

CSR mind shift: from “Why” to “How”

The global CSR scene indicates that 2014 is going to be an exciting year for the CSR world with emerging trends and brand new products on the horizon.

It took several years and many attempts for the European Commission to come up with a definition of Corporate Social Responsibility (CSR) that is clear, self-explanatory, and does not require a two-page debrief to comprehend the philosophy behind it. This definition is a major contribution to “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

Filling in the gaps

Several years ago, business consulting on stakeholder cooperation and mechanisms was brand new in the corporate environment. In those days, discussions were solely about definition and understanding the basics of CSR. It recalls images of feel-good workshops on philanthropy and its benefits for business and community we delivered for PR agencies, NGOs, or municipality representatives. It is good to see that some business strategies we put together in 2008 are still working. Nevertheless, rapid changes in global society and business development have taken place since and it is definitely time to re-think.

Whatever the status of the economy, there will always be reasons not to invest in something as tenuous as CSR. With the current focus on short term results, business decisions would be made with the rationale of investing in short term product or service development concurrent with other corporations so as not to miss future opportunities.

The top seven trends in CSR

Many strategies, trends, and players are recognizable on the global scene. Here we sum up the Top Seven Trends that are shaping global CSR business community and that will also influence the open Slovak economy with its multinational business scene.

1. CSR is a business imperative
In other words, it is no longer a question of “if” CSR should be implemented in business strategy but “how”. Business partners are looking for sustainable companies, for wholly practical reasons, to save money via decreased resource consumption and to avoid potential damage by bad publicity.
2. Go green
CSR today is mostly about sustainable business – whether the goal is to lower a company’s carbon footprint, be conscious about energy consumption, introduce recycling programs, create eco-friendly products, or gain customer trust. Businesses need to watch for emerging trends here. The recommendation is to go green, but don’t try to eat the elephant all at once. Green companies have a chance to achieve both economic and social benefit by cost cutting and obtaining good public relations.
3. Collaboration on CSR efforts
The numerous CSR ratings together with data from the Reputation Institute indicate that CSR is responsible for more than 40% of a company’s reputation. CSR becomes an important differentiator, but at the same a driver for collabora-

tion. Some issues on the CSR agenda such as education, gender issues, climate change, or poverty alleviation are so massive that working together is clearly more effective.

4. Millennials and employee engagement
Millennials are the most socially conscious consumers to date. PricewaterhouseCoopers has found that 88% of millennials choose employers based on strong CSR values, and 86% would consider leaving if the company’s CSR values no longer met their expectations. Given the fact that by 2020 this generation will make up a significant portion of the workforce, it is definitely time to focus. CSR is securing its position in recruiting future talent and its role in employee engagement is growing.
5. NGO development
As much as there are new opportunities for the private sector becoming involved in solving many social issues, even with great innovation, companies do not improve productivity in the value chain or build an enabling environment alone. Often NGO partners are required to fill in the gaps in relationships, expertise, and resources. In the years ahead it is expected that the NGO landscape will continue its evolution with new issues and organizational models.
6. Communication through social media
These tools are still very new, but it is clear that social media is a game none can afford to sit out. The social media boom has shifted communication



from a static presentation of CSR reports to an interactive dialogue with customers and business partners. Social media is changing the face of CSR and bringing new marketing challenges and opportunities for CSR practitioners.

7. The triumph of transparency
Transparency is considered to be a crucial element in CSR. Most companies are not fond of being transparent about their business, particularly by providing comparable data to an independent third party. Very little is known about HR programs, community impact, or the environmental footprint of companies. In other words, there is no way to tell the difference between a good company and just good marketing. But in today’s world, customers are curious and if companies do not provide information, customers will get it elsewhere.

Conclusion

There is a considerable mind shift influencing CSR tools and management decisions. The CSR environment is country-specific and it is good to know what works and what doesn’t. Demands of all stakeholders need to be recognized and attention shifted from the application of existing frameworks to ways of improving them. With a growing gap between the current focus on short-term deliverables and the long-term sustainability agenda, it is essential to pay attention to CSR products that bring short-term benefits but underlie strategic goals.



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