Building Bridges

Sustainable Development and Corporate Community Investment

A Master's Degree Project submitted to the Faculty of Environmental Design in
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Key Words

1. Corporate
2. Business
3. Investment
4. Responsibility
5. Sustainable
6. Social
7. Marketing
8. Ethics
9. Community
10. Education

"The unfolding of identity,
the integration of personal
character, the realization
of belonging, the
opportunity to experience
love, and the sense of
legacy are what we know
to make life complete.
From these we also derive
our sense of what is
possible. And from these
we also draw our
convictions about what is
right and ethical."

John Dalla Costa, President of the
Center

Acknowledgements

Contents

Figures

"An economy
without community
is unsustainable."

John Dalla Costa,
President of the Center for
Ethical Orientation
(Dalla Costa 1998 p.28)

Executive Summary

This book is about building bridges between Sustainable Development and Corporate Community Investment (CCI). By looking at patterns and trends in natural systems, the economy and the organization, a clear picture leading business towards a more social approach to Sustainable Development is formed. Building on existing philanthropic models, CCI is merged with corporate strategy and becomes an important tool for concepts of Corporate Social Responsibility. In this book you will find an overview of these concepts, how they work with business and what barriers they will likely encounter or try to break down. These concepts are then translated into practices through general methods that guide their implementation. Examples and anecdotal segments of successful ventures can be found throughout the book, along with quotes from leading business people, authors, speakers and not-for-profit organizations. This book goes beyond practices of "eco-efficiency" to include more creative ways to mobilize citizens and generate public involvement in the pressing issues of our time.

"Whereas pollution prevention and eco-efficiency are local problems that can be addressed internally and often linearly, Sustainable Development is a global problem, and a massively complex one at that: it demands a much broader, deeper, and ultimately more creative level of engagement. This is a step corporations have been loath to take and from one perspective understandable so. Sustainable Development is abstract, unwieldy and subversive, and business resists all three."

Carl Frankel
(Frankel 1998 p.48)

14
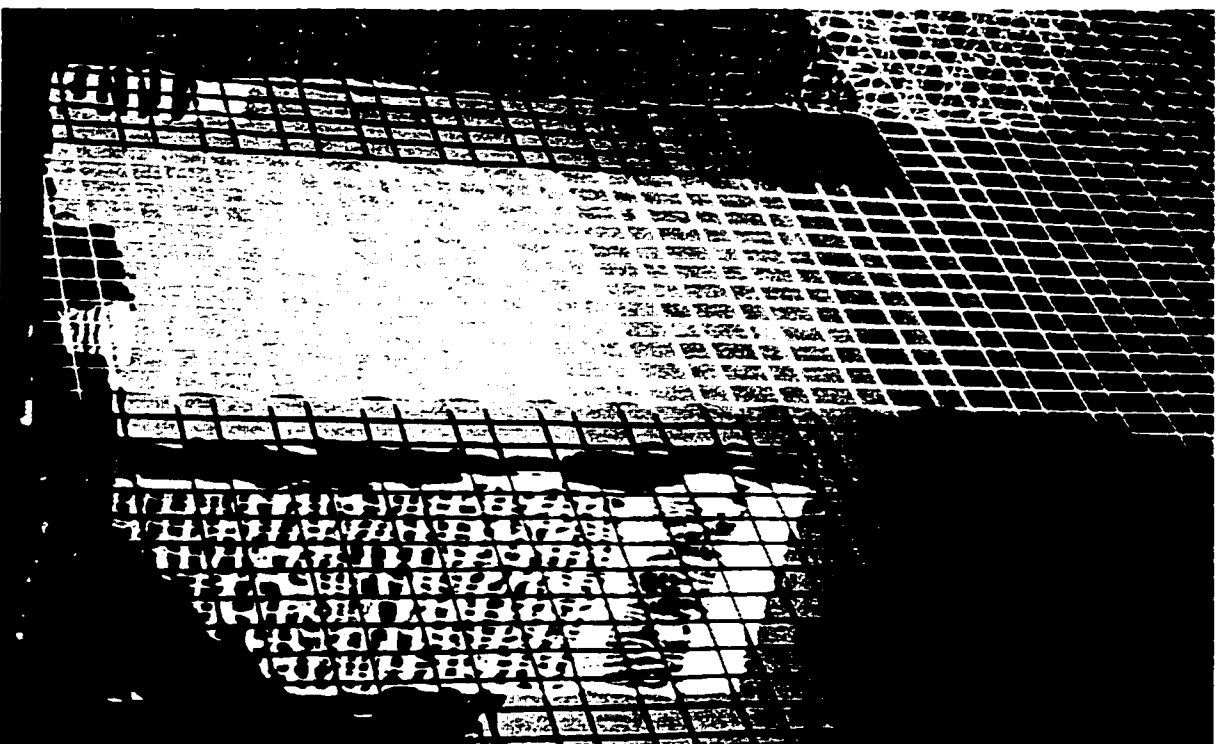
Purpose

This book is intended to influence business, citizens, government agencies, and other organizations to become more Sustainable by promoting innovative thinking, ethical consciousness and responsibility through Corporate Community Investment programs.

This format was chosen to demonstrate the links between Sustainable Development, Corporate Social Responsibility and Corporate Community Investment, in a way that is readable by a broad audience. A comprehensive literature search, key informant interviews and conference materials (See Appendix One) provided the information needed to compile this handbook.

Is This Book for You

Decision-makers, problem solvers creative thinkers, visionaries and practitioners will find this book useful because it explores Sustainable Development and Corporate Social Responsibility in relation to the practices of Corporate Community Investment.

This book can help you find creative solutions to challenging problems, if you agree with Sir Charles Handy, a leading British businessman, who believes the principal purpose of business "is not to make a profit – full stop. It is to make a profit in order to continue to do things or make things, and to do so even better and more abundantly" (Pinney 1997).

How to Use This Book

This book has been written in general terms and is intended to be a catalyst for your ideas. It condenses many of the topics and ideas that surround the concepts of Sustainable Development, Corporate Social Responsibility and Corporate Community Investment. There is no one perfect model or approach to these programs, so each company will be different. The success of implementing solutions is dependent upon your ability to draw from your

organizations core competencies and the expertise of its employees to develop innovative strategies.

As in any book, there is a natural progression through the chapters, but it is written so that you can flip to the sections of most interest. Take the time to enjoy the photographs, graphics and pictographs that run throughout the book. Think about writing notes or highlighting your favorite passages. Notice how you respond to the information and take the time to think before you make your judgement. Most importantly, do not expect to find the "answers" to all of your questions at once, but let your mind be open to the possibilities of what could be.

You will notice that this book communicates on several different levels through different mediums. These are:

The Discussion follows the main concepts of Sustainable Development, Corporate Social Responsibility and Corporate Community Investment with the goal of providing an understanding of how we can work to build socially responsible organizations. The discussion has been divided into eight sections.

The Photographic Essay runs on the lead pages of each section, bringing in strong images to secure the concepts discussed in the following pages. Like the pictographs, the pictures say what words cannot express.

"This is not a New Age call to hang crystals in the boardroom but a recognition that the strategic needs for Innovation, efficiency and enhanced customer service all depend on the dynamics of relating."

John Dalla Costa
(Dalla Costa 1998 p. 8)

Assumptions

Because of the large quantity of information surrounding these topic areas and the potential for heading into tangled and tangential philosophical discussions, these assumptions have been made.

- Corporations exist to make money
- On this planet and in the economies we work in, there is a link between economic and social well being. Business does not prosper in unhealthy communities
- We live in a global community, and know that if we pollute the planet, we are polluting ourselves. Pollution does not abide by political boundaries
- There is mutuality between corporate and social concerns. Companies are dependent upon their employees, employees live in communities and therefore the employees have a stake in the well being of their community
- Everyone has the right to make a living
- Decisions we make today affect the world of the future. A sustainable world has to be one we want to live in

"The responsibility for social well being is shifting away from a total dependence on the state, to a combined responsibility for individuals, families, employers and the state. As we look ahead, social capital is the foundation of economic success in the civil society... and I consider it a responsibility of business to take an active role in shaping that society."

Courtney Pratt, Chairman of the Canadian Centre for Philanthropy's Imagine Campaign
(Petro Canada 1998)

19
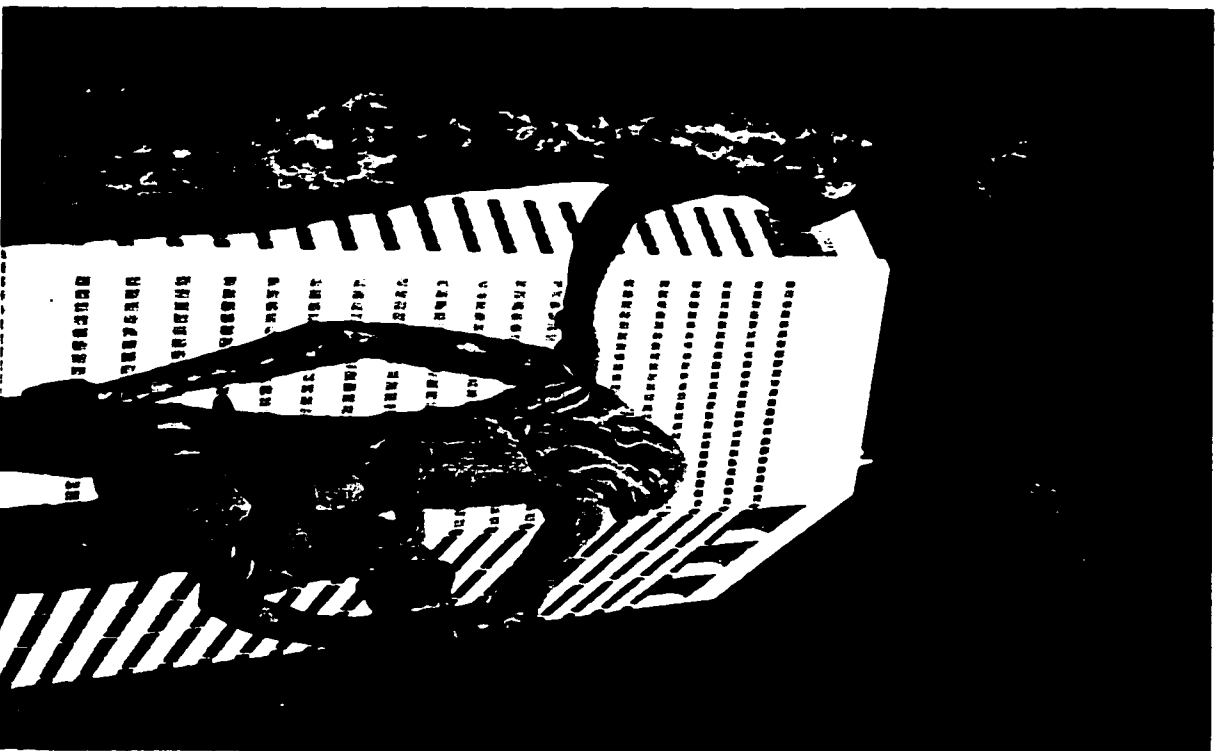
Consider Corporate Community Investment

Defining the Problem

The current economic paradigm is limited by the value It places on the natural environment and the human community.

The skills, knowledge and expertise of business have not been leveraged to solve these problems.

Current business practices are not consistent with natural systems and the human community.

Most businesses environmental strategies have not included social aspects of Sustainable Development

Social aspects of Sustainable Development have traditionally been very hard to measure and therefore justify.

As you can see by the graphic the problem that exists is a complex and circular one. Knowing how or where to make change is often very difficult. This book focuses on the problem that the skills, knowledge and expertise of business have not been leveraged for resolving the broader problems related to Sustainable Development.
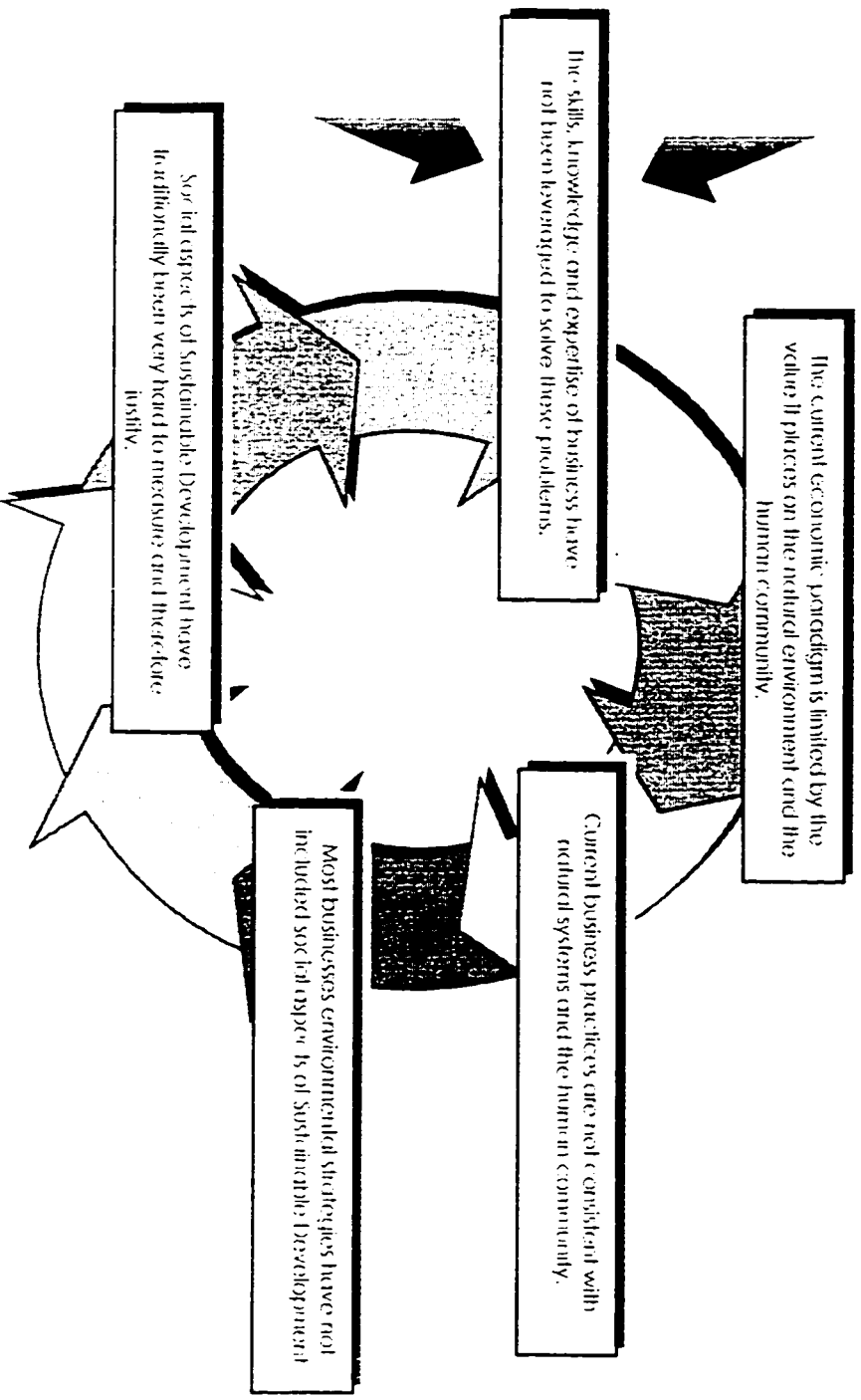
Rationale

The rationale for companies looking toward a more social approach to Sustainable Development is wide and varied. When taking a look at the big picture, we see that there are significant environmental and social problems. We know that industrial activity is largely at fault, but for a long time we have been asking the wrong questions. Faced with reduced government funding and greater social awareness, corporations are being asked to contribute more to the community and the natural environment. Some companies have been successful, while others hide behind a veil of "Greenwashing," or denial. The truth is these problems are not going to go away especially with expected population growth. Many businesses are now asking how they can integrate the concepts of Sustainable Development and the needs of the community into their strategic focus.

Being involved in the community is not a new concept for many companies. What has changed however, are the expectations of stakeholders on how companies operate and their responsibility to society. Investors, customers, public interest groups, government officials, and employees are demanding more of corporations. With higher standards of citizenship, old models of philanthropy have been replaced by innovative strategies that aim to maximize donated money, time, products, services, influence, management knowledge and other resources. Further motivated by the business benefits of CCI (ie. increased sales, employee morale, enhanced ability to compete for valued employees, and being seen as the 'neighbor of choice') companies are beginning to see the opportunities and necessity of bringing private sector resources to bear on particular social problems (BSR 1998).

For a long time, problems of the environment have been separate from business and philanthropy programs. The environment and community programs alike, have usually been viewed as externalities or superfluous to the business objectives. But the truth is business is looking for solutions to remain competitive in a changing environment.

The concepts of Sustainable Development have recognized the linkage between equity, the environment and economy. The problem however, is how these concepts work on the ground. Many barriers inhibit Sustainable Development from becoming practices. As a result, the concept of Sustainable Development continues to be misunderstood and therefore leads to misdirected strategies. However, if we shift our focus slightly, many of the tools for bringing

21

about change toward Sustainable Development already exist. Some lie in technical solutions and processes but the most valuable remain untapped reside in the minds and actions of the world's people channeled into corporate and organizational capacities. This capacity has brought products like Coca-Cola and McDonald's to all corners of the world. If they exist within corporate structure, why not apply these capacities to the cultivation of a civil-society? Mobilize the technology, transportation and communication systems to begin a path toward sustainability. If these tools exist, the question then becomes one of how to mobilize these people and use their strengths effectively to bring about change.

Tapping into the expertise of a company through Corporate Community Investment benefits both the community and the corporation. CCI is a creative process that is a positive extension of how corporations can function in society, re-ignite the human spirit, and have some fun while they are doing it. Corporate Community Investment is closely linked to the concepts of Sustainable Development and encourages ways to think about the "and" rather than the "or". For example how can we run a business "and" benefit the community?

Corporate Community Investment is about people. People are consumers, stakeholders, marketers, family members and members of the world community. People influence people. In fact most successful long-term projects are based at the community level (McKenzie-Mohr 1996). CCI can also provide the means to stimulate wider public involvement, evaluate strategies and monitor progress. This kind of involvement begins to re-establish a sense of trust. Corporations merely act as vertical highways to engage citizens to work towards Sustainable Development in their communities and work environments. Stimulating people on this level fosters innovation, commitment and spirit.

"Already, forward-thinking businesses are seizing the opportunities that are being cast up by our current crisis of unsustainability. Meanwhile other companies hem and haw, while still others do their best to imitate the ostrich."

Carl Frankel
(Frankel 1998 p.xv)

23
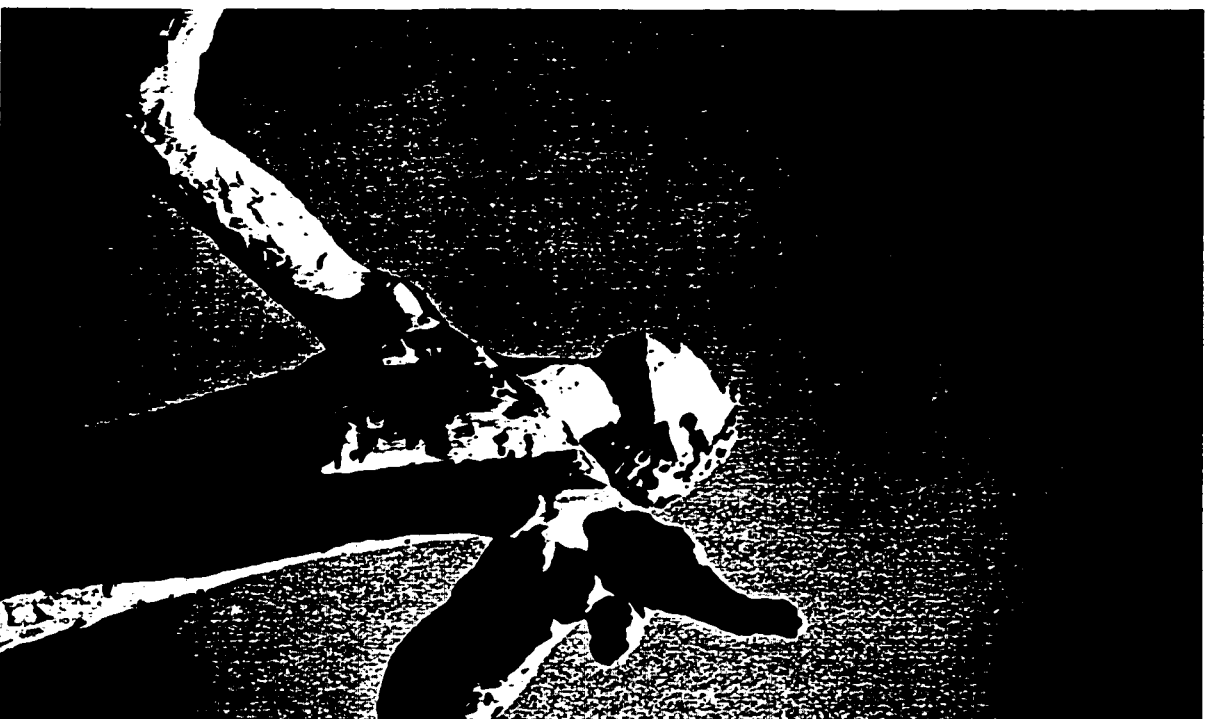
Introduction to the Main Concepts

This section describes Sustainable Development, Corporate Social Responsibility and Corporate Community Investment. These definitions have been collected from a number of sources and are explained with the help of graphics.

Sustainable Development (SD)

Largely driven by the decline of the world's natural resources, Sustainable Development is a term that remains elusive in its comprehension and is limited in part by our own societal conceptual constructs. Most simply it describes a balance between the environment, the economy, and how these relate to the communities of the world. Sustainable Development is about who we are as people and how we live our lives. It is not a fixed point, but a process of evaluation and innovation that incorporates a third dimension – the human spirit.

Social Sustainability...

Traditionally viewed only from an objective perspective, Sustainable Development has been approached as a problem that is serviced by technological fixes. Acceptance of policies and practices addressing environmental problems on this level has become more widely accepted as many of the bottom-line benefits are made apparent. Yet, by their quantitative nature they often fail to address the subjective, or qualitative perspectives that provide the richness and quality of life on this planet. Author Paul Hawken refers to Carl Frankel's work that "points out, the social aspect of Sustainable Development is not only about a more equitable distribution of resources, important as that is. It is also about a new cultural respect for what he calls the 'subjective' dimensions of experience – those aspects that are not readily reducible to raw numbers" (Frankel 1998 p.xvi). Social Sustainability seeks to enrich society with a strong cultural base that recognizes the value of community, ethics, values and sense of place. Addressing issues of social sustainability is an attempt to make sure that the social fabric that supports the frameworks of business, government and society as a whole does not erode - leaving these pillars unsupported.

Sustainable Development is not a fixed or end point, it is part of an ongoing process of continual improvement.

Figure One: Evolution of Sustainable Development

Born out of clashing world views, the understanding and definition of Sustainable Development has evolved and can be categorized simply into four categories; Conservationist, Continuous Improvement, New Industrial Revolutionist and New Humanist.

WORLD

VIEW

Over Consumption

Poverty

ENVIRONMENT SEEN AS WITHIN THE ECONOMY

ECONOMY SEEN AS WITHIN THE ENVIRONMENT

GLOBAL MARKETS

Environmental Degradation

Bigger Footprint combined with Reduced Assimilative Capacity

Destruction of Social Capitol

FINITE RESOURCES
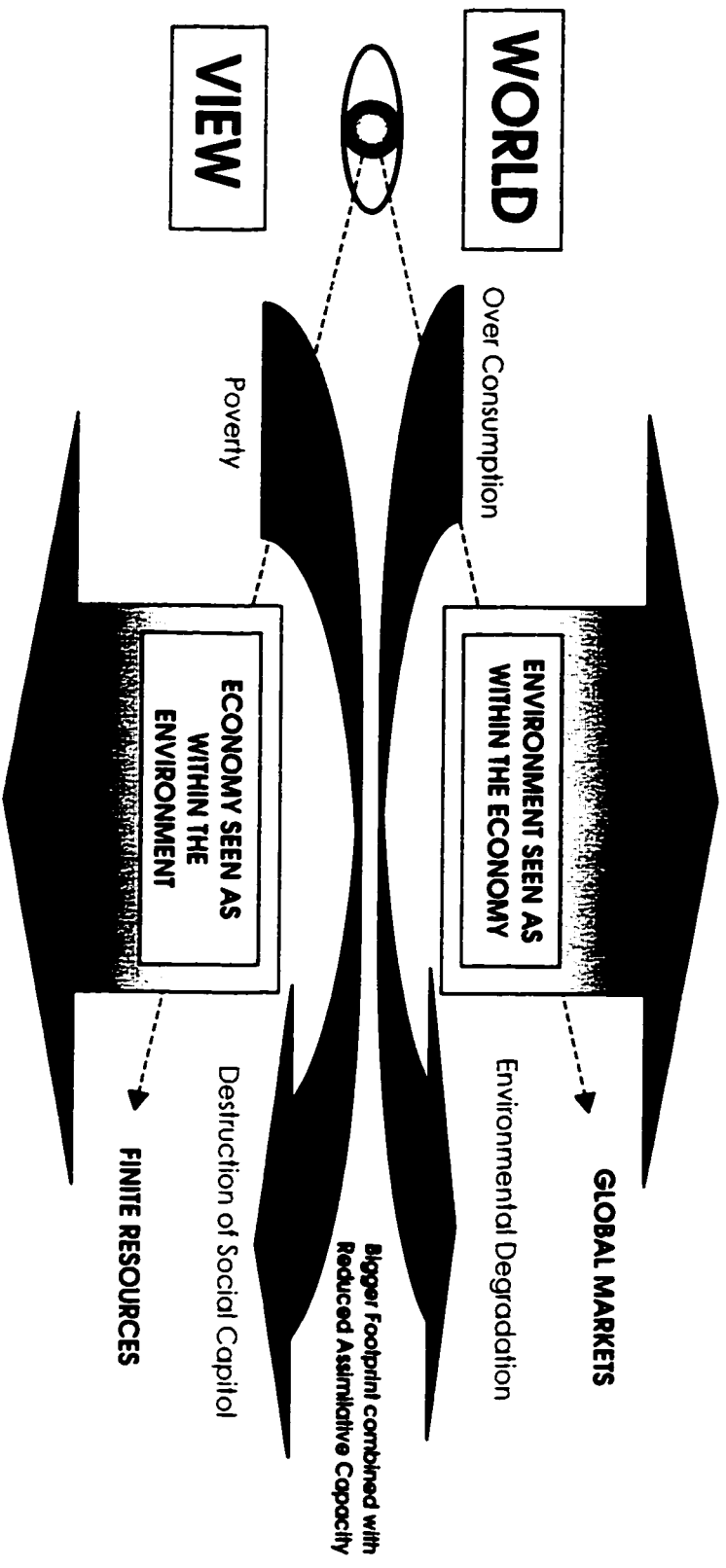
Conservationist

"Meeting the needs of the present generation with out compromising the ability of future generations to meet their own needs" (Frankel 1998 p.21).
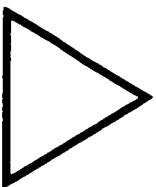
Continuous Improvement

".... the harmonious balancing of these three elements (environment, economy and equity) – growth is to be persued in a manner consistent with environmental protection and social fairness" (Frankel 1998 p.22).
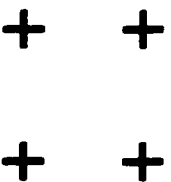
New Industrial Revolutionist

"to remedy the unintended consequences of industrialization .... (and) articulate a set of design principles appropriate to the world, whose population is expected to top out at 10 billion or more "(Frankel 1998 p.22).
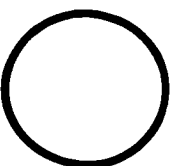
New Humanist

Sustainable Development is about who we are as people. The earth is each of us and we are the earth. We are all connected.

Corporate Social Responsibility (CSR)

According to the World Council for Business and Sustainable Development (WCBSD), Corporate Social Responsibility is the continuing commitment by business to behave ethically, to contribute to economic Development and to improve the quality of life of employees and their families, the local community and society at large.

In short, it is business striving to put back into society some of the benefits it takes out (WCBSD 1998). Corporate Social Responsibility is a "comprehensive set of policies, practices and programs that are integrated throughout business operations (that address issues of: human rights, workers rights, community involvement, supplier relations, and the environment) decision-making processes and [sic. are] rewarded by top management" (BSR 1998 p.1).

Many companies of all sizes and sectors are responding to pressures from customers, suppliers, employee's communities, investors, activist organizations, and other stakeholder groups. The adoption of CSR policies and practices in recent years has been significant and has met with sizeable bottom-line benefits.

The Co-operative Bank

"The Co-operative Bank, has a long history as one of the most innovative banks in the United Kingdom, and more recently it has gained a reputation as a leader in Corporate Social Responsibility. Among other programs and practices, the company is recognized for its (1) strong ethical investment policy statement; (2) social auditing practice; and (3) ethical marketing strategies. The bank's 14-point ethical investment policy outlines the company's position on socially responsible investing, including its decisions not to finance weapons deals to oppressive governments, and not to invest in companies involved in tobacco, the fur trade, animal testing or exploitative factory farming. The company has also been a pioneer in the area of stakeholder relations and social auditing, producing a "Partnership Report" in 1997 that measured impact and identified improvements it could make in social responsibility areas such as customer satisfaction, ecological sustainability, workplace practices, community involvement and ethics. Through its ethical marketing campaign, Co-operative Bank advocates for various issues, such as the concept of fair trade and living wages, environmental protection, the acceptance of diversity and bans on the financing of landmines" (BSR 1999 p.9).

Corporate Community Investment (CCI)

Corporate Community Investment is one tool for bringing the concepts of Corporate Social Responsibility and Sustainability into practice. CCI is a strategic process for investing in communities with the intention of creating opportunities that are aligned with corporate goals and Sustainable societies. CCI presents an opportunity for expanding existing philanthropic practices, strategically enhancing them, aligning them with corporate business goals, and empowering corporations to take action. Once initiated, a successful program should provide the opportunity for continual improvement and input.

SmithKline Beecham

"SmithKline Beecham, a Philadelphia and London-based healthcare company, utilizes strategic philanthropy to address the needs of communities throughout the world by tying its overall community involvement activities with its core products and business strategies. In 1996, the company launched its worldwide Community Partnership Program. The program is managed by four Community Partnership Teams, representing North America, Europe, International and the corporate headquarter cities of London and Philadelphia. Each cross-functional team is led by a senior executive and comprises business managers from various functions (e.g., corporate communications, pharmaceuticals, consumer healthcare, research and Development, legal services, etc.). Each team also has a specific focus. The company's North American efforts focus on better access to health care, and include a US$2.9 million commitment to 140 communities in the U.S. to establish innovative and replicable community health projects. In Europe, SmithKline Beecham focuses on children's health and has developed partnerships with Project HOPE in Bosnia and Russia. This year, the company also initiated a 20-year, worldwide campaign with the World Health Organization to eliminate lymphatic filariasis. In addition to donating its product, abendazole, to every country that needs it until the disease is eliminated, SmithKline Beecham has committed program assistance, health education and employee volunteer support" (BSR 1999 p.9).

Figure Two: Adoption of Environmental Business Concepts

Environmental Performance

Compliance

Risk Management

Corporate Social Responsibility

Sustainable Development

Economic Performance
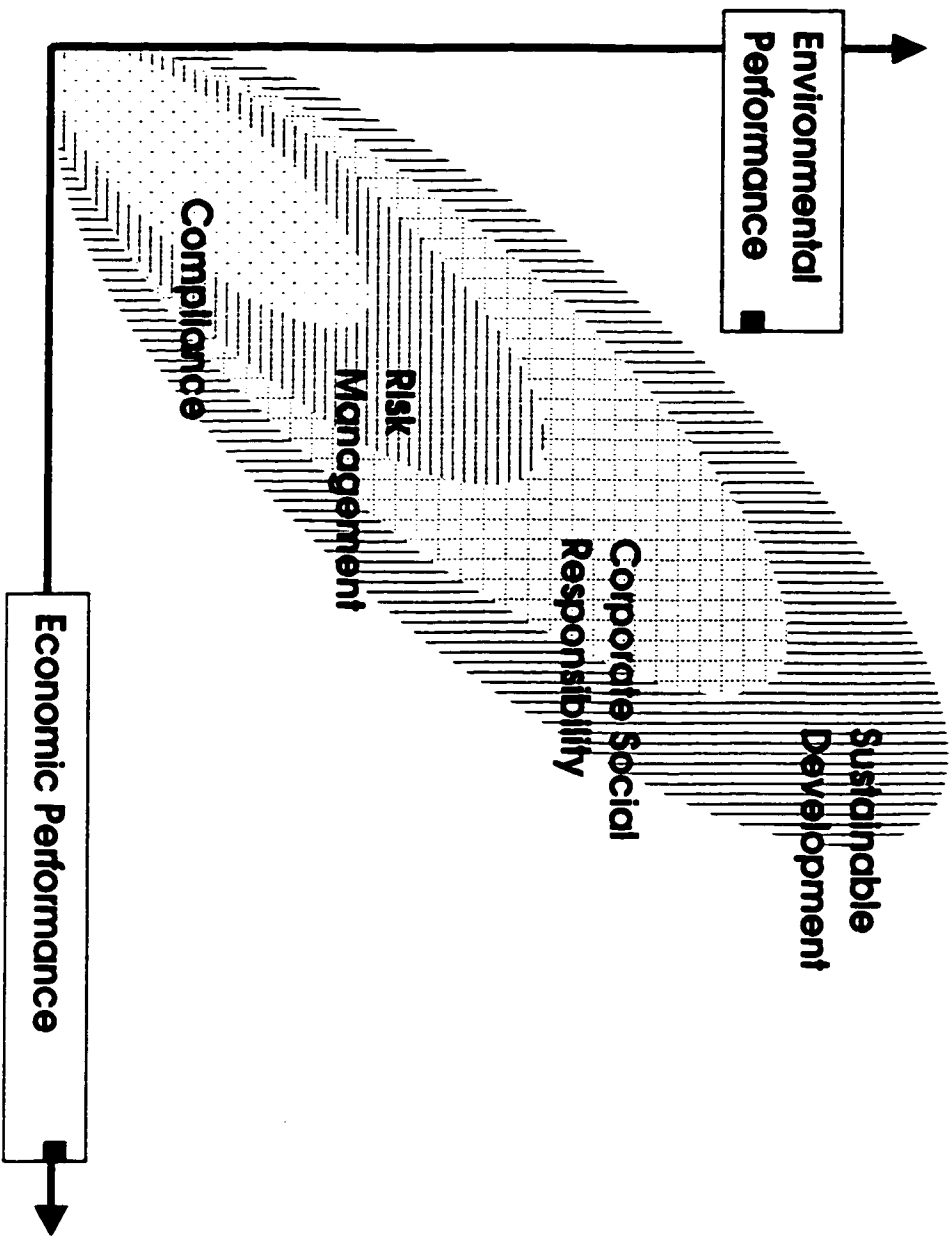
Adapted from IISD 1998

"Many scholars believe that continuing on this historical path might even put our survival at risk. Certainly, there is little to indicate that current sustainability initiatives will be effective at reversing global and ecological deterioration. Indeed, pressure on both ecological integrity and social health is mounting. More effective sustainability initiatives are required, including tools to stimulate a wider public involvement, evaluate strategies and monitor progress"

(Wackernagel 1996 p.3)
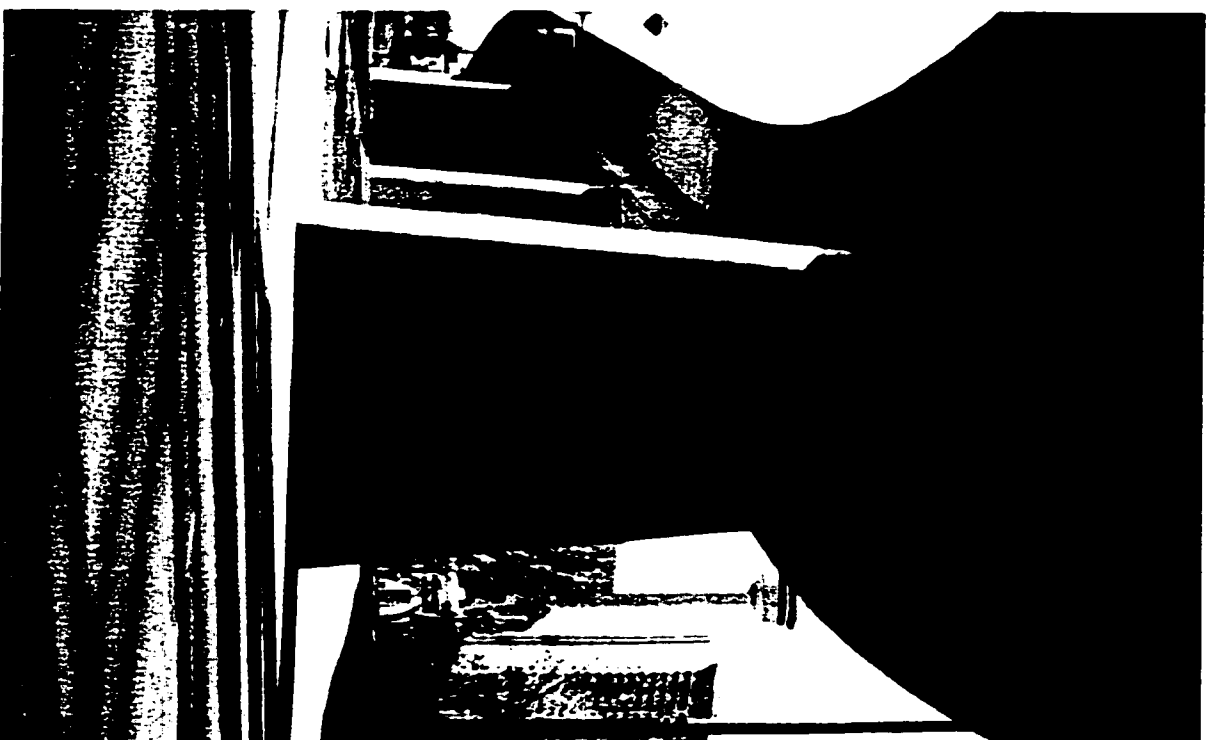
Introduction

Nested within the concepts of Sustainable Development and Corporate Social Responsibility, the focus of this book, Corporate Community Investment, was chosen for its demonstrated value as a tool for building partnerships, promoting transparency, fostering organizational learning and linking public and human relations to the needs of society. These concepts are largely an interdisciplinary expression, demand a holistic approach and address issues of local, national and international scope. Therefore, the practice of Corporate Community Investment becomes a valuable "bridge" with which to align corporate and community interests for a more sustainable society.

Figure Three: Nested Concepts of Sustainable Development

CORPORATE COMMUNITY INVESTMENT

CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABLE DEVELOPMENT
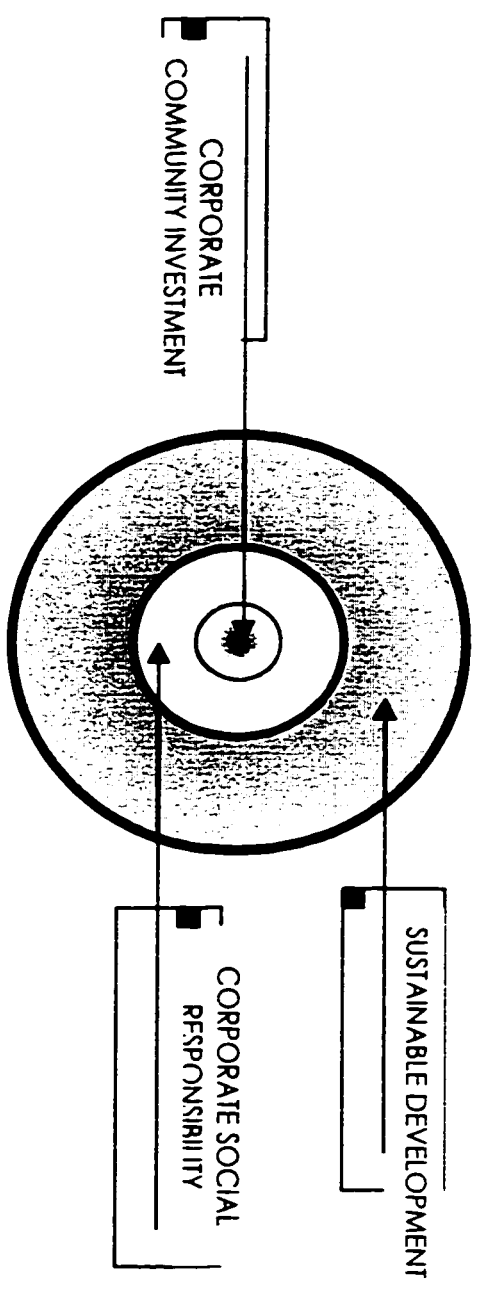
"It is not so much that corporations have missed the boat so much as they are on a slow one; and on one, moreover that is off course. Given the corporate community's critically important role in the pursuit of Sustainable Development, it is essential for it to come to terms with these facts, and to pick up speed and set sights more accurately."

Carl Frankel

(Frankel 1998 p.15)

"Just like we are bio-destroying diversity, we are destroying cultural diversity, the 'gene pool' for cultural evolution."

Peter Senge Center for Organizational Learning at MIT (Dalla Costa 1998 p 19)
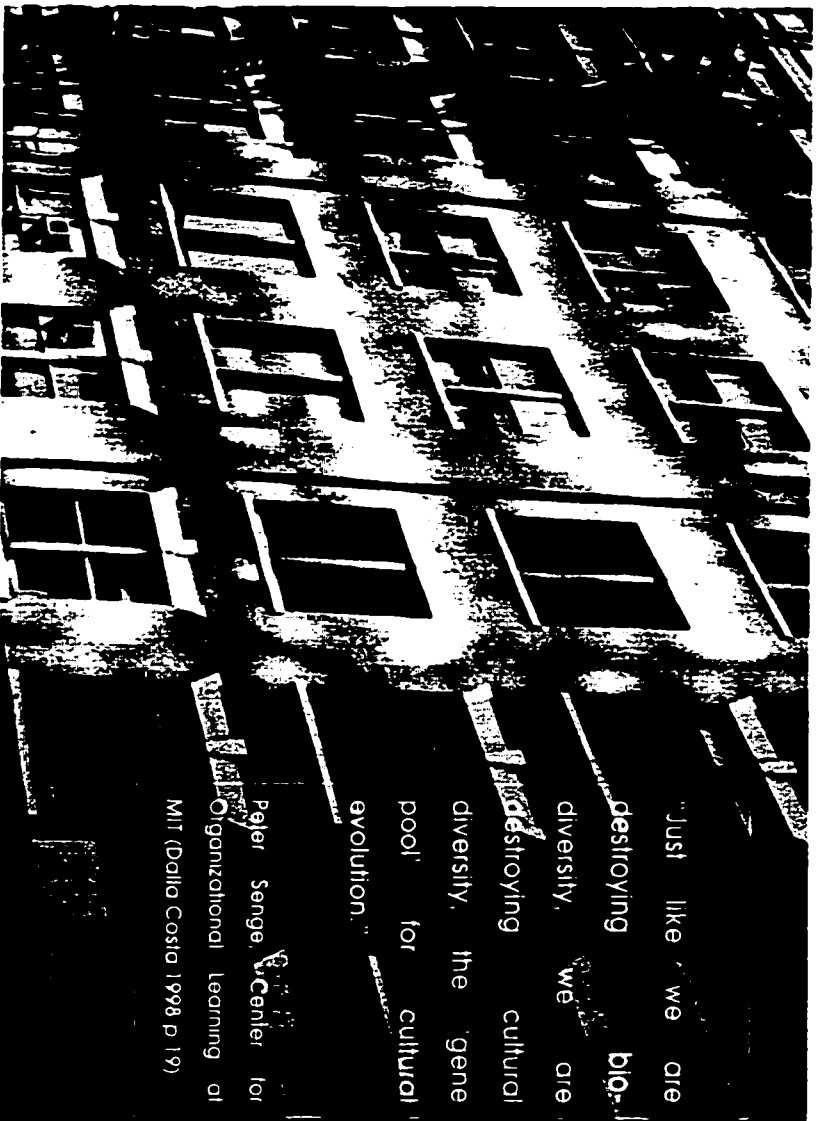
Sustainable Development, so far....

Seeing CCI as a tool for CSR and Sustainable Development demands an understanding of the limitations of our current economic paradigm. This section discusses factors within the current economic paradigm that limit Sustainable Development.

Limiting Factors of Business

Although there have been tremendous advances in the field of environmental management with the creation of new markets, technological advancements, networks, models, frameworks and processes; barriers for Sustainable Development still exist. We have seen a reduction of emissions, advances in reporting and auditing practices, and efforts to integrate the environment into the profit focus of many fortune 500 companies. Despite these advancements, the negatives still outweigh the positive.

"New industrial revolutionist," William McDounough believes that "business has been mistaking eco-efficiency for Sustainable design" and says that "eco-efficiency is an impoverished agenda in terms of the real creative solutions. With eco-efficiency you're inhabiting a world where you wake up in the morning and feel guilty, then spend your day figuring out how to feel less guilty. A sustainable design agenda, on the other hand, says you wake up in the

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Limiting Factors of Business

1. **Perception of Value:** Current societal values and business practices are not consistent with natural ecosystems and the needs of the human community (Dalla Costa1998).

2. **Lack of Awareness:** The business community has traditionally lacked awareness of the role and importance of living systems (Frankel1998).

3. **Measurement:** Modern societal beliefs are obsessed with quantitative measurement, to the degree that what cannot be measured empirically is usually viewed as unimportant or non-existent (Frankel1998)

4. **Institutionalization:** As a society, we have institutionalized these problems.

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morning and feel hope" (Charter1998 p.3). Existing practices will remain impoverished so long as we continue to operate under the fundamental limiting factors of business based in our current economic paradigm.

Perception of Value

The first limiting factor is that current societal values and business practices are not consistent with natural ecosystems and the needs of the human community (Dalla Costa1998). Current values and their preservation translate into the environmental problems that we see throughout the world.

Corporatism is the prevailing ideology in current western culture and the birthplace of globalization. This ideology holds the blind belief that corporations in this position in society are in fact concerned for its best interest. They are not. Their function in relation to value, according to Carl Frankel, environmental journalist and author of In Earth's Company, is to "...make money, not help people save the world" (Frankel1998 p.17). Herein lies the challenge - and one that is so essential for Sustainable Development - to find a meaningful unit to measure the natural capital requirement of the economy.

Our Ecological Footprint

Mathis Wackernagel and William Rees (1996) of the University of British Columbia, Canada have developed such a tool. They have called it "Our Ecological Footprint." The "Ecological footprint analysis is an accounting tool that enables us to estimate the resource consumption and waste assimilation requirements of a defined human population or economy in terms of corresponding productive land area." When comparing North Americans' standard of living to people in the rest of the world using the ecological footprint, Wackernagel and Rees determined that "if everybody on Earth enjoyed the same ecological standards as North American, we would require three Earths to satisfy aggregate material demand using prevailing technology."

Lack of Awareness

The second limiting factor according to Frankel, is the "Business community's traditional lack of awareness about the role and importance of living systems...(making the) assumption that the world's resources are inexhaustible" (Frankel 1998 p. xiii). This lack of awareness leads to economic and management structures which do not consider environmental impact in decision-making. Environmental and social impacts must move from being externalities to key determining factors. "Corporations routinely ignore the biophysical laws and principles that describe how life sustains itself on the planet. Yet enterprise is wholly and hugely dependent on natural forces and living systems. Are there any living systems it can do with out? The atmosphere? the hydrologic cycle? Ocean? What will businesses do if its [sic. their] customers are malnourished, if the topsoil required to produce commodities has a forty-year half-life, if pure water required for manufacturing and consumption diminishes, if the weather becomes so erratic and unstable that it jeopardizes production, investments, and planning? What does business do if it cannot get insurance because climate-related losses have depleted capital reserves, if it no longer can get coverage for product liability because of public health issues, or if the North Atlantic current that maintains the warmth for European agriculture dissipates because of the melting of the Greenland icecap? Then what? Yet these are all real possibilities" (Frankel 1998 p.xiii).

There are many ways to promote awareness, but many of the approaches used up until this point have failed as they either preach to the converted or they are sending the message in the wrong package. The first rule of thumb is to understand how ideas are assimilated and at what rate. Marketers, behavioral psychologists and educators alike know how to do this. But why does business continue to be unaware? The obvious reason is that marketers, behavioral psychologists and educators have not been given the forum to work in and tap into existing networks of communication. Or once again it becomes a question of value, whereby, society does not see the information as relevant.

Measurement

The third limiting factor is one of measurement. "We are a society obsessed by quantitative measurement, so much so, that what can't be measured empirically is typically viewed as unimportant or non-existent" (Frankel1998 p. 23). As a framework for decision making the emphasis on quantitative measurement has manifested itself as an ideology rather than a tool. Frankel quotes Ken Wilber a contemporary psychologist, philosopher and author of Eye

to Eye, to explain this concept further. He says, that according to Smith "With science there can be no quarrel. Scientism is another matter. Whereas science is positive, contenting itself with reporting what it discovers, scientism is negative. It goes beyond the actual findings of science to deny that other approaches to knowledge are valid and other truths true" (Frankel1998 p.23).

Institutionalization

Finally, compounding these three problems is a reliance on an institutional system that perpetuates them. Our education systems, are teaching students how to become managers of information, but few are being taught how to create or even question existing practices to identify fundamental problems of business. "Usually students are taught to contribute to their chosen field by studying a specific area and coming up with a wrinkle they can call their own. When people get rewarded for having a micro-focus, they tend not to notice the big things" (Frankel1998 p.5). If education programs continue to be limited in this way, the business leaders of tomorrow will continue to perpetuate these problems.

Furthermore, the environment of reduced government funding, increased competition, and demand for accountability has caused most social institutions to heed efficiency as a primary goal. Yet, many of their functions are unquantifiable and therefore not consistent with the business focus of that has been applied to them. In an attempt to secure limited resources, the empire building often associated with these organizations limits trans-disciplinary study and co-operation, reinforcement of ethics, creativity and intellectual leadership.

On the ground these problems become a question of distraction and denial, structural constraints and understanding of the goal itself (Frankel 1998). Business must become aware of the urgency of environmental issues in order to make the necessary structural changes to prevailing economic systems. In order to overcome these barriers, Carl Frankel encourages an approach that demonstrates the urgency of environmental issues, creates incentives, and gains a broader understanding of nature and the implications of Sustainable Development.

"Society is entering an era of corporate image, in which consumers will increasingly make purchases on the basis of the firms whole role in society: how it treats employees, stakeholders, and local neighborhoods.
Therefore in maintaining sustained competitive advantage, corporations should pay close attention to their reputation".

(Fouts 1997)

37

Making Commerce Sustainable

This section gives examples of some current models and prescriptions for understanding and working towards Sustainable Development.

Getting Past the Bottom-Line....The Triple Bottom-Line

The Triple Bottom-Line was developed by SustainAbility, a U.K. based think tank, led by John Elkington author of Cannibals With Forks (1998). This model places society, the economy and the environment on three parallel planes demonstrating that "Society depends on the economy, and the economy depends on the global ecosystems whose health represents the ultimate bottom-line." This model shows that the three bottom-lines are in constant flux from political, economic and environmental pressures, cycles and conflicts and these lines or "continental plates" as they are alluded to, will experience social, economic or environmental "tremors" or "earthquakes" as they slide over each other. These "shear-zones" have seen the rise of eco-efficiency practices in many companies, environmental literacy and training and investment. But at each junction there are many other issues and problems to resolve. This model is a way to conceptualize how these three elements of the world interact and their connections.

Paul Hawken and William McDonough, have developed "Seven Steps to Good Business" suggesting that what has traditionally been perceived as a management problem is in fact a design problem, they claim that the industrial system will remain unsustainable until we

redesign it to imitate natural systems. The linearity of the Industrial system limits its ability to fit within natural systems that are circular. Hawken and McDonough believe "it can be done" and propose the following objectives as a guide:

- Eliminate the Concept of Waste
- Restore Accountability of the Corporation
- Make Prices Reflect Full Costs
- Promote Diversity
- Make Conservation Profitable
- Insist on the Accountability of Nations
- Restore the Guardian

Hawken and McDonough, further assert that these objectives "cannot be achieved unless we engage in a creative process that pays close attention to the needs of all people" (Hawkeninc.com). They say that this process needs to:

- Provide secure , stable, and meaningful employment for people everywhere
- Be self-actuating as opposed to regulated or mandated, honoring human nature and market principles
- Exceed sustainability by restoring degraded habitats and ecosystems to their fullest biological capacity
- Be creative and engaging, and perceived as more rewarding than our present way of life (Charter 1998 p. 3).

"Ethics do indeed have a cost, but so do computers. And ethics, other than legal commitments of time, training and measurement, but so do es any other organizational learning"

(Dalla Costa 1998 p. 112)

Which Way to Go

Sustainable Development has long been an unwieldy term that has remained elusive and hard to achieve by business. For these reasons, it continues to stir much discussion but little action. Knowing where to start and understanding where you are going has inhibited many of the best intentions. Some companies have ventured into this unknown territory and have been able to pave the way for those in their wake.

Patagonia is one such company. Based in Ventura, California, Patagonia is an international outdoor clothing and gear manufacturer and distributor. Using both an incremental and a big picture approach, this organization has created not only a strong reputation for quality in its products, but has become known for its commitment to the environment. Programs for material sourcing of organic cotton to social programs that contribute 1% of pre-tax profits to environmental research and design, Patagonia has been heralded as a leader in Sustainable Development through their commitment to the philosophy of "Quality" and the "Environment."

The first direction, is to make incremental changes and build quality relationships. Patagonia claims this as the way they began when considering environmental consequences of their products. Eager to make a change, they went about identifying the environmental effects their products caused, and sought to make changes they could make. One cited example, is that of their move away from buttons made of plastic resins to one that was sustainably harvested from the Brazilian Rainforest. Much to their dismay, these products were returned

Through trial and error, Patagonia found there to be two main directions companies can take when addressing environmental effects and working towards sustainability (Zilliegen 1998).

en-masse after it was found that the new buttons did not stand-up to washing and drying as these processes replicated germination conditions in the rainforest. Patagonia quickly learned that they had to do their homework, and that the piecemeal approach they were then taking was not enough and might in fact be counterproductive.

Later Patagonia commissioned a life-cycle assessment of the four main fibers used in their products. This study demonstrated to Patagonia that there were parts of processing that they could change and others they could not immediately impact. As a result, they were able to focus their efforts in areas with the greatest chance for successful change.

Through this process Patagonia identified the possibility of affecting the production of cotton. Vertically integrating the company in this fashion meant educating the employees and working closely with their suppliers. Sourcing organic materials this way was new to Patagonia, and included purchasers going down to the farms themselves and working within the entire distribution channel. With a commitment to "Environment" and "Quality" Patagonia continues to bring these two values to its customers through its products. Through this experience and others like it, Patagonia has learned many lessons along the road to sustainability. They include:

Lessons in Sustainable Development

- "In order to successfully define and implement Sustainable business, professionals, experts and the general public all need to be engaged. We need to utilize the different competencies, knowledge, and skills we share with others - our vendors, our customers, everyone."

- "It's imperative that we exchange information about the what works and what doesn't."

- "...We often don't know the most effective way to address environmental challenges before us, so partnering is the way to go."

- "If a company doesn't know how bad it is, it will never commit the resources to make the tough changes."

- "While environmental change can be a source of competitive advantage, it's really about how we can all learn to reduce our impact on the natural world."

- "Building Quality products results in quality processes and quality relationships."

(Brown 1998)

41

The second approach is to look at the big picture. The challenge with this approach is to change the perception of value held by shareholders and customers. Until shareholders take a good hard look at the value of their shares, very little progress towards sustainability will be made. Companies must look at their definition of quality and include protection or contribution to the quality of life for all, along with all previous expectations. Shareholders too, must look at more than the bottom-line. They must be convinced of the true value that includes a long-term vision for environmental quality and sustainability. Similarly, the customer needs to see the value in products that address these concerns and make purchases with these factors in mind. This is already happening and can be further encouraged by companies who choose to educate their customers and stakeholders. These relationships create a dialogue that engages customers, employees and shareholders to work together towards sustainability. It acknowledges that sustainability is a work-in-progress that requires collaboration for a common solution. Patagonia believes that sustainability is achievable even though they haven't got everything figured out yet. They are however appealing to others to work with them along this path toward sustainability.

Forecasting and Backcasting

In order to build a world that is Sustainable, we all must take responsibility for our impacts on the natural world and the people in it. This belief is both true for the individual and the group. As environmental managers, CEOs, employees and the like it is our job to think about the future and educate the people on what the world might look like. To ask questions like, where are we going? What kind of world do we want to live in? How might we get there from here? Do these changes add up to anything?

Answering these questions and others like them does not have to be a difficult task. One method for answering these questions is a process called "Backcasting." Backcasting was developed by the people of The Natural Step, to define what we want the future to look like in order to figure out what to do to make it happen. Backcasting, uses the visioning processes and chooses action based on the visions and moves backward. This process is very different from forecasting that draws conclusions from present trends to identify future performance. Forecasting is a linear process that doesn't allow for the creative thinking that is needed for innovation in times of change.

42

The Power of Positive Thinking...

John Dalla Costa, in his book <u>The Ethical Imperative</u>, quotes Nicholas Rescher, Professor of Philosophy, University of Pittsburgh, on the topic of positive thinking. He says "Optimism can never really convert pessimism, except in action, when it can prove the hopeful to be possible. A global ethic represents just this type of hopeful action. It asks business-people to try to think and act with the optimism that, as Rescher writes, 'presses beyond fact to the impetus of value – not by failing to see things as they are but by looking also toward what they might and should be. As the optimist sees it, the good outweighs the bad not in the balance of actuality but in the balance of importance (Dalla Costa 1998 p. 115)'"

Maggie Milne (see Appendix Four) encourages positive thinking as a way to move beyond what she calls the "Yah- Buts," those nasty little phrases that often stifle creativity long before it arises. We have all heard, "...it's not going to work because..." "yah-but they will never approve this..." Try rephrasing these words by using "What if...."

- What if you had this kind of organization, what would it bring you?
- How would you allow it to flourish?
- What could you contribute?
- What would the organization learn in the process?
- What if all newspapers had to be 50% recycled?
- What if you had to pay a deposit on tires to pay for their disposal?
- What if there were credits given for carbon emissions that could be traded?
- What if all product labeling had to include information describing the life-cycle and social commitment of a company?
- What if all air transport had to allocate a certain portion of its cargo for world aid?
- What if my employees volunteered in the community?
- What if I volunteered?
- What if we conducted a social audit?
- What if we created company policy on Social Responsibility, and then educated my employees, customers and shareholders on it?
- What if we supported a cause and made it part of our corporate strategy?
- What if videos on the cultures of the world and how to be appreciative of them were shown to passengers prior to their arrival in a foreign country.

- What if our drivers were part of a crime stoppers and reported questionable behavior in the alleys while picking-up garbage?
- What if all cereal boxes, milk cartons and breakfast food packaging had information to help find missing children? That told stories of kindness? Got kids to join a club and help their community? Didn't teach kids to want more junk?
- What if epidemics like polio, tuberculosis and smallpox were wiped-out?
- What if we all worked together?

"We have long felt that
material things cannot
alone make a great
nation. As we press
forward all along the
line on the material
front we must hope,
too, on the spiritual
front advance in our
artistic expression as a
nation, advance so
that we can lift
ourselves to the level
of our destinies."

Honourable Brooke
Claxton, Chairman of the
Canada Council (1957)
(Canada Council 1998 p.1)

45

The Big Picture

This section looks at a number of forces or patterns that are driving a more social approach to Sustainable Development. As demonstrated by the diagram below this section is divided into three sections: "Natural Systems," "The World Economy" and "the Organization". This approach was chosen to demonstrate external and internal forces that are working to influence the practices of business. The nesting of these categories directly correlate to the nesting of CCI within CSR and Sustainable Development, as shown in Figure Two.

Figure Four: Nested Concepts for the Big Picture

Natural Systems

The World Economy

The Organization

Corporate Community Investment

Sustainable Development

Corporate Social Responsibility
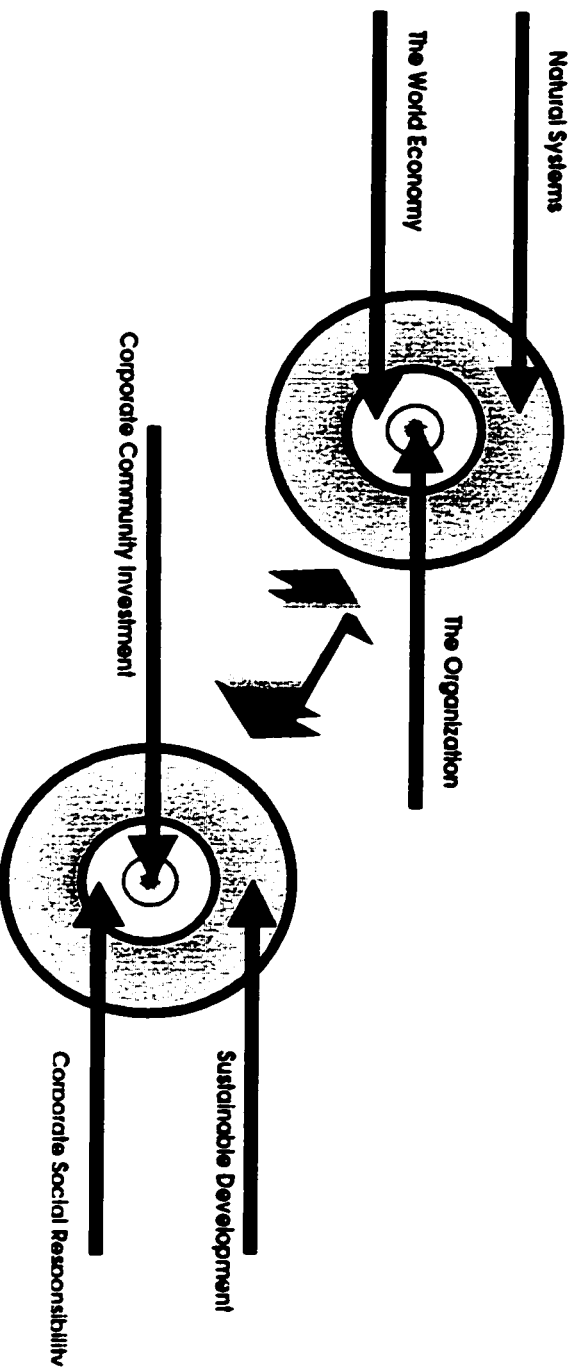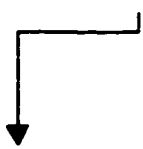
Natural Systems

The Natural Environment

Since the industrial revolution the viability of the world's natural systems that regulate air, water and soil have come under intense pressure. Although largely removed from urban centers, the all the food we eat, the air we breathe and the water we drink is dependent on natural systems. Global warming, holes in the ozone layer, acid rain, deforestation, oil spills, habitat loss and threats to biodiversity all have become issues for business. It is important for business to understand these natural systems and their impact on them. This knowledge is important in order to begin to implement structural changes that allow for Sustainable Development policies and practices. Otherwise business will continue to work within an industrial system which when deconstructed:

- "Puts billions of pounds of toxic material in the air, water, and soil every year
- Measures prosperity by activity, not legacy
- Requires thousands of complex regulations to keep people and natural systems from being poisoned too quickly
- Produces materials so dangerous that they will require constant vigilance from future generations
- Results in gigantic amounts of waste
- Puts valuable materials in holes all over the planet, where they can never be retrieved
- Erodes the diversity of biological species and cultural practices" (McDonough1998).

Metaphorically Speaking....

Dr. Caroline Myss, a medical intuitive, suggests that the ills that exist for humans symbolically represent those those of the planet. She says, "... I could almost see the manifestations of AIDS as a global illness. The lung disease *pneumoncystis carinii* pneumonia may be symbolic of the destruction of the rain forests, from which the earth draws the greatest proportion of its oxygen supply. Similarly, *Kaposi's sarcoma*, the cancerous skin lesions that form in many AIDS patients, is

- **The Natural Environment**

- **Complexity of World Issues**

- **Inequity**

- **Spirituality & Connectedness**

- **Shifting Paradigms and the Coming Millennium**

- **The Next Industrial Revolution**

47

symbolic of the destruction of the earth's natural surface, perhaps most dramatically by the testing of nuclear weapons, but also by toxic wastes and other forms of pollution. And finally, the human immune system could symbolize the earth's ozone layer, which is now as fragile as the immune system in a very ill patient" (Myss 1996 p. 25).

Despite the apparent decline of natural systems, there remains a great deal of skepticism about the reality of such environmental collapse. Business leaders such as Robert Scott, chairman of Gulf Publishing Co. (Frank 1998), one of North America's leading energy data publishing companies, fears that warnings of global warming are based on a number of blatant falsehoods. Like many businesses, he is concerned about findings from the U.S. Energy Department claiming that implementation of the Kyoto accords would depress 70 per cent of all economic activity in the United States. Concern for the viability of our economies amidst growing environmental concern is legitimate, as a healthy economy is a component of Sustainable Development. This concern, however, does not include the costs to business if issues like global warming are not addressed. The truth although obvious and profound, is that we depend on nature (Wackernagel 1996).

Complexity of World Issues

For a long time we have depended on science to provide all the answers for the questions of how the world works. But in that scientific exploration we have discovered that our world is much more complex than ever anticipated. Realizing this begs the question of how effective our current management systems are if they are based on the premise that we – as humans – have the ability to "manage" nature (forests, rivers, air quality) without a clear understanding of the totality of what we are dealing with. The complexity of such issues lies far beyond the scope of any single discipline to fully discern and adequately resolve (Suzuki 1998).

Through partnerships within industry and other organizations, CCI can initiate ties in society needed to work across disciplines and use resources more effectively.

Chaos Theory in a Nutshell ...

Chaos Theory as taken from the study of quantum physics has been applied to not only the galaxies that surround us, but also to the world we live in. Chaos Theory demonstrates that there are random patterns of events that in their random action or chaos form identifiable patterns, rather than linear sequences of action. Accepting this to be true, theorists purport that 'things' will happen as they may, and that to fully understand an entire set of actions is so infinite and dependent on an infinite number of variables that it is unattainable. These theorists suggest that pattern recognition is a more adequate tool for determining course of action.

Inequity

Author Paul Hawken believes that "whereas the next industrial revolution is about transformation of our global business practices, Sustainable Development actually involves more than that. Most importantly it is about social justice. The inefficient uses of resources is compounded by distributional inequity: the top population quintile, mostly in industrial countries, currently metabolizes 80 – 85 percent of the world's resources, leaving the balance for the remaining 4.7 billion" (Frankel 1998 xv). According to Joshua Karliner, author of *The Corporate Planet: Ecology and Politics in the Age of Globalization*, the global economy is widening the gap between the rich and the poor. He says that this system if unable to meet the needs of present generations will certainly compromise future generations and is not a recipe for sustainability and equity as its advocates claim it is. In a quote from the UN describing world poverty, Karliner demonstrates the level of poverty that still exists in the world claiming that "overall, there are more than 1 billion people living in absolute poverty in the world today – 70% of whom are women. (Even) the United States, supposedly the wealthiest nation in the world, now has the widest gap between the rich and poor of any industrialized nation, and disparities continue to grow" (Karliner 1997 p.22). James Gustave Speth, Administrator for the UNDP lead report supports these claims, stating that "The world has become more economically polarized, both between countries and within countries. If present trends continue, economic disparities between industrial and developing nations will move from inequitable to inhuman" (Frankel 1998 p.8).

If you were called in to operate a factory, don't you think you would need to know the inventory?

David Suzuki
(Suzuki 1998)

"...the richest 16 percent of Canadian families now earn 314 times more than the poorest 10 percent compared to just 21 times in 1973."

Amine Yalnizyan (Yalner 1999 p.3)

Business has a big role to play in remedying much of the inequity in the world through globalized economies. Companies have the infrastructures and access to resources upon which communities around the world depend for their livelihood. Accessing these resources will be dependent upon creative program development and partnering with community organizations who posses the skills and expertise in areas of Community Development. Designing interventions that are "appropriate" will be a considerable challenge. Corporate ethics will play a strong role in determining these priorities and in how they fulfill consumer "demand." Directing involvement in communities will not only serve to benefit communities in need but will reinforce ethics within the corporation.

Spirituality and Connection

As the world becomes more global, people are seeking spiritual guidance for modern world challenges. In the last decade we have seen a dramatic increase in sales of self-help products, motivational speakers, eco-tourism, and popular personalities like Oprah Winfrey advocating an integration of mind, body and spirit. The popularization of spirituality and community has found itself all the way into contemporary magazines like PEOPLE that now regularly feature 'good works' and 'community giving.' These trends indicate the desire and interest of people to feel connected to one another, and to regain a sense of hope and spirituality amidst a rapidly changing world – or at least to think they are.

The irony, however, according to John Dalla Costa, is that despite a marked turning away from secularization and toward the spiritual, there continues to be a growing attachment to consumption and people are sacrificing themselves to the values of working, earning and obtaining (Dalla Costa1998 p.59). If this is the case there is an opportunity to redirect the energies of workers through experiential learning and direct contact to the community through voluntary programs. CCI can help employees make spiritual connections as they help others and become more in touch with their natural and human environments.

Shifting Paradigms and the Coming Millennium

The coming millennium, as most businesses are aware will have and has had a significant impact. As computers the world over are upgraded to be compatible with the year 2000 (Y2K), people will celebrate the changing millennium. How these changes will be felt is not known. An air of excitement and fear of the unknown is building as the millennium draws nearer. Naturally the world's people will review history, measure progress, reflect on the

meaning of life and guide intentions for the future. But one has to wonder how the fear of collapsing computer systems that control much of the world's money, information and infrastructures will affect people's behavior. Will markets collapse, airports come to a stand still, or electricity fail? Even though the programming issues may be within reach the hysteria caused by the potential system collapse may fuel a paradigmatic shift if people review the dependence on technology and how it has contributed to a removal from natural systems.

What is a Paradigm Anyway ...

A paradigm is a construct for thinking. It is the framework on which we base our assumptions. It is our belief in how the world works. It is the dominant mode of thinking that guides everyday actions.

Many thinkers of the day recommend that a fundamental paradigm shift is necessary in order to bring about fundamental environmental change. The paradigm that supports current consumer-based society is not consistent with goals of Sustainability, and is criticized for its short-sightedness and gluttony at the expense of our natural systems.

Should the millennium offer such changes, CCI has the ability to move through grassroots and non-profit connections and can become a tool for integrating knowledge and skills needed to address world problems with less dependence on technology.

The Next Industrial Revolution

The next industrial revolution responds to the driving forces that have already been discussed. Moving beyond the industrial revolution and even the technological revolution, the next industrial revolution will move past eco-efficiency to practices of eco-effectiveness. This new era centers on a human industry that is regenerative rather than depletive. It involves the design of "things" that celebrate interdependence with other living systems. From an industrial-design perspective, it means products that work within "cradle-to-cradle" life cycles rather than "cradle-to-grave" ones.

Leaders in this field include author Paul Hawken, chemist Micheal Braungart, architect William McDonough, businessman Ray Anderson, philanthropist Teresa Heinz and the physicist Amory Lovins. This approach to design warns that "blindly adopting superficial 'environmental' approaches without fully understanding their effects can be no better than doing nothing." (Charter 1998). Claiming that practices of eco-efficiency and recycling work within the same system that caused the problems in the first place, McDonough and Braungart (Charter 1998), propose a system that is not efficient but effective, whereby it follows these nine principles of "Sustainable Product Design".

Nine Principles of Sustainable Product Design

1. Waste equals food
2. Use current solar income
3. Respect diversity
4. Cost (Can I afford it?)
5. Performance (Does it work?)
6. Aesthetics (Do I like it?)
7. Is it ecologically intelligent (Do its materials comply with our principles?)
8. Is it just? (Is everything equitably considered?)
9. Is it fun? (Do I get up in the morning and want to do it?) (Charter 1998).

52

The World Economy

Moderation and Megolomania

Many experts believe the biophysical limits of the planet are in direct conflict with the expansionistic mind-set of western culture and business (Sachs 1998). Typified by its material focus, high rates of consumption, individualism and market efficiency economies of the west have been criticized for their lack of orientation to natural systems and community. Technological advances have been significant, but there continues to be a marginalization of the world's people and its resources; particularly in southern and eastern countries. Increased demand for consumer goods not only threatens the integrity of the natural environment but also is eroding the social capital of the world. Yet despite the understanding that the world is bound by limits, there is a prevailing sense that the world's markets are accessible through globalization. Perhaps the best example of this situation is characterized by the "McDonaldization" of the world alongside the rapid expansion of Kentucky Fried Chicken restaurants and other fast food outlets. This situation lends itself to the homogenization of the world's culture, creating locations rather than spaces.

This consumer-based focus has prompted the individual to base value on the ownership and acquisition of consumer goods. Those people unable to produce or meet societal standards are often undervalued and neglected. The handicapped, sick, poor, minorities, women and children most often meet this fate. As a society, in pursuit of market efficiencies, the systems for aiding these groups often do not exist as their value is not measurable by current practices. As a result, there are growing numbers of displaced people who do not have access to resources or the ability to provide for themselves.

CCI programs offer the opportunity to focus the orientation of businesses to include social capital as part of their strategic focus. Drawing from in-kind resources of expertise, knowledge, facilities or goods many corporations have worked with organizations connected to the community to make a significant difference in the lives of disenfranchised groups. Hotel executive Naomi Berman-Potash (Meyer1998 p.81) for example, has turned vacant rooms into secure retreats for abused women in need and whereas, Mimi Silbert's(Miller1998 p.81) Delancy Street centre helps ex-cons transform themselves into law-abiding, productive citizens. On a larger scale an example is Kodak who was actively involved in the UNICEF

- **consumption patterns**

- **the global economy**

- **social and environmental injustices**

- **bottom-line focus**

- **access to information**

- **environmental awareness and the environment industry**

- **increased skepticism of corporations**

- **changing role of sectors**

- **leadership**

- **demographics**

- **external standards**

Rwanda Family Reunification Project that reunited thousands of displaced children with their families through the pictures taken on film donated by Kodak (Kodak 1998).

Homo Economicus...

"We draw much of our meaning and spiritual awe from nature, yet unrelenting economic expediency is devastating the natural environment. We draw identity, duty and moral worth from social interaction, yet accelerating economic competitiveness causes us to tolerate more and more poverty, inequality and injustice. Johan Galtung describes the culture of *homo economicus* as a 'syndrome' that 'not only detaches the individuals from each other by making the single individual the supreme decision-maker (egocentrism), but also detaches the satisfiers (goods/services) from each other as objects to be possessed and consumed one by one.' Though we seek God, we settle for mammon. Though we long for 'family values,' we will not devote the time to them. Though we crave for belonging, we opt for the radical individuality of 'cocooning.' The lesson is that our obsession for the economic is not something that can be managed apart from or in parallel with our spiritual sensibilities. If they are not integrated, then they are inevitably at odds. If they do not work as complements, then the economic inevitability erodes the spiritual" (Dalla Costa 1998 p.).

Global Economy

Globalization is fast becoming a reality, as the world's production is now worth more than $21 trillion, growing at a rate of 4.5 percent per year. This increase in global trade not only affects the bottom-line, but also stimulates aspiration, providing ideas for consumption, information for new products, and standards for quality and productivity that affect the direction and efficiency of any domestic economy (Dalla Costa 1998). "As companies derive an ever-larger share of revenue and profits from international operations, multinational companies are beginning to redefine 'community,' looking beyond local, domestic communities to include those in regions where they have factories, or even factories operated by key suppliers. A 1997 survey of community relations professionals by the Boston College Center for Community Relations found that 42% of companies with multinational operations have an established

community relations program in their international locations. In many cases, company involvement with community projects outside their homes can have direct business benefits" (BSR1999).

Although the global economy is said to offer much in the way of consumer good, and opportunities to the world's people, these kinds of community intervention programs will become more necessary as much of the global economy has been seen not to benefit the masses. This changing market environment, according to Dalla Costa, fueled with high growth and mass profits has, with its momentum developed inconsistently, allowing for companies seeking competitive advantage to move facilities or practices to countries that are less stringent or poorly policed. Such rapid changes have not allowed the global community to interpret and ground them (Dalla Costa 1998). Dalla Costa continues by saying that the "economy may be global, but people are not - or at least not yet. So whereas the shape and priorities of the global economy may be clear, the form and substance of the larger global community is still an open issue, with largely unasked questions" (Dalla Costa 1998 p. 15). The social and environmental consequences of this kind of imbalance may prove dire by fueling greater social and environmental injustice and environmental degradation.

It would be naive to assume that CCI programs can solve all of the problems of the world, but such programs have been successful at making the world a smaller place. CCI brings people in contact with other people perhaps humanizing a small part of the technological, fast-paced world.

Social and Environmental Injustice

According to John Dalla Costa, "The people of the world need the global economy to survive, but the people of the world can also survive only if the global economy reorients to include a host of performance criteria. In addition to profit, the economy must sustain and renew nature. In addition to productivity, the economy must generate equity and opportunity. In addition to heeding the needs of inanimate capital, the economy must respect the needs of the human family" (Dalla Costa 1998 p.89).

Everyday the world witnesses mass social and environmental injustices. These injustices include: poverty, and contamination of air, water and soil. There is a need to provide the skills, knowledge and understanding required to work within these contexts on both international

and local scales, and also at all levels of government, industry and the non-profit sectors. Although time-consuming, community-based movements have shown the best results for long-term change. Using the resources of the community and the networks established through community organizations corporations can utilize their core competencies to assist community-based learning or draw attention to pressing world issues through existing corporate infrastructures and communication channels. The Body Shop for example, has built its image and reputation around the social issues that it supports, and in turn has raised awareness, given purpose to its employees, and contributed to the social well-being of many groups.

Bottom-line Pressures and Long-term Competitiveness

In the face of bottom-line pressures, corporations are met with growing expectations to respond to the needs of society and the environment. Without the tools and processes to incorporate and accommodate these needs, corporations find it difficult to measure and therefore justify attention to these areas. Even though these factors, can be difficult to quantify and are often considered mere 'externalities' they are very much linked to successful business.

As demands from stakeholders increase and competitive forces evolve, failure to respond to these pressures poses significant risk to the long-term success of any organization. According to The Tomorrow's Company Enquiry Report, published in 1995, long-term competitive success will come to those companies that focus less exclusively on shareholders and on those financial measures of success, and instead include all of their stakeholder relationships, and a broader range of measurements. Sir Anthony Cleaver, the commissioner of the same study, notes in his preface that "We believe that only by giving due weight to the interests of all key stakeholders can shareholders continuing value be insured (Pinney1998).

CCI offers a process for accessing stakeholders in a proactive manner. By building relationships in communities of operation and influence corporations can work with the communities. These relationships are beneficial as they demonstrate the commitment of the company to the community that may lead to involvement in community decision-making processes.

Access to Information

It is the age of information. Never before in history has there been such a wealth of information available to so many people. Television, radio, computers, fax machines, photocopiers, libraries and the Internet all provide a window into the workings of the world. No longer are large institutions able to hide behind veils of secrecy and privilege; nor are they protected from stakeholder scrutiny. The resulting skepticism of corporations is what is driving corporate accountability and transparency.

Fueled by the global reach of the Internet, interest groups and "watchdog" organizations of varying sizes like Greenpeace, CorporateWatch and The Rainforest Coalition have given a voice to issues of the world's poor, indigenous people, women, children and natural resources. Some groups like the Environmental Defense Fund have found it to be in their interest to work together with groups like McDonald's and Starbucks rather than at odds with them. These new partnerships have been formed in order to find sustainable solutions. Through volunteer programs and working relationships in the community, CCI also allows for greater transparency as the corporations maintain greater personal contact with communities. Companies like Stoneybrook Farms go farther promoting greater awareness by utilizing the packaging of their products to educate consumers about current issues.

Environmental Awareness and the Environment Industry

The level of environmental awareness and the global character of many environmental problems (where pollutants do not abide by political boundaries) have become more widely accepted. The world's current economic paradigm is driving businesses, governments and people to exploit the world's natural resources at a rate that is not sustainable. Author Joshua Karliner quotes businessman-environmentalist Paul Hawken from his book The Ecology of Commerce who writes, "given current corporate practices, not one wildlife reserve, wilderness, or indigenous culture will survive the global economy. We know that every natural system on the planet is disintegrating. The land, water, air, and sea have been functionally transformed from life-supporting systems into repositories for waste. There is no polite way to say that business is destroying the world" (Karliner1997 p.13). Even current trends toward eco-efficiency are not fully addressing the fundamental problems facing business let alone the social aspects of Sustainable Development. These processes have however made significant contributions to our interaction with the environment and have demonstrated that there is a

need to understand not only the objective and technical aspects of Sustainable Development, but also the soulful and subjective.

What Goes Around Comes Around ...

The problems that exist today can be seen as opportunities for learning and a way to reevaluate the impact we have on the world and the effects that those actions in turn have on us. Perhaps the philosophies of the "Law of 'Karma' or Cause and Effect" proposed by Deepak Chopra, a contemporary spiritual writer may be applied here. This law asserts that "every action generates a force of energy that returns to us in like kind ... what we sow is what we reap" (Chopra 1993 p. 37). If the Law of Karma is true, it is no surprise that the pollution of the earth's systems in turn pollutes us. Our detachment from the environment has lead to a detachment from ourselves.

Increased Skepticism of Corporations

With greater access to information and the globalization of the world's economy, skepticism of business and in particular large corporations is growing. In a trade environment that has been designed to allow for frictionless capitalism, players in the global market are seen to operate without a loyalty to place. Skeptics believe that through the creation a homogenous trading platform, the particularities of places or communities will be removed and growth will be at the expense of natural systems and social capital (Sachs 1999).

This view is reaffirmed as regulations and the autonomy of governments are expected to continue to be relaxed in order to remain competitive in the global economy (Sachs 1999). The World Trade Organization (WTO) and the General Agreement on Trades and Tariffs (GATT), have already begun such a process. This new global market has resulted in the redistribution of environmental burden from the north to southern and eastern countries (Sachs 1999). Driven by falling currencies and prices that do not reflect environmental truth, developing countries desperate for foreign exchange have welcomed international investment even at the expense of their natural environment and cultures. This situation has permeated developing countries including the rainforests of Borneo and Brazil and the petroleum resources of Nigeria.

"The cost of a poor image or reputation results in poor customer, shareholder, employee and stakeholder confidence. This situation translates into poor morale, investment, innovation, legal costs leading to fewer opportunities and crisis recovery" (Dalla Costa 1998 p. 102).

In order to overcome such skepticism, corporations need to rebuild trust in the communities where they operate. Having the social skills to build relationships and partnerships is essential. Corporations must demonstrate the tie between their actions and words. Developing these skills and practices can be achieved through CCI. CCI takes corporate image building beyond public relations and marketing and demonstrates value through commitment.

Changing Role of Sectors

Local, national and international governments throughout the world are taking a hands-off approach to regulation of business. Throughout the 1990s we have watched Canadian government divest itself of operations of the state to private enterprise. In response to changing policies, the rise of a global economy, shrinking resources and demand for governmental accountability "governments are re-thinking their role as community service providers and cutting back their support to charities and community organizations. The result is charitable and voluntary organizations are increasingly turning to the private sector for help and support" (Pinney 1997 Vol. 1 No. 1). Such a massive divestiture has meant that the corporate and not-for-profit sectors must respond accordingly. Some players have been able to respond faster than others, but for the most part the expectations of each sector are dramatically different. Because this is the new reality, the three sectors need to find new and innovative ways to work together.

In the last 20 years, there has been a dramatic shift in the role of business in the community. The chart below demonstrates the evolution of corporate giving.

59

Figure Five: Evolution of Corporate Giving

Cheque Book Philanthropy	Strategic Philanthropy	Community Investment	Corporate Social Responsibility	Corporate Citizen
• Reactive • Arms Length • Financial Donations • Isolated from other business functions • Traditional Causes	• Focus Giving • Employee Volunteerism • Competitive Markets • Image Building	• Linked to Business • Stakeholder Involvement • External Partnerships • Expanded Communications • Solution Seeking • More Accountability	• Integrated with other Business Functions • Value Added Strategies • Expanded Partnerships (Internally and Externally) • Social Vision	• Mutuality of Corporate and Social Concerns • Corporate Best-Practice (Social, Environment, Ethics) • ...ndards of Accountability • Demonstrate Leadership

(Parker 1998 p.7)

Like Corporations, Not-For-Profit organizations experience a similar maturation process.

Figure Six: Evolution of Not-for-Profits

Service Provider & Entitlement	Strategic Repositioning	Partnerships and Collaborations	Not-for-Profit Social Responsibility	Not-for-Profit Citizenship
• Do "good works" • Deserving • Dependent on Key Funders • Isolated • Poverty Mentality • Focus on Mission	• Diversified Funding Needs • Sectoral Collaborations • Competition for Dollars & Volunteers • Focus on Mission and Markets	• Knowledge of Issue • Proactive • Sustainability Thinking • Build Business Capability • Build Supportive Organizational Culture • Cross Sectoral Partnerships • More Accountability	• Value Added Strategies • Tackle broad Social Issues vs. Narrow Organizational Issues • Increased Involvement in Public Policy Decisions	• Commitment to Build Community Capacity • Promote Civil Society • Not-for-Profit Best-Practice (Social, Environment, and Ethics) • Established standards of Accountability • Demonstrate Leadership

(Parker 1998 p.7)

As the roles for business and government continue to evolve and change, this will be an important time to define levels of social responsibility. Relying less on the government for guidance companies and not-for-profit organizations are creating their own policies to govern environmental performance, working conditions and ethical marketing practices (BSR 1998). Yet, as the largest social institutions of our time, the Canadian public expects corporations to fund programs previously supported by government. This situation became very noticeable with such tragic disasters as the 'Ice Storm' that hit central Canada in the winter of 1998. The

people of Canada quickly realized that there is no one organization dedicated to disaster relief. Many corporations felt compelled to act, but they lacked disaster relief plans, contingency funds or partnerships. Following the 'Ice Storm' such programs have begun to be implemented by corporate Canada in case of the need for future disaster relief. These expectations are demonstrated in the chart below.

Figure Seven: Perceptions of Canadian Public on Sources of Public Funding

Facts	Perceptions of Canadian Public on Sources of Public Funding
	Perceptions of Canadian Public
• More than **60%** of charitable funding in Canada comes from government	20%
• **9%** from individuals	23%
• **1%** from business	30%
• **30%** from other sources	27%
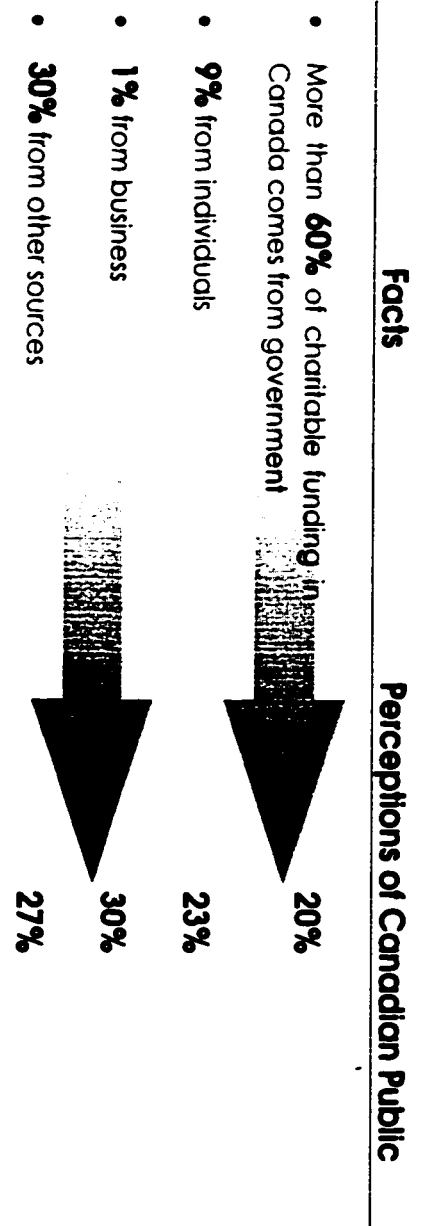
CCI, through cause-related marketing programs, is one way that individuals and corporations can work together to realize these differences. An example is Big Rock Brewery in Calgary that donates a percentage of each purchase of Canvasback Ale to Ducks Unlimited.

Leadership

Leadership in the areas of Sustainable Development, Corporate Social Responsibility and Corporate Community Investment is wide and diverse. Be it governmental, corporate, not-for-profit, or grass roots, organizations are forming a critical mass that is putting these issues on the table and providing the necessary leadership for understanding the concepts and practices of each. Companies like Patagonia, Ben & Jerry's, and the Body Shop are leading examples of how CSR is beneficial. These large companies have the access to resources and influence

needed to bring about significant change. Large non-profit organizations are also making significant contributions, some working with industry like the Environmental Defense Fund and the Imagine Caring Company program, while others work independently to raise awareness bringing current issues to our attention.

These leadership organizations in the spirit of Corporate Social Responsibility have in many cases made the information from their experiences and research available. As a result, organizations wanting to become more responsible can learn and benefit from those organizations that have paved the way. The Canadian Center for Philanthropy, Boston College, Business for Social Responsibility and the World Business Council for Sustainable Development, all have developed resources available to their membership.

Imagine the Difference ...

The Conference Board of Canada "Imagine" campaign "currently has 436 companies committed to the Imagine Caring Company program. These companies employ approximately 1.5 million Canadians. Imagine' s Caring Companies donated $234 million, or an average of over 1.3% of net income to charitable and non-profit organizations in 1995. This represents over 40% of total corporate contributions for 1995 and compares to an average of 0.77% for all companies. Imagine has succeeded in creating a set of standards for giving and is widely recognized by senior CEO's and throughout the world as one of the world's leadership models for promoting corporate community investment" (Pinney 1997 p.2).

Demographics

Business has long felt the influence of North America's largest demographic group, the "Baby Boomers." In his book Boom Bust and Echo Dr. David Foot describes the three dominant demographic groups in Canada; these being the Babyboom (1947 to 1966), the Bust (1967 to 1979) and the Echo (1980 to 1995). Influencing everything from how we build schools to real estate trends, this book serves as a guide to understanding how the influx of each group will affect our economy.

Leadership organizations include:

- The International Institute of Sustainable Development
- The Canadian Centre for Philanthropy
- The Conference Board
- Boston College
- Imagine Caring Company Program
- The World Business Council for Sustainable Development
- Business for Social Responsibility
- Vancity Trust
- Patagonia
- Ben and Jerry's
- The Body Shop...

The Boomers have had wide impact on the Canadian economy throughout their entire generation. This group tends to be largely well educated and has benefited from a prosperous economy. As this group moves from the work force to retirement in the next 20 years, a significant change in society and our economy will be felt with the shifting needs of this aging group. According to Foot, this group is expected to adopt many of the characteristics known to retirees today, but they will have more money, more influence, more investments, and demands for quality and service. Awareness of their own mortality with the death of parents and aging children Foot suggests that the boomers will become more aware of their environment and the world around them. This awareness may translate into demand for more environmentally friendly products, services and investments, as well as an interest in giving back to society some of the benefits gained from a lifetime of work.

External Standards

Many standards (see Appendix Two) have been developed to guide the shift toward Corporate Social Responsibility. According to the organization Business for Social Responsibility there are many of these external standards that cover one or more aspects of CSR, but there are only a handful that cover a full spectrum of issues. These include(BSR 1999): the Caux Round Table Principles; the Interfaith Centre on Corporate Responsibility Principles for Global Corporate Responsibility; the Sunshine Standards for Corporate Reporting to Stakeholders; and the Keidanren Charter for Good corporate Behavior. External standard for Corporate Community Investment include (BSR 1999): U.K. based Business in the Community's "Nine Principles of corporate Community Investment;" Boston College's "Standards of Excellence in Community Relations;" and The London Benchmarking Group's "Corporate Community Involvement Index."

Regulations that specify specific conditions, like the size of the bolts, have been criticized for their rigidity claiming that they do not promote innovation within the organization complying with them. Dr. Harrie Vredenburg of the University of Calgary would argue however, that business, by it competitive nature, has the ability to work towards descriptive regulations through their own designs. The same can be true for Community Investment. If guidelines are provided, and goals agreed upon, corporations have within their organizations, the communication, technical and creative expertise lacking in governments or other organizations. Therefore corporations are better positioned to develop innovative solutions.

64

The Organization

Competitive Advantage

Community Investment has the ability to unite an entire corporation to work towards not only remedying what ails society and the environment, but also creating opportunity to educate employees and stakeholders. Access to learning contributes to innovative strategies needed to compete in an ever-increasing competitive marketplace. Emergent strategies arise from the calibre and social capital of the organization. These resources contribute to the strength of the organization in a market place where almost any company has the ability to duplicate a product or service at less cost to the consumer. Although technology is a significant competitive advantage, corporations are realizing that much of its wealth and resources lie in the people it employs. It is important to nurture and encourage employees to grow and develop skills. Strategic benefits can be achieved by becoming the first entrant into the market-place and securing that position through innovation, raising industry standards, or lobbying the government.

Accountability and Transparency

Pressures from stakeholder scrutiny, complexity of world issues, and the need to partner with other organizations has forced corporations, governments and consumers to become accountable for their actions. In order to work with other organizations and remain accountable to the public, governments and corporations have had to make their operations transparent. This inclusive approach to society recognizes the community as a stakeholder and is a necessary step requiring consistency between actions and words, in order to maintain the license to operate (Pinney1998).

Business in Canada, therefore, has come to recognize that they must be accountable to all stakeholders. As a result, funded projects must demonstrate their value by setting objectives and utilizing measurement and evaluation tools (Turnbull 1998 p.5). The Conference Board of Canada 1997 Community Investment survey results state that "Improving effectiveness of CI programs will require an increased application of business management techniques, including more quantifiable performance measures, as well as, increased integration of CI initiatives with other business functions" (Conference Board of Canada 1997 p.5). In the U.K., the London Benchmarking Group, a consortium of large companies, developed a methodology for

- **Competitive Advantage**

- **Accountability and Transparency**

- **Consumer Demand**

- **Stakeholder Participation**

- **Socially Responsible Investing**

- **Value of Employees**

- **Image and Reputation**

- **Liability and Corporate Crime**

measuring the effectiveness of community initiatives. Other organizations, including the Council on foundations and The Conference Board, have published studies in recent years on measuring the value of corporate citizenship (BSR 1999).

Stakeholder Participation

Companies are beginning to strategically incorporate community activities by defining themes that are aligned with core business objectives, taking advantage of core competencies, and customizing areas of focus based on customer desires (BSR 1999). These practices are supported by the public participation and co-management processes that have been developed by governments, corporations and communities in an attempt to better stakeholder involvement in corporate decision-making practices. Effective intervention utilizing these processes requires that all stakeholders be well informed and prepared to accept their role in making solutions work.

Consumer Demand

As consumers become more sophisticated, there is a rising demand for continued high levels of service alongside increased product value with increased global competition gives consumers choice. With this choice consumers on one hand are demanding low prices, but on the other demanding products of high value and service. Many companies have focused on quality and service as a way to differentiate their products from competitors. Cause related marketing is becoming very popular as consumers wish to support causes and issues through their purchases. Studies have shown that when given the choice of two products of equal value they will choose the one that is connected with a good cause. This kind of marketing merges corporate philanthropy with marketing strategies and benefits both. By using this strategy, companies take responsibility for raising and teaching their customers about important social issues. This allignment of product value to social causes is a natural bridge for introducing concepts of environmental pricing, use of their product. Patagonia is a strong advocate of this approach, believing it has a role in shaping the demands of its customers.

Socially Responsible Investing

Like educating customers, companies have a role to play in educating their shareholders. Many shareholders, however, have come to realize the long-term benefits of socially responsible organizations and in the last decade there has been a significant rise in socially

"According to research by the Boston College Center for Corporate Community Relations, 67% of surveyed companies reported that they include community involvement in their strategic planning processes, 56% say they have separate community relations strategic plan."

(BSR 1999).

"There is evidence that more and more companies are building socially responsible elements into their brand identity as a result of an increased customer awareness of issues."

World Business Council for Sustainable Development (1999)

responsible investing. This investment trend suggests that investors are looking for solid investments and attach value to socially-responsible business.

"Studies cited in the Public Relations Strategist describe the link between corporate reputation and financial success, noting that 'more than 10% of investment in U.S. companies is screened for social factors such as community investment.' The publication also describes research stating that companies noted for their corporate citizenship may experience a three-to-one advantage in attracting investors, business partners, and new employees and in establishing customer preference" (BSR1998 p.3).

Value of Employees

A Company's success is derived from the excellence of its employees. Companies with ethical practices have the ability to attract the most qualified employees. Corporate ethics are part of the corporate culture and act like a broad umbrella over all operations of the company. Because and ethical code runs through the entire company, expectations are clear. This clarity helps in times of uncertainty by providing a compass to follow. As a result, this kind of working environment encourages innovation and teaches skills to creatively deal with uncertainty. Author John Dalla Costa quotes John Plender who finds that "The biggest risk to a company may come not from a competitor but from the loss of an employee or employees who have mastered certain skills and knowledge. Risk may not have to do with financial investment but with the trust between company and customers, or company and suppliers, or company and employees. ....companies that primarily reward shareholders and fail to attend to the employees who are responsible for innovation and creating value out of knowledge may 'destroy wealth rather than help create it." (Dalla Costa1998 p.57). Therefore, "more companies are making their employees important partners in their community activities. In the past, employee involvement was limited principally to volunteerism. Now, 40% of companies have employee advisory committees on corporate giving, according to a Boston College Center for Corporate Community Relations study. Some companies, such as Dayton Hudson, regularly survey employees and others in determining which causes or organizations to support" (BSR1999).

There are strong linkages between human resource functions and CCI programs. These linkages have resulted in a greater emphasis on employee involvement throughout all stages of development including volunteerism and employee choices reflected in decision-making.

"Good people are our wealth
millions"

(Dalla Costa 1998 p.56).

Such involvement has demonstrated noticeable performance benefits, creates training opportunities and fosters employee pride as they become ambassadors of the company (Turnbull1998 p.5).

Liability and Corporate Crime

Corporations have long been held as pillars of society, yet their actions increasingly scrutinized and precedents have been set for their accountability. For example, the "A.H. Robins corporation realized approximately $500,000 in profits from its Dalkon Shield but spent more than $500 million in liability settlements with the injured women before finally filing for bankruptcy" (Dalla Costa1998 p.115). Or consider the $350 million dollars General Electric was forced to pay in 1993 for fraudulent billing practices and bribery scandals in its jet engine division (Dalla Costa 1998). These types of liabilities are forcing companies to revisit their policies, practices and corporate cultures in an attempt to mitigate costs that have become potentially higher than any gain.

Corporate culture devoid of morality creates an environment for corporate crime to flourish. Mass layoffs, poor benefits, dependence on technology, unethical corporate cultures and depersonalized work environments have disenfranchised employees from their places of work.

The inequity between the top and bottom of organizations has become very apparent as demonstrated by this quote taken from <u>The Ethical Imperative:</u> "Despite an almost 15% longer work week, and almost four fewer days' vacation a year, median family income in the U.S. increased only $66 between 1973 and 1993. Such tradeoffs happen not only between countries but within them as well. Those workers who have the skills and context to add the most value to global competitors are reaping the rewards, while those who do not are being left further and further behind. By just one recent measure, CEOs in the U.S realized a 56% increase in compensation in 1996 compared with only 3% for the average worker. The total yearly pay of the managerial class is now 207 times that of a typical employee" (Dalla Costa 1998 p.15).

Realizing their own disposability and believing that their actions are justified through their own victimization, many lawful and moral individuals then allow their own greed to develop or carelessness to proliferate. At the same time pressures to perform and fear of failure often override ethical considerations. This decline of trust in the workplace costs companies millions

"Companies have set an immate from their weakness and now workers are hired upon themselves to take more from their companies"

(Dalla Costa 1998 p.89).

and even billions of dollars in liabilities. "A fraud survey conducted by KPMG last year shows 57% of management in Canada's 1,000 largest companies reported fraud occurred in their organizations in 1997. On average, they lost $1.3 million each" (Barnett 1999 p.111).

The Cost of Crime

"Although corporate crime receives much less publicity than the assaults, thefts, and rapes most people think of when they hear the word 'crime,' it actually does more harm, costs more money, and ruins more lives than any of these. Corporate Crime is a major killer, causing more deaths in a month than all the mass murderers combined do in a decade" (Snider1993 p.1). "...if we assume that salary and befits cost an employer $80,000 per year per employee -- this time a liberal estimate -- the loss to corruption in North America equates to 12.5 million jobs. Imagine the workplace of today had companies spent the last decade reengineering to eliminate fraud, crime and unethical waste rather than disposing of people and jobs." -- John Dalla Costa (Dalla Costa1998 p.67).

"As individuals, we grow by sharing, by making choices to include others in our attention and affection. In this way, the pull of maturity toward wisdom is an analog for the movement of the global community toward a shared ethic. In other words, we are starting to expect of the global community the conformance to moral norms that we would of any individual emerging from the raucousness of adolescence into the responsibility of maturity. This means that a global ethic is imperative at this time, not just because of the crises it resolves but as the naturally occurring and fully expected realization of our maturing as an integrated world community."

John Dalla Costa

(Dalla Costa 1998 p.121)

70
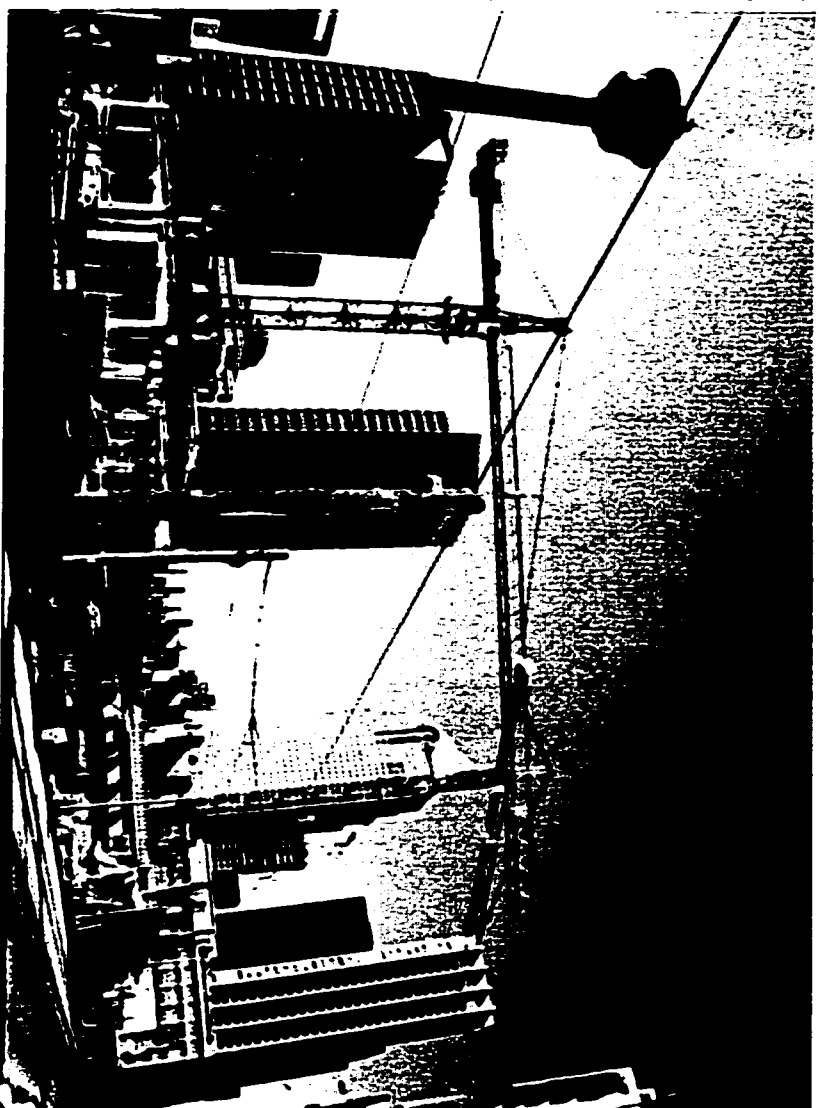
Corporate Community Investment and the Corporate Matrix

Why Contribute to the Community

1. Giving is part of your corporate responsibility.

Corporate giving is a mark of good management. A company that is sharing and caring reaps dividends from the community's approval and support.

2. Supporting your community is a sound long-term investment.

A company must first survive and make a profit to maintain its direct contribution to shareholders, employees, customers, suppliers and governments. Its ongoing success, however is linked to the conditions in the communities in which it operates.

3. Supporting the Community has immediate and short-term benefits.

The quickest return from community investment comes from employees. It enhances the company's image, marketing visibility and customer relationships making employees prod to work for a socially responsible organization (Ferguson 1992).

CCI is a tool that addresses both organization and community development. "In 1995, at the request of IBM Corp., UCLA professor David Lewin studied 156 companies to determine the link between corporate giving and corporate performance. The study showed that firms with higher philanthropic giving had significantly higher rates of return on assets or financial investments. Lewin concluded that 'corporate philanthropy can, over time, enhance business performance'"(BSR1999 p.3). Improved performance and the value of corporate citizenship is reflected in employee morale, retention, attendance and performance, whereby, "the more an employee knows about the company's programs, the more likely he or she will be loyal and positive about the company"(BSR1999).

Investors, consumers and the media alike also are swayed by corporate philanthropic savvy. "According to a 1998 study by Hill and Knowlton and Yankelovich Partners, Americans think most favorably of companies that focus their philanthropic efforts on donating and encouraging employee volunteering in the community" (BSR 1999 p.3). Image and Reputation enhancement is seen to benefit the company as more leading companies make their way to rankings like that of Fortune magazine that lists "corporate citizenship" along with "financial soundness" as well as a possible three-to-one advantage in attracting investors, business partners, new employees and in establishing customer preference (BSR 1999).

These advantages and opportunities for differentiation are welcome as the price and quality of products and services become increasingly standardized through out many industries. Ameritech believed it created the equivalent of $80 million in marketing value during 1996 through its relationships with the community in the form of its Hometown Partners program, an initiative that contributes $10,000 to 25 organizations in the company's six-state service region (BSR1999). These numbers are particularly relevant in a society that can afford to make purchasing choices. According to a survey conducted by the U.K. based Business in the Community, "86% of consumers are more likely to buy a product that is associated with a cause or issue and agree that they have a more positive image of a business if they see it is doing something to make the world a better place" (BITC 1998 p.4).

How can CCI Benefit Your Company

CCI can address multiple problems or issues through comprehensive and strategic programs that bring together the expertise of your organization. When combined with a systems approach, CCI can provide the necessary linkages and platforms for your company to solve complex problems in an inter-disciplinary fashion. When your company is flooded with requests for money, struggling to find marketing pieces, working hard to maintain employee loyalty and productivity, responding to a disgruntled community, developing environmental programs and looking for distinct competitive advantages through innovation consider CCI. CCI can offer distinct and original opportunities to meet the needs of your company through long-term experiential solutions.

Figure Eight: Benefits of CCI

Improves Financial Performance	Develops Proactive Strategies	Image and Reputation Management
• Improves access to markets • Attracts investors • Increases productivity and quality • Access to capital • Reduces operating costs • Increases market share	• Creates networks • Develops relationships • Enhances business Development • Provides support during a crisis • Fosters emergent strategies • Promotes innovation • Avoids regulatory oversight • Avoids crisis management • Avoids project delays • Creates competitive advantage through product differentiation • Aligns internal and external partners • Creates "win-win" situations • Enhances long-term viability of company	• Enhances company reputation • Organizational accountability and transparency • Perceived as a problem solver • Perceived as a good corporate citizen or 'Neighbor of Choice' • Invited to the "table" to participate in problem solving, decision making and policy Development • Attracts and retains qualified employees • Enhances brand image and reputation • Enhances customer loyalty

"Consumers themselves welcome CRM (Cause Related Marketing) and will alter their buying habits accordingly. Where price and quality are equal, a positive step between ... business and charity or cause can sharply influence purchases:

• 86% of consumers are more likely to buy a product that is associated with a cause or issue.

• 86% of companies agree that the ... have a more positive image of a business if they see it is doing something to make the world a better place.

• 64% of consumers feel that CRM should be a standard part of a company's business practice."

The Winning Game: Corporate Community Research International (IBR) 1994/ International (IBR) 1994/ BSR, 1996 (Article 1996)

Improves Stakeholder Relations	Promotes Organizational Learning	Benefits to Society
• Engages stakeholders in discussion and decision making • Facilitates transparency and accountability • Reduces conflict • Improves credibility • Utilizes local knowledge • Engages the community • Encourages stakeholder learning and behavioral change	• Provides experiential learning • Offers a "team building" environment • Offers employee training • Reduces training costs • Develops employability skills • Improves employee morale and loyalty • Improves employee productivity and performance • Increased employee pride	• Aligns corporate interests with community • Encourages environment, economy integration • Promotes awareness of social and environmental issues • Facilitates behavioral change • Fuels social and environmental capital • Establishes ethical base in society

Experiential Learning... Why CCI is a valuable educational tool.

CCI is a valuable educational tool, because it engages the practices of experiential learning. Gardner and Sterns, authors of Environmental Problems and Human Behavior, suggest that information is most effective when it utilizes existing networks of communication, demands a strong sense of commitment, lends credibility to information through its associations, and draws people's attention. Unlike many traditional approaches to environmental education, CCI as a tool is a process for integrating these principles and actively engaging society. Successful CCI programs use reminders, prompts, public commitment, and highlight attitudes and norms. By using feedback mechanisms, modeling practices and framing of messages, these programs have found better ways to provide

information, remove internal and external barriers and ultimately change attitudes and behaviors.

Promoting employee volunteerism for example, exposes employees to new situations and environments, provides a hands-on learning environment and demonstrates a commitment to the community. Because many people learn by doing, such exposure has the potential to empower and stimulate employees, encourage information sharing and networking, as well as to develop problem solving skills.

"We learn to do something by changing it there is no other way." Intellectual Education

75

What Corporate Community Investment Can Look Like

Figure Nine: What CCI Can Look Like

Cash Donations

In-Kind Contributions

Social Marketing

Hybrid

Internal Stakeholders
- Community Relations
- Marketing, Public Relations &
- Communications
- Environment
- Human Resources
- Management (Sr.)
- Employees
- International

Functions
- Strategic Planning
- Community Relations
- Event Planning

Project Manager
(Public Relations & Communications)

- Manage Programs
- Manage Image & Reputation
- Improve Stakeholder Relations
- Promote Organizational Learning
- Environmental Awareness

External Stakeholders
- Community
- Non-Government
- Organizations
- Individuals
- Special Interest
- Groups
- Government/
- Institutions

Volunteer Programs

Partnership

Sponsorship

Cause Related Marketing

CCI can take many forms and is limited only by your imagination. CCI is a very creative process and has resulted in programs that engage retirees, employees, the community and suppliers to name a few. It is a process for engaging people and providing meaningful experiences to build trust and promote learning. These programs have taken retired executives to developing countries to aid in development, contributed as much as 10% of pre-tax profits to environment programs, engaged the academic community through student design competitions, built homes for the less fortunate, provided computers for schools and much, much more. Examples of leading initiatives can be found throughout this book.

Listed below are the categories of CCI, their definition and examples of practice. Note that all of the following categories are tax deductible under Canadian Tax Law.

Figure Ten: Categories of CCI

Categories of Corporate Community Investment

| Cash Donations | • a straight contribution without an expectation of return, that can take the form of:
   • One-time contributions
   • Annual, renewable support
   • Pledges
   • Endowments
   • Continuity grants
   • Employee matching gifts
   • Challenge grants | • "A major corporation partners with social service agencies, community groups, school boards, daycare centers, and others to develop a holistic approach to giving the best possible start in life to preschoolers in a disadvantaged neighborhood. It rings to the table a six-figure pledge and a commitment to helping children get ahead.

 • A sizable two-year pledge from a major insurance company allows a national organization serving children to offer special educational and training opportunities to young people, while widening its volunteer network by involving the company's associates nation-wide" (Pinney 1997 Vol. 2 No.1). |

In-kind or Non-cash Contributions	Sponsor-ships	Cause Related Marketing
• These contributions can take many forms and are given with out expectations of return. They may take the form of products, food, building materials, computers, medicine, equipment or services, advocacy, social investment, social partnership, resource allocation and fall under the following categories. • Gifts in Kind • Secondments • Use of company's name • Advice and counsel	• marketing, investment and promotion with an expected return	• a commercial activity by which businesses and charities or causes form a partnership with each other to market an image product or service for mutual benefit. This can include event marketing.
• "A well-known computer manufacturer gives primarily through contributions of hardware and software. It also encourages employees to participate in the charities of their choice - and helps those organizations by giving them hefty discounts on its products. • Communications expertise donated by an advertising agency allows a small anti-violence organization to draw attention to a serious issue in Canadian society" (Pinney 1997 Vol.2 No.1)	• "For 40 years Seagram Canada, head quartered in Montreal, Quebec, has sponsored symphony orchestras across Caada...This support enabled the company to extend support to a large number of communities across the country" (Ferguson 1992 p.7)	• "When holders of a special rebate credit card purchase the products of a western Canadian oil company a percentage of the sales goes to one of 300 charities" (Pinney 1997 Vol.2 No.1). • When customers buy Big Rock Breweries "Canvasback Ale" 1% of profits go to Ducks unlimited. • Shoppers at Eddie Bauer are encouraged to contribute an extra dollar to their purchase as part of their "plant a tree" project.

Partnerships	Volunteer Programs
■	■
• an arrangements of mutual benefit	• "Volunteer programs promote job satisfaction and customer loyalty; give employees opportunities to network and learn new skills; and provide them with the sense of well-being that comes from being engaged and caring members of society. Charities can deliver programs and services that they would otherwise be unable to..reach further into the community, and to make use of a wealth of expertise not normally available to them." (Pinney Vol. 2 No. 1). • Companies can encourage employee volunteerism by: • Permitting time off work to perform services • Lending space for meetings • Holding info fairs to introduce employees to organizations • Promotion through existing communication channels • Leading by example through senior management
• "Partnerships between businesses and charities are clearly the wave of the future. These pose challenges – both community groups and business needs to understand each other and learn new ways of working together. Each partner must respect the values of the other, and both must be clear at the outset about the objectives and the outcomes. Within this framework, business/ community partnerships can play and increasingly important role in helping to meet community needs" (Pinney vol.2 No. 1). • "A food manufacturing company gives time off work to executives nearing retirement age. This serves as a transition stage between the executives: work and retirement lives, and provides charities withinvaluable expertise and experience" (Pinney 1997 Vol.2 No. 1).	

Social Marketing		Hybrid	
• applying marketing principles and skills to a particular issue in the interest of the cause or issue as opposed to selling more products.	• Under the endorsement of their employees Glaxo-Wellcome Inc. has become part of palliative and hospice care in Canada. Using their influence, volunteers, communication networks and marketing skills they have been successful in raising the profile of this important area.	• a combination of any of the above	• "Petro Canada, hedquartered in Calgary, Alberta, was a leading force in creating the Alberta Ecotrust Foundation – a co-operative effort of industry and non-government organization that is funded by several participating companies. The Foundation, uniqui in Canada, awards grants to Alberta citizen based groups for action-oriented environmental initiatives. At the outset, Petro Canada saw this concept as an excellent means to maximize the impact of its environmental donations and, at the same time, promote environmental co-operation and synergy among corporations, non-government organizations and local community groups" (Ferguson 1992 p.7).

80

Trends in CCl

Business in Canada has come to recognize that Corporate Social Responsibility extends beyond straight donations, and has moved through strategic philanthropy to commitment to corporate social responsibility (Turnbull 1998 p.4). "The strategic philanthropy paradigm emphasizes the importance for companies to align their charitable giving with business objectives, but also to coordinate their contributions and policies with the interests and expertise of non-profit organizations. The development of long-term links with non-profit organizations may raise a company's profile and may serve to incorporate public opinion feedback into a company's overall planning and decision-making process. Companies may be able to manage public relations more effectively, contribute to meeting social needs, and participate productively in the policy-making process" (Wong 1995 p.1). Believed to have greater long-term results the long-term benefits there has been a noticeable shift from traditional 'categories' of investment to 'issues.' This cross category support hits issues rather than sectors (Turnbull1998 p.5).

Meeting the expectations of the Canadian public and determining the roles of each sector will take time and adjustment. In the eyes of Revenue Canada, 'Donations' and 'Sponsorships' are accounted for equally, resulting in a noticeable shift to 'Sponsorships.' Corporate giving has become more strategic, moving away from capital campaigns and operating grants to outcome-based programs and projects to produce recognition for the company and generate returns. "Thus the term 'philanthropy' may no longer adequately describe what many contribution programs do. As companies are forced to make fewer resources go further, they are increasingly converting their programs into social investments rather than outright donations. Such investments aim to add value for the company as well as for the recipient" (Wong 1995 p.2). In a report published by the Canadian Centre for Philanthropy, however, there is concern that less popular and known causes may be alienated by the growth of sophisticated corporate donation programs, overly ambitious capital campaigns and professionalization of fundraisers (Pinney 1997).

As companies re-align and rationalize their donation programs, focusing on business concerns, as the new corporate giving is characterized by the predominance of non-cash giving through donations of products, services and employee expertise. These kinds of programs try

81

to make greater use of company employees as volunteers, including lending executives to charities (Alperson 1995).

"Companies have re-aligned their priorities and resources to more closely connect community investment programs with corporate objectives" (Conference Board of Canada 1997 p.5). CCI programs can be designed as part of the business objectives in order to meet stakeholder needs. Existing programs in North America have identified several stages of decision-making for public input: "Scoping," "Review," "Decision-Making," "Monitoring and Evaluation," and "Post Program Evaluation." Although proactive in design, these processes often are costly and time consuming. As a result, they are often limited to only the scoping process. CCI presents an opportunity to take public participation back one step to utilize community resources for long-term participation, sound development, and cost-effective planning and long-term competitive success. Keep those skeletons out of the closet. These programs are not merely 'aligned with,' but 'a part of' the corporate strategy and as a result, become more resilient over the long-term (Turnbull 1998 p.4). In alignment with corporate interest and expertise, companies have been able to carve out niches that fit their interests by narrowing contributions focus to one or two areas.

However, in a study conducted by Imagine and the Conference Board of Canada in 1995, it was found that "less than one-third of respondents had policies in place to encourage or support employee volunteerism. Fewer still had personnel charged with managing employee volunteer programs. In most cases, employee volunteering initiatives originated from the employees themselves with the company providing passive support" (Pinney 1997 Vol.3. No. 6). The same group states that "in over-looking employee volunteering, companies are missing a valuable corporate asset that can be put to work for the benefit of both the community and business" (Pinney Vol.3 No.6).

When considering CCI, remember that it is a process for building long-term sustainability through investment in the community due to the fact that you are investing in people and their communities. Remember that these relationships are much like a marriage and demand an understanding of the following:

- Common goals
- Joint rights and responsibilities
- Common vision
- Transparency
- Mutual respect
- Commitment
- Evaluation

- Shared risks and benefits
- Collaboration
- Integrity
- Sincerity
- Partnership
- Research

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Bell Canada and friends...

A winner of the 1997 "New Spirit of Community" partnership awards, "Bell Canada, Medialinz Interactive Limited Partnership and Kids Help Phone partnered to launch Kids Help Phone and Bell Online, a web site that provides information to young people on topics such as AIDS, drug abuse, eating disorders and relationships, and directs them to further resources. The service will be especially helpful to boys, who feel more comfortable at a keyboard than using a telephone. To date the website is attracting 2,500 hits a day.

Bell Canada and Medialinx committed $1.5 million over three years to support the bilingual service and provides technological, logistical and advertising support. Kids Help Phone defined and designed the service, created the 130-page web site, and handles ongoing maintenance. Kids Help Phone also monitors the site and moderates its discussion groups. You can visit Kids Help Phone and Bell Online at http://kidshelp.sympatico.ca " (Pinney 1997 Vol.3. No6).

Where can CCI be used in your organization?

Consider using CCI to link projects in some of these areas:

- Business and Strategic Planning
- Human Resources
- Marketing and Public Relations
- Environmental Affairs
- Management

- International Affairs
- Community Affairs
- International Development
- Economic Development
- Technology Development

CCI programs are forging closer links with the companies marketing, public affairs and governmental relations departments. A Conference Board of Canada report states that "Funding of projects from different budgets including marketing, R&D, government relations and public relations, as well as the development of teams in which managers from different departments confer and develop business objectives and plans in consultation can effectively maintain a commitment to philanthropy in context of downsizing. Companies may thus be able to maximize the utilization of scarce resources" (Wong 1995 p.1).

Not only can CCI bring together areas of common interest and purpose, it can also begin to meld programs so they are working toward a common goal. Take for example the objectives of a team-building session and interest in fulfilling the needs of the community. Traditionally the goals, objectives and budgets of these areas are separate. A CCI program would however, try to merge these goals and find ways to build teams while giving to the community at the same time. This process may take the form of a voluntary project to paint a house for a challenged senior, or work at the food bank for a day. In programs such as these your employees win as they become connected with their fellow employees, and feel a sense of accomplishment as well as purpose, while benefiting the community and saving money for the corporation. So next time you are planning a team building exercise, consider how you might be able to focus your attention to the community.

CCI programs can also draw from a pool that is often over-looked, retirees. Consider how the baby boom will affect the number of skilled people entering retirement. Many of those people

may enjoy recreating, but current trends suggest that traditional "retirement" is changing to one where retirees are interested in doing those things they have put off all their life. These people are educated and demand more out of their travelling or recreating experiences, as seen in the dramatic growth of the eco-tourism industry. CCI can provide opportunities for retirees to continue their involvement in civil society.

Who, When and How Much

When deciding who, when and how much a company should give to the community, there are a number of important factors to consider.

When deciding whom to contribute to, it is important for the company to also decide whom not to contribute to. These parameters make it much easier to set policy and criteria when faced with numerous requests.

"To determine where your company should give, you will need to take into account the kind of business the company is in and to whom your company is accountable. With this in mind, you will need to decide:

- **Which sectors:** health, welfare (including federated appeals), education, arts and culture, environment, civic and youth causes, or athletics

- **Which geographic areas:** the markets the company serves, the communities where company assets are located and products or services are produced, the regions from which the company derives its profits, the communities where employees live, or communities that lack a corporate base and are therefore in great need of assistance

- **Which demographic segments of the population:** specific social or economic strata, educational levels, ethnic groups, age groups, or all of the population

- **Which types of non-profit or charitable organizations, projects or causes:** large, small, new, those with which the company has a historical relationship, those that are highly competent, those requiring organizational as well as financial assistance, those addressing emerging issues, or those popular or those well-known" (Ferguson 1992 p.6).

"An appropriate level of support for an individual organization or project will be determined by a number of different considerations.

- How important a charitable sector or organization is to your company's program
- The number of projects in total to which your company plans to contribute
- The fundraising goal
- The number of companies likely to contribute to the project...
- The profile or degree of partnership your company wishes to have with a project" (Ferguson 1992 p.8).

"In order to successfully
define and implement
Sustainable business,
professional, experts and
the general public all
need to be engaged.
We need to utilize the
different competencies,
knowledge and skills we
share with others -- our
vendors, our customers,
everyone. It's imperative
that we exchange
information about what
works and what
doesn't."

Mike Brown, Patagonia
(Patagonia 1998)

88

Implementing Corporate Social Responsibility & Corporate Community Investment

This section will outline the pieces needed for implementing Corporate Social Responsibility and Corporate Community Investment. For example, factors such as the company's size, sector, culture and commitment of its leadership will affect how CCI is implemented within each company (BSR 1999). Implied, however, is a general understanding of management, strategic planning, marketing and communication, policy development and human resources.

Business for Social Responsibility as an organization has developed these steps required for implementing Corporate Social Responsibility and Corporate Community Investment (BSR1998).

Figure Eleven: Implementing CSR and CCI

Corporate Social Responsibility	Corporate Community Investment
• Mission, Vision and Value Statements	• Link Community Involvement to Strategic Planning
• Cultural Values	• Ensure Senior Management Involvement
• Corporate Governance	• Evaluate Community Impact
• Executive Management Responsibility	• Take a Global View of 'Community'
• Strategic Planning	• Provide needs-based Contributions
• General Accountability	• Engage the Whole Company
• Communications, Education and Training	• Support Employee Efforts
• Employee Recognition and Rewards	• Crate an Internal Buy-in
• Social Auditing	• Facilitate Two-Way Communications
• Use of Influence	• Disclose and Promote Community Commitments
	• Assess and measure the Results

Implementing Corporate Social Responsibility

"Each company differs in how it implements corporate social responsibility. The differences depend on such factors as the company's size, sector, culture and the commitment of its leadership. Some companies focus on a single area – the environment, for example, or the workplace – while others aim to integrate a CSR vision into all aspects of their operations. Below are the key strategies companies can utilize when implementing CSR policies and practices (BSR 1999 p.7).

Mission, Vision and Values Statements

If CSR is to be regarded as an integral part of business decision-making, it merits a place in the company's core vision and values documents. These are simple but important statements that succinctly state a company's goals and aspirations. They also provide insight into a company's values, culture and strategies for achieving references a purpose beyond 'making a profit' or 'being the best,' and specifies how it seeks to create value for a variety of stakeholders, including shareholder/owners, employees, customers, vendors, communities and the natural environment" (BSR 1999 p.7).

The Visioning Process

The visioning process is about dreams and design. "A vision is typically an image of the future characterized by imaginative insight" (Mossunknown). This process takes you away from statistics, trends and figures to one that is expansive and lets you ask the question "What if?" Take a moment to reflect on your own organization and imagine what it will be like in the future. Think about:

1. What reputation will it have?
2. What contribution will it make, and to whom?
3. What would the physical environment look like, smell like, feel like?
4. How would people work together?
5. How would people handle good and bad times?
6. What is different from today?

(Milne 1998)

Values to protect and protect at all costs held in wealth or appreciation in the enterprise and increasingly understood to be the vital source of competitive advantage help employees to manage the think spaces that are strategy or structure can fully fill in. Values provide the glue to create people, and should values create the conditions for trust. Good things come come from values but not all values are good. It this way the others brand, may be held in wealth, but they represent just that what is squeezed into that create a right

(Dollar Oeler 1998 p.121)

Cultural Values

"Many companies now understand that corporate social responsibility cannot flourish in an environment where innovation and independent thinking are not welcome. In a similar vein, there must also be a commitment to close the gap between what the company says it stands for and the reality of its actual performance. Goals and aspirations should be ambitious, but care should be exercised so the company says what it means and means what it says" (BSR 1999 p. 7).

Do you have...	
✓	• A positive attitude toward cooperation and the partnering process
✓	• A readiness to share information and power
✓	• An interest in achieving common objectives
✓	• Organizational structures and Processes consistent with partnering (strategic planning, policy Development, evaluation etc.)
✓	• A built in capacity for collaboration and input of all partners

Creating a Social Vision

"Social visions something that in a broad way gives back some small piece of what we get from the communities in which we work. It's and obligation that you take on, just as you do being a responsible citizen in your own neighborhood."

Cam Waddell, Director, Personal Services Group
(Petro Canada 1998).

Petro Canada recently completed a process for introducing a social focus to their organization. This process was designed to provide a foundation from which to make balanced funding decisions that will work well, for both the community and the company. They started with a group of interested and enthusiastic players in their organization that was selected to:

- Evaluate current activities, company-wide;
- Answer the question: What will our role in the community look like in the future?;
- Create a social vision of the company that provides a unique niche or focus to strengthen our brand position as Canada's Gas Station and help us realize our objective of becoming Canada's pre-eminent oil and gas company.

This process included:

- A benchmarking study with the assistance of Boston College;
- An employee survey to determine priority areas of investment;
- Focus groups using Petro Canada employees;
- Comparative analysis of employee responses and current areas of investment;
- Creation of a vision statement to guide Petro-Canada's future community investment programs;
- Creation of a set of criteria to serve as guide for evaluating community partnerships;
- Development of a long-term evolutionary plan that "provides for the gradual re-alignment and shifting of community investment resources, but allow for some flexibility in areas of vital need (Petro Canada 1998).

Corporate Governance

"Many companies have established ethics and/or social responsibility committees of their boards to review strategic plans, assess progress and offer guidance about emerging issues of importance. Some boards that do not have these committees have the full board consider issues of corporate social responsibility. In addition to having committees and boards, some

93

companies have adopted guidelines governing their own policies and practices around such issues of board diversity, terms, and compensation" (BSR:1999 p.7).

Ben & Jerry's

"Ben & Jerry's is dedicated to the creation and demonstration of a new corporate concept of linked prosperity. Our mission consists of three interrelated parts:

Product Mission: to make, distribute, and sell the finest quality, all-natural ice cream and related products in a wide variety of innovative flavors made from Vermont dairy products.

Social Mission: To operate the company in a way that actively recognizes the central role that business plays in the structure or society by initiating innovative ways to improve the quality of life of a broad community – local, national and international.

Economic Mission: To operate the company on a sound financial basis of profitable growth, increasing value for our shareholders, and creating career opportunities and financial rewards for our employees.

Underlying the mission of Ben & Jerry's is the determination to seek new and creative ways of addressing all three parts, while holding a deep respect for the individuals, inside and outside the company, and for the communities of which they are a part"(Jones 1995 p.23).

Executive Management Responsibility

"Some companies have a senior officer with CSR as a responsibility. The participation of this individual in critical company decisions ensures that CSR considerations are taken into account. In other cases, senior managers collectively consider the interests of key stakeholders before important decisions are made" (BSR 1997 p.7).

Strategic Planning

"A number of companies are beginning to incorporate CSR into their long-term planning processes, identifying specific goals, measures, progress or requiring CSR impact statements for any major company proposals" (BSR 1999 p.7).

Strategic Planning

Strategic planning is a process that "determines where you or your organization are and should be going, so that all organization efforts can be focused on that path" (Moss unknown).

The key characteristics of strategic planning include Clear and agreed upon mission:

- Long-range time horizon
- Pattern recognition to understand complexity and change
- Iterative and participatory
- No attempt to predict
- Focus on understanding of the strategic environment (external analysis)
- Use of multiple future scenarios
- Bounded uncertainty, complexity and issues
- Strategy viability in a changing environment
- Continuous scanning and monitoring (surveillance)

(Moss unknown):

General Accountability

"In some companies, in addition to the efforts to establish corporate and divisional social responsibility goals, there are similar attempts to address these issues in the job descriptions and performance objectives of as many managers and employees as possible – for example, by incorporating diversity goals in managers' hiring practices. This helps everyone understand how each person can contribute to the company's overall efforts to be more socially responsible" (BSR 1999 p.7).

95

Communications, Education and Training

"Many companies now recognize that employees cannot be held accountable for responsible behavior if they are not aware of its importance and provided with the information and tools they need to act appropriately in carrying out their job requirements. These companies publicize the importance of corporate social responsibility internally, include is as a subject in management training programs, and provide managers and employees with decision-making processes that help them achieve responsible outcomes" (BSR 1999 p.7).

Employee Recognition and Rewards

"Most companies understand that employees tend to engage in behavior that is recognized and rewarded and avoid behavior that is penalized. The system of recruiting, hiring, promoting, compensating and publicly honoring employees all can be designed to promote corporate social responsibility" (BSR 1999 p.7).

Awards	Organization
Environmental Stewardship Award	The Council of Economic Priorities (CEP)
Ron Brown Award for Corporate Leadership	The Conference Board
Business in the Community Awards for Excellence in CCI	Business in the Community, The Financial Times, U.K. Dept of Trade and Industry
Award for Excellence in Corporate Community Service and the President's Service Award	Points of Light Foundation
Spirit of America Award	United Way of America
The George Award	Newman's Own (George Magazine and Paul Newman)
Most Admired Companies	Fortune Magazine
The Business Enterprise Awards	Business Enterprise Trust
Business Ethics Awards	Business Ethics Magazine
Corporate Conscience Awards	Council on Economic Priorities
Enterprise Awards for Best Business Practices	Aurthur Andersen LLP.
Malcolm Baldridge National Quality Award	US Department of Commerce for Quality Management

| Most Admired Companies | Media outlets including: Fortune, Asian Business, Management Today |
| New Spirit of Community | The Canadian Centre for Philanthropy – Imagine Program |

Social Auditing

"A growing number of companies have come to understand the value of assessing their performance on a regular basis. From the informal query 'how are we doing?' to scheduled surveys to the formal audit process conducted by outside experts, companies are seeking information about how they are viewed and how they are progressing in meeting the expectations of investors, employees, customers, business partners and community (leaders)" (BSR 1999 p.7).

Use of Influence

"Some socially responsible companies recognize that they can play a leadership role in influencing the behavior of others, from business partners to industry colleagues to neighboring businesses. They understand that ultimately it is in everyone's best interests to have as many companies as possible honoring the requirements and expectations of corporate social responsibility" (BSR 1999 p.7).

97

Implementing Corporate Community Investment

Companies interested in developing or enhancing their community involvement programs may want to incorporate the following procedures:

Link Community Involvement to Strategic Planning

"Community involvement efforts often flow from the company's strategic planning process, linking the community's needs with the company's business goals. For example, in some community-involvement initiatives the beneficiaries represent current or potential customers. It is important that the community-involvement program be consistent with the company's mission, values, goals, and strategies. Wherever possible, it should tap the skills, knowledge, and experience of managers and employees (and local people)" (BSR 1999 p.6).

Ensure Senior Management Involvement

"Senior management can play the same role in setting and endorsing the goals and strategies for community investments that they do for other program areas of importance in business. In some companies, contributions to the community are viewed as an expectation for senior managers and made part of their performance reviews" (BSR 1999 p.6).

Commitment and the Formal Agreement

For successful partnerships it is important to have commitment of the senior executives. This support should come at the beginning of the partnership and should coincide with the identification of a "Champion" or "Ambassador." Consider your chairman, the board, non-executive directors, and shareholders, or employees, volunteers, supporters and beneficiaries for this position. This support can bring valuable resources and clout to your project. Without it, your project may not reach its full potential, or even get off the ground.

For better results, integrate your partnership in the mainstream of your organization as much as possible. A well-integrated partnership is likely to be better supported, more sustainable and therefore more valuable.

Evaluate Community Impact

"See that business decisions – including recruitment, site selection, vendor selection, environmental performance, training programs, banking relationships, and workplace conditions – take into account their impact on the community. Companies that do so demonstrate the same leadership profile in community investments as they do in other business policy initiatives. It may be helpful if the commitments to the community are continuous and have a value that consistently reflects a targeted percentage of revenues, purchases, or profits" (BSR 1999 p.6).

Take a Global View of "Community"

"Extend community investments geographically beyond the locations of company headquarters to other sites around the world that make a significant contribution to the success of the business. For example, companies may choose to make grants globally in the geographic areas of greatest need, or extend their commitments to include the geographic locations of their suppliers. Some companies strive to make geographic allocation of their investments as equitable as possible" (BSR 1999 p.6).

Securing Resources Through Partnerships

Establishing effective partnerships is the key to securing projects in the future. Relationships built between the community and the corporation are dependent on the bridges formed within the corporation between such departments as environmental health and safety, marketing, human resources, legal, planning and strategic groups. These kinds of teams allow the corporation to address complex issues and coordinate efforts between departments for the betterment of the community and the corporate body.

Business in Canada has realized that in order to meet social pressures to respond to the needs of the community, partnerships are necessary. These relationships allow for reciprocity that permit each partner to leverage the others' strengths. In order to build such relationships there has been a shift toward a longer-term approach that requires both resources and trust (Turnbull 1998 p.5).

Partnership implies a joint venture in which each side shares the risks and the rewards of the relationship. The term "partnership" can be applied to various relationships ranging from consultation, through cooperation, coordination and collaboration, to shared decision making and co-management.

Partnerships in this discussion refer to a relationship that shares a vision and mission with compatible goals and objectives, and a recognized allocation of specific roles and responsibilities between the participants. These agreements can be formal or informal, contractual or voluntary and are dependent upon a cooperative investment of resources (time, funding, material, people etc.) and therefore accepting joint risk, sharing of authority and benefit for all partners (Simces-Katz and Ross 1997).

Partnerships should be founded on integrity and respect.

Provide Needs-Based Contributions

"Community investment programs may include a component that addresses critical community needs and the pressing concerns of those who are least powerful within a community. While it is altogether appropriate (and desirable) to benefit the community in ways that also benefit the company, most companies target a significant portion of community investments to address community needs.

Engage the Whole Company

As much as possible, involve all employees, divisions, and locations in community activities. Some companies offer paid time-off for community volunteer activities to all employees at all levels. Others provide a wide range of ways that employees can contribute to the community, from financial contributions and food-bank donations to projects that involve a more significant commitment of time and resources. It also may be appropriate to solicit commitments and contributions from company retirees, employee families, suppliers and customers.

Support Employee Efforts

Consider policies that encourage or support employees for their involvement in community activities. Some companies, for example, match employee contributions to local charities or causes, or make contributions to non-profit groups in which employees sit on the board of directors. Other types of company support include creating a directory of community volunteer opportunities or holding a volunteer fair, in which local organizations are invited to meet with employees interested in volunteering.

Create an Internal Buy-In

Use creative opportunities to communicate to employees that community support and involvement is important to the company. Provide incentives and rewards for those that get involved, and encourage managers and supervisors to support employee activities that do no unduly impinge on business operations. Some companies also include in managers' and supervisors' performance reviews their abilities to encourage community involvement among their subordinates.

Facilitate Two-Way Communications

Engage company representatives in a dialogue with community leaders to learn how the company can provide value to the community. Such a conversation may also elicit feedback on how the company is perceived in the community, providing opportunities for the company to improve or enhance its reputation. It may be helpful to solicit regular feedback from the community about the company's performance and contributions and keep the lines of communication open" (BSR 1999 p.6).

Initiating Partnerships

When initiating a partnership it is important to be clear on your values and culture in order to appreciate ways that they might match. Take the time to write out a proposal that outlines the following:

- The nature of your organizations culture, its vision, values and objectives
- The purpose and objective of the proposal
- Available Resources
- Expected Outcomes
- Budget and Timing
- The Selection Criteria
- Expectations of Partners
- Contact Name

The more detail at this stage the better.

To do...

- Identify common issues, values and goals with potential partners.
- Acknowledge that potential partners have their own priorities and build on this.
- Identify the benefits of partnering and how to share these benefits.
- Identify if the potential partners interests and objectives are in common with your organization.
- If the interests and objectives are shared, determine if the organization is dependable and can it be trusted or offer a needed product or service.
- Apply careful consideration when selecting and balancing different partners.
- Make sure all key stakeholders are represented and will be involved in the decision-making process. (Simces Katz 1997).

Questions to ask...

- What is the scope of the project?
- Does any one group own the idea?
- What is the time frame for the relationship? Short-term relationships should be avoided.
- Not only do you risk losing investment on setting up a partnership, but also you may risk accusations of exploitation if not handled carefully with honesty, openness and clear communication.
- Is this just a marketing ploy?
- Is everyone clear on the expectations of each partner?
- Are you being honest to your partners? Misleading our partner about your capacity, contribution and commitment can be very destructive (Adkins 1998).
- Are you clear about your own objectives?
- How well do you understand what your partner wants to achieve?
- Where do your objectives converge and where do they conflict?
- How can any conflict be reconciled?
- Do you have an exit strategy?
- Because businesses and organizations often operate very differently from one another, do you understand:
- The organizational structure?
- The geographical distribution?
- The relationship between the organization and its employees, volunteer, supporters and beneficiaries as appropriate?

Disclose and Promote Community Commitments

"Publicly describe the company's community contributions and investments, the selection criteria and the decision-making process, and publish this information for interested parties who want to know whether they qualify for support. Companies often promote such information internally to help employees understand the company's commitment and to encourage their involvement, both in their jobs and during their time off" (BSR 1999 p.6).

Assess and Measure the Results

"Take stock of the outcome of the company's community investments and use this information to review and revise the company's initiatives on an ongoing basis. Whenever possible, describe the impact of company community activities in quantifiable terms, as in a cost-benefit analysis. Some companies measure the direct and indirect cost savings and benefits realized by both the company and the community. Often, these companies opt to include such information in an annual report to employees and other stakeholders" (BSR 1999 p.6).

Figure Twelve: Evaluating Community Partnerships

Petro Canada	Trans Alta Utilities Ltd. - VIPER
Evaluating Community Partnerships 0-15 = poor fit 16-29 = moderate fit 30-42 = good fit Criteria - Alignment with our key funding focus area - Fits our corporate personality - Requesting organization has solid reputation and a track record of accomplishment - Requesting organization has confirmed funding for long-term operations - Provides us with a national or coast to cost opportunity: a national umbrella organization with grassroots legs - Investment is solution or Development oriented, not building dependencies - Links or provides a building block to other programs - Not duplicating the efforts of others - Has the potential to engage our employees - Meaningful to the community - Provides us with the opportunity to build partnerships - Has growth potential - not a one-time investment - Potential to "own" or brand investment for our company - Importance to our field locations (Petro Canada 1998)	**V = visibility** How many people did this promotion affect? Did it receive media coverage? Was there a large public event? What is visible to key community leaders? **I = innovation** Did this promotion allow TransAlta to show up in an innovative way? Was it a unique promotion making clever use of resources to meet needs? Did TransAlta deliver the program in an innovative way? **P= personality** Did the promotion allow TransAlta to show up as a caring, innovative company? Were we set apart as a sponsor in some way? Did the promotion say something about who we are and what we value? **E= employee involvement** Did the promotion allow our employees to be involved? How many employees were involved? Were they aware of the promotion and want to take part as volunteers? Is there an employee who is a volunteer member of that organization? **R = relationships** Did the promotion give us an opportunity to build or further key relationships? Did it serve as an opportunity to bring employees together? How many relationships did it further? (Hari 1998)

"What is needed is
therefore not a rigid
following of a
prescribed package
of behaviors but a
deeply held and
creatively expressed
'orientation' toward
the right, the just, the
ethical."

John Dalla Costa, 1998
(Dalla Costa 1998 p.29)
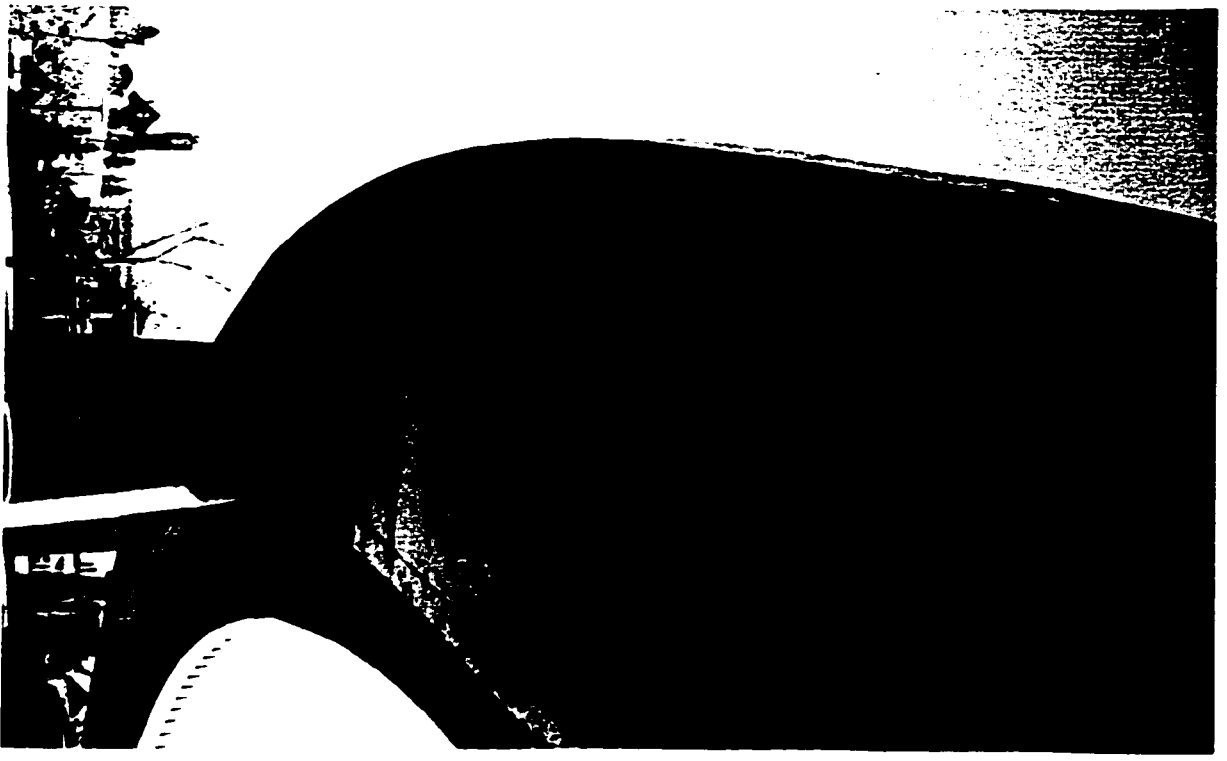
Business for Social Responsibility has chosen the following as examples of leading companies in the areas of Corporate Social Responsibility and Corporate Community Investment. These examples were chosen to "represent innovation, higher than average commitment, unusual industry practice of a comprehensive approach to this issue" (BSR 1999 p. 9).

"Natural Cosmeticos, based in Brazil, is a recognized leader in corporate social responsibility in Latin America for its commitment to the communities where itoperates, for creating an empowering workplace, and for its support of human rights issues locally. The company's mission statement details its dedication to promoting "well being/being well" through its cosmetics business, and Natura has a separate department specifically charged with creating, identifying, and developing social responsibility programs. The company focuses on creating partnerships with schools, government organization, and non-profits to enhance the quality of children's lives and the public education systems where it operates. For example, the company has formed a partnership with the Abring Foundation for Childs' Rights that entails (1) mobilizing its network of consultants and suppliers who spend volunteer time to design, produce and sell products the sale of which (benefit) the partnership child labor program; (2) including an anti-child labor clause in its supplier agreement; (3) placing a child-friendly seal on its products; and (4) advocating with other companies around issues such as the Brazilian Child and Adolescent Bill of Rights. Natura's employees, suppliers, and consultants are provided with opportunities to perform volunteer community service, and the company makes its facilities, management expertise, and administrative capabilities available to numerous non-profit organizations. The company also demonstrates its commitment to environmental sustainability through its use of refillable packaging" (BSR 1999 p.9).

"Xerox Corp., has established itself as a global leader in workplace, community, and environmental practices. The company is regularly cited in lists of the 'best places to work' for its strong record in motivating and supporting employees. Among the innovative programs the company offers is the Life-Cycle Assistance Program, which funds employee work-family benefits in the areas of childcare, mortgage assistance, and extended household health care. Each employee is given a 'virtual' $10,000, which they may draw upon anytime during their employment in $2,000 annual increments. Another Xerox initiative, the Social Service Leave Program, allows employees who have been with the company at least three years to

apply for leaves of one month to one year to work with local community service programs, with full pay and benefits. In the environmental arena, Xerox has worked to create 'waste-free products from waste-free factories,' in which emissions and waste of all kinds are minimized or eliminated. Its Asset Recycle Management Program, in which the company designs its copiers and other products so that they can be reclaimed, refurbished, and reused at the end of their useful lives, has saved Xerox more than $50 million since 1991" (BSR 1999 p.9).

"Wild Oats Markets, a Boulder Colorado-based natural foods company, has been identified as a leader for its community involvement strategy for two reasons – it gives a percentage of its pre-tax profits back to the communities in which it operates and it has a unique decentralized grant-making approach that focuses on giving and volunteering at the store level. Wild Oats markets, community involvement program focuses on people in need, and its nationally focused foundation and local stores work to address issues such as hunger, domestic abuse, and the needs of children and youth. Store based programs include '5 Percent Days' where, once a month, five percent of a store's pre-tax sales for a particular day are given to a specific community organization. Stores also participate in the company's Wooden Nickel program that encourages the reuse of bags and supports local non-profits. When customers bring in their own bag, they can either get five cents taken off their bill or they can receive a wooden nickel to put into canisters for local non-profits. For each wooden nickel, that non-profit will receive five cents. Stores often pool resources to address community needs through regional and national initiatives. Regional '5 Percent Days' for organizations benefit larger areas, while national '5 Percent Days support the Wild at Heart Fund, created by the company in 1998 for national environmental and humanitarian organizations. The company has also created a Community Crew program, through which employees accrue one paid hour per week for volunteer work" (BSR 1999 p.9).

"**Timberland**, a footwear, apparel, and gear maker, concentrates more than 95% of its philanthropic and other community involvement resources to be a national founding sponsor, supporter, and partner of City Year. City Year is an Americorps national service program designed to unite young adults aged 17 – 23 from diverse racial, cultural, and socioeconomic backgrounds for a demanding year of full-time community service, leadership development, and civic engagement. Through this strategic alliance, Timberland donates footwear and apparel to the volunteers, and in 1995 began a $5 million, five-year investment in the program. Timberland employees participate in regular service events with City Year and have pledged to provide 40,000 hours of community service by the year 2000. The company's website features a section where organizations and individuals can enter their ZIP code to locate volunteering opportunities" (BSR 1999 p.9).

"It is not because things
are difficult that we do
not dare; it is because
we do not dare that they
are difficult."

Seneca
(Cameron 1992 p.83)
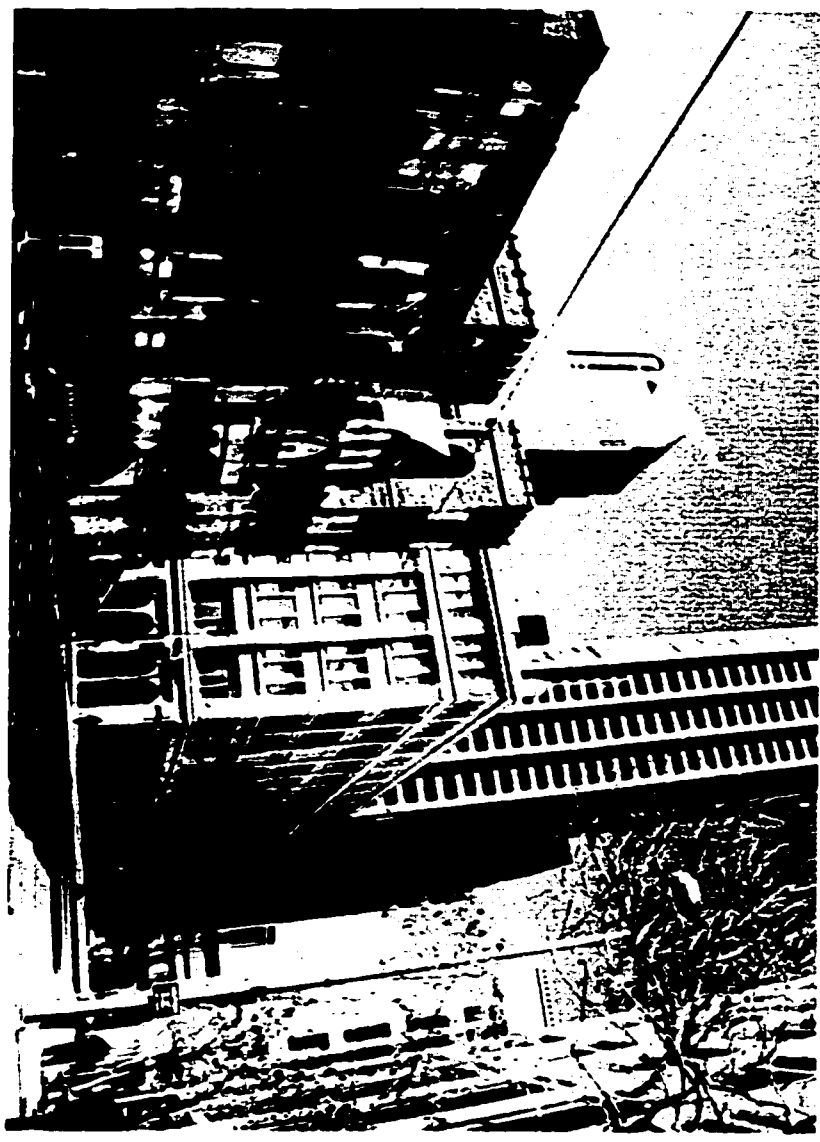
Now that you have:

- Considered Corporate Community Investment and have begun to understand some of the problems that lead to it
- Seen where Sustainable Development is so far and the factors limiting its growth
- Been given examples of how to make commerce sustainable
- Had a tour of the big picture giving context to the what is driving CCI
- Seen where it fits in your organization and its benefits
- Been given a framework to implement it and been given examples of leading companies

You should have a good idea of how CCI can fit within your organization.

Tips...

Here are a few tips that might help you know where to go from here.

- Continue to learn about Sustainable Development, Corporate Social Responsibility and Corporate Community Investment
- Start Implementing these practices and concepts within your organization
- Continue to look for patterns and trends
- Remember change starts with you, do something
- Look for ways to live more sustainably
- Remember that Sustainable Development is a continual process
- Ask "What if?"
- Overcome barriers through innovation
- Talk to other people about what they are doing
- Get involved
- Talk to someone from a different department
- Laugh
- Think of how the future could be and work backwards from there
- Form a group of people who are interested in Sustainable Development
- Share information

- Think positively
- Celebrate success
- Encourage research of CCI and natural systems
- Find ways to measure CCI and create long-term relationships built on trust.
- Learn from those before you
- Promote creative thought
- Think outside of the box
- Listen to your heart

...is the
and place that binds
people to a dream."

Apple Milne
(Milne 1998)

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Appendix One: Master's Degree Project Proposal

Purpose:

The purpose of this project was to conduct an investigation of Corporate Community Investment Programs to gain an understanding of how such programs are or can be strategically linked to concepts and practices of Sustainable Development.

The goal of this study was to produce a set of resources and discussion that will facilitate a fundamental shift in attitudes, values and behaviors toward Sustainable Development by "Building Communication Bridges" between corporations, communities and individuals.

Objectives

The objectives of this project are:

*   Identify examples of Corporate Community Investment programs using secondary sources
*   Identify methodologies used for determining CCI priorities
*   Identify driving forces and opportunities for CCI programs
*   Discuss the relationship between Sustainable Development concepts and practices with Corporate Community Investment practices
*   Identify measurement frameworks for evaluating performance of CCI programs
*   Develop a guidebook that discusses these findings

Methodology

This project was carried out in five phases. These phases include verifying the need for CCI, commitment of financial support, data collection and analysis, production of resources, and finally the defense process.

This project was supervised by an academic committee with peer input. This supervisory committee was formed upon unconditional approval of the MDP proposal and consists of Dr. Grant Ross (Faculty of EVDS) and Dr. John Graham (Faculty of Social Work). Peer input was received from Lesley Matthews, Sherry Sian and Maureen Hill through weekly meetings.

Phase One: Verifying the Need for Corporate Community Investment

Phase One was important for understanding the key issues of Sustainable Development, current industry practices in Corporate Community Investment. Through key informant interviews and a literature search this phase built the case for further study.

Phase Two: Commitment of Financial Support

Phase Two was an ongoing process, with the majority of effort expended after the needs for CCI research were verified. This process included networking, a literature search, information package development, direct mail and telephone contact. Letters of support were received from Dr. Grant Ross, Jim Leslie (International Institute of Sustainable Development) and Pan Canadian. Many of the corporate and non-profit funding bodies were not receptive to my proposal as I did not meet their funding requirements. I later learned that affiliation with a non-profit agency or association would have positioned me better for funding support as many funding bodies restrict their support of "individual" and "graduate" research and projects. Although I received praise and encouragement by industry for the work I proposed, there were few funding dollars easily available for this kind of non-traditional research. Due to the timely nature of soliciting funds my efforts were terminated in order to resume phase three of the proposed project. The faculty of EVDS graduate research scholarship program later granted funding for this project.

Phase Three: Data Collection and Analysis

1. **Literature Review** – Using the internet, periodicals, journals, corporate reports, popular literature newsletters and newspapers (See Bibliography) I was able to find information on Corporate Community Investment, Sustainable Development and Corporate Social Responsibility. As an emerging field, there were few traditional sources and much of the information discovered was very recent. The bulk of my research stemmed from the

literature review. As exploratory research, this approach was chosen so as to gain an understanding of the key relationships and big picture surrounding Sustainable Development, Corporate Social Responsibility and Corporate Community Investment.

2. **Key Informant Interviews** –These interviews were conducted throughout the data collection process. This approach was chosen to complement the literature search and provide additional industry contacts and information. Speaking withindustry professionals, academics and writers (See Bibliography) I was able to gain an understanding of the role of CCI in business. These interviews were limited however, in that much of the leading work in this field is conducted in key metropolitan centers in the United States. Accessing these people directly was confined to internet contact due to limited financial resources. Because CCI is a poorly defined field in Calgary, much time was spent finding the "right" person to talk to. Although extremely time consuming, this round about approach opened many doors that would normally have been left shut. Eight months of networking, has allowed for many informal conversations and contacts.

3. **Conferences and Meetings** – Conferences and meetings were identified through key informant interviews, literature search and networking. This component was chosen as a method to condense research time and financial resources. Conferences and meeting, provided opportunities to network, share information and promote my research. Due to lack of funding, however, I was not able to attend two key conferences hosted by the Business for Social Responsibility and VanCity Trust respectively. The conferences and meetings I did attend and participate in are listed below:

- IAVE Volunteer Conference, Edmonton Alberta 1998.
- David Suzuki, Endangered Spaces, Calgary Alberta 1998.
- Peri Lynn Turnbull, Industry Meeting, Calgary Alberta, 1998.
- Wolfgang Sachs, Faculty Guest Speaker, Calgary Alberta 1999.
- Spelling the Millennium, Calgary, Alberta 1999.
- International Institute of Sustainable Development Three Pillars Breakfast Group
- Palden Gyatsu, Free Tibet, Calgary Alberta, 1998
- Sustainable Calgary – Sustainability Indicators Workshop
- Calgary Outdoor Council

118

Phase Four: Production of Resources

Phase four built upon phases one and three. This phase included writing, design, layout, photography and drawing.

Phase Five: Defense

This phase included final layout and editing of printed resources, production of a presentation, "posting" requirements, final presentation and revisions.

Implementation

Phase	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
One												
Two												
Three												
Four												
Five												

Final Budget

Computer	$3500
Office Supplies	$200
Phone	$100
Conference and Meetings	$200
Travel	$000
Printing, Photocopying & Subscriptions	$500
Art Supplies	$150
Total	$4650

Bias

The potential bias of this study includes

- Although intended as a guide for corporations, the author has not previously worked in or for a corporation, but has worked with them.

- Secondary data may be flawed or biased previously

Appendix Two: External Standards

External Standards for Corporate Social Responsibility

External Standards for Corporate Social Responsibility (BSR 1999)

"The Caux Round Table Principles, subtitled 'Business Behavior for a Better World,' cover company operations across the globe. The principles come from the Caux Round Table, an international association of executives based in Caux Switzerland. The principles include the social impact of company operations on the local community, a respect for rules and ethics, support for multilateral trade agreements that promote the 'judicious liberation of trade,' respect for the environment and 'avoidance of illicit operation,' including bribery, money laundering and other corrupt practices. The principles are intended primarily as a benchmarking tool for companies to use to compare their own policies and practices. (http://www.cauxroundtable.org).

The Interfaith Center on corporate Responsibility (ICCR) has published 'Principles for Global Corporate Responsibility," which is not a standard but a 'collective distillation of the issues of concern' to religious-oriented institutional investors developed by groups in the U.S., Canada, and the U.K. ICCR is comprised of more than 275 religious institutions that use their investments to promote social change. The principles cover the entire spectrum of CSR issues including workplace, community, the environment, human rights, ethics, suppliers and consumers. The principles are published as a reference tool that companies (and investors) can use to benchmark or monitor their own policies, or those of the companies in which they invest.

The Sunshine Standards for Corporate Reporting to Stakeholders, proposed in 1996 by the Washington, D.C. based Stakeholder Alliance – an association of individuals and organizations from environmental, consumer and religious organizations – are described as "the information that corporations should routinely provide in an annual 'Corporate Report to Stakeholders.'" The standards cover a very wide spectrum of information, from "customer

information needs" 9related to actions against the corporation, product contents), "employee information needs" (job security, health and safety risks, equal opportunity employment data, employee grievances), "community information needs" (company ownership, financial data, environmental impact, taxes paid, job creation data, investments, contributions), and "society's information needs' (trade with hostile nations, major government contracts, fines levied against the company).

The Keidanren Charter for Good Corporate Behavior comes from Keidanren, the Japanese Federation of Economic Organizations, a nationwide business association whose membership includes more than 1,000 of Japan's leading corporations and more than 1000 industry groups. The 10-point charter states that "Corporations, in addition to being economic entities engaged in the pursuit of profit through fair competition, must be useful to society as a whole. Keidanren members agree to follow the spirit of the charter as "the criterion of their corporate behavior." http://www.keidanren.or.jp

External Standards for Corporate Community Investment (BSR 1999)

Nine Principles of Corporate Community Investment: Business in the Community (BIIC), a UK.–based association that assists companies in making community involvement part of their business practices, has developed these principles as a benchmarking model. Companies of any size can use the principles to evaluate their current performance, measure their performance against best practices, identify strengths and areas for development, and set targets for improvement.

Standards of Excellence in Community Relations: Introduced by Boston College's Center for Corporate Community Relations in 1993, this set of management practices includes a Self Assessment and Planning Tool (SAPT) for companies to evaluate their performance and identify areas where improvement is needed. They also include a Standards Endorsement program for CEOs who wish to publicly acknowledge their support of its principles.

Corporate Community Involvement Index: The London Benchmarking Group, (an association of British Petroleum, Grand Met, IBM UK, Marks & Spencer, NatWest Group, and Whitbread) has developed a template for monitoring and measuring community involvement activities. The CCI index attempts to summarize a broad range of a company's corporate involvement, divided into several categories. By analyzing these categories, the London Benchmarking Group seeks to evaluate the impact of community involvement on corporate reputation and the impact of specific community involvement activities on the community itself.

The Measuring Corporate Citizenship Project: In 1994, 16 multinational corporations formed a research coalition in collaboration with the Council on Foundations to develop and test tools and techniques for measuring the impact of corporate citizenship's strategic contribution to the bottom line.

Appendix Three: Sample Policies

"Citizens' Bank of Canada: The concept's of Corporate Responsibility is the cornerstone of our operations. And as such, it affects and is reflected in everything we do. Every decision we make. Every action we take.

It is reflected in the banking products we develop, and how they can be used in positive ways. It involves the relationship we have with our employees and the kind of workplace and culture we are creating together. It defines the partnership we have with our members, and how we encourage members to have a voice in our operations and the direction we take – what issues we support, what actions we take to address them.

It relates to human values, social issues, and the environment, creating communities that are economically and socially vibrant, and building a more Sustainable society and economy. And it refers to how we use our resources as a bank to effect positive social change.

Our focus is on four "affinity" areas that concern our members and us.

Environment
Economic Self Reliance
Human Rights
Families

We are in the business of banking, and one of our first responsibilities is indeed to be financially successful. But we are also in the business of change. Even though we're not new to the financial industry and our parent company was a pioneer in promoting ethical business practices and social change through its role as a credit union, we are a new bank. We're building our commitment as we grow, by combining our visions and values and those of our members" (BSR 1999 p.11).

"Tom's of Maine statement of Beliefs: We believe that both human beings and nature have inherent worth and deserve our respect.

124

We believe in products that are safe, effective and made of natural ingredients.

We believe that our company and our products are unique and worthwhile, and that we can sustain these genuine qualities with an ongoing commitment to innovation and creativity.

We believe that we have a responsibility to cultivate the best relationships possible with our co-workers, customers, owners, agents, suppliers, and community.

We believe that different people bring different gifts and perspectives to the team and that a strong team is founded on a variety of gifts.

We believe in providing employees with a safe and fulfilling work environment, and an opportunity to grow and learn.

We believe that competence is an essential means of sustaining our values in a competitive marketplace.

We believe our company can be financially successful while behaving in a socially responsible and environmentally sensitive manner." (BSR 1999 p.12).

Appendix Four: Creative Exercise

Using the Right Side of your Brain..... Creative Thinking

Are your strategic planning sessions long, tedious and unproductive? Do plans and reports end up collecting dust on your bookshelves? Why not try a different approach that is fun and memorable?

Used in motivational workshops by speaker Maggie Milne, the following exercises demonstrate innovative thinking processes, stimulate right brain thought processes and illustrate many of the pitfalls of traditional strategic planning.

Exercise #1

Is that a giraffe in your closet – Right Brain thinking.

Materials: Crayons and paper

Outcome: This exercise is intended to stimulate your right brain and encourage risk taking. In business most plans use the left side of the brain to analyze facts, figures and past trends. But what most businesses do not realize is that planning can not take place using only the left side of the brain. When you incorporate the right side of the brain, the plans begin to expand and move. It is here where the risk taking takes place and concepts are formed in the place of plans. Communicating through drawings and graphics presentation allows people to see a concept, making the information much more accessible and to more people.

1. Hand out a box of crayons and piece of paper to each person.

2. 5 minutes - Instruct each person to choose a moving object that describes them and to draw it using the crayons provided. Usually this object is the first thing that comes to mind. This object may be animate or inanimate. For example, someone may choose a suitcase, tank, and filing cabinet, giraffe or snowball. Each of these objects becomes a symbol of for each person describing how they perceive themselves in the world. For example, I see myself as a giraffe. I am tall and often very awkward. Sometimes I find it hard to fit into constrained spaces or circumstances. Yet I believe others see me as a very graceful and

bold creature. As a giraffe I can often see beyond what others can, but, because my head is often in the clouds I realize that it is sometimes hard to bend down to really get what I need like water, and low lying food and therefore need to ask for help.

3. Then have each person draw what makes it go. Fuel, food, gravity etc.
4. Have each person switch their drawings with the person beside them. Have them try to figure out what the other person is trying to say in their drawing and then discuss.
5. Choose a few volunteers to present their partner's picture and explain it to the group.

Exercise #2

Materials: None

Time: 25 minutes

Outcomes: This exercise is intended to demonstrate the process of innovation and how to move through your own barriers to "think outside of the box."

1. Have each person pick a partner. It is best if they do not know the person.
2. Have them stand face to face and look at each other.
3. Right away have them turn back to back.
4. Have each person change five things about their appearance.
5. Then have them turn back to each other and figure out what is different.
6. Repeat this process three more times.

Discussion:

- Ask how many people started to put things back the way they were?
- Does this happen in an organization?
- Ask the group if there were any really innovative, creative or unexpected changes (beyond all the stuff that was easy to do) made?
- When did these changes happen?
- Usually the third time around is when innovation happens.
- These innovations are usually made possible in times of change. When organizations are restructured and cuts made.

Now is the time to start thinking about a social vision.