonstrate the progress it is making to operate in a responsible manner. One commitment focuses on "actively supporting our local communities". Of the top 100 most deprived areas in England, 48 are in the North West, and so United Utilities is providing financial support to those in some of the country's most socially and economically deprived areas. Earlier this year, the company held its first ever affordability summit in Liverpool, bringing together organisations from across the region to discuss what more can be done to support those struggling to make ends meet.

United Utilities has also committed to protect and enhance the environment and act to prevent pollution from its operations. This has presented the company with significant challenges. In 2014, its operations caused an environmental incident that resulted in a significant fine, but in applying lessons learnt, performance has improved and the company is now ranked by the Environment Agency as the leading water company for environmental performance.

Each year, the company updates its webpages on its CSR progress and these are reviewed by an independent party. Chris Matthews, Head of Sustainability describes acting responsibly as "a critical driver of business success" which "should be embedded in everything an organisation does".

The relationship between ISO 26000 and ISO 9001

ISO 26000:2010 (reviewed and confirmed as unchanged in 2014) provides guidance on (corporate) social responsibility and, like ISO 9001, is relevant for organisations of all types and sizes. The standard sets out the seven principles of social responsibility which dovetail neatly with the following sections in ISO 9001 (ISO 9001:2015 clauses in brackets):

- Accountability (maps to Clause 5.1.1a);
- Transparency (a QMS scope must demonstrate this, Clause 4.3);
- Ethical behaviour (maps to notes in Clause 7.1.4 and various legislation);
- Respect for stakeholder interests (maps to Clause 4.2, 'Understanding interested parties needs');
- Respect for the rule of law (naturally this applies irrespective of ISO certification);
- Respect for international norms of behaviour (cultural differences in trade, Clause 4.2);
- Respect for human rights (ethical practices, privacy, legislation, Clauses 4.2, 7.1.4, 7.5.3.1b).

The term 'accountability' appeared in ISO 9001 for the first time in the 2015 edition and is defined by ISO 26000 as the "state of being answerable for decisions and activities to the organisation's governing bodies, legal authorities and, more broadly, its stakeholders". ISO 26000 defines a 'stakeholder' as "an individual or group that has an interest in any decision or activity of an organisation". It states: "Stakeholders are people or groups who are affected by the actions of your organisation," which aligns with the ISO 9000:2015 definition of 'interested parties', ie, "anyone who can affect, be affected by, or believe that they are affected by a decision or activity". This is a two-way street that requires active listening and engagement, ideally prior to making potentially harmful decisions. This can be derived from market research surveys aimed at customers or prospects to staff engagement surveys that simply ask: What is important to you as an employee? Of course, in smaller organisations a chat over a cup of tea can often do the job.

ISO 26000 explains how increasing social responsibility contributes to a 'virtuous cycle' where each action strengthens the organisation and the community, encouraging sustainable development, which it defines as "meeting the needs of society while living within the planet's ecological limits and without jeopardising the ability of future generations to meet their needs." ■

David Finney, CQPMCQI, is a trainer, coach, auditor, speaker and founder of The Energy of Conversation