

Good corporate citizenship surges

By **FRANCES STEWART**

CORPORATE Social Responsibility (CSR) is making a resurgence after the financial crisis resulted in budgets being slashed across Australia in the past two years.

The Australian Centre for Corporate Social Responsibility's latest review shows it is helping business owners strengthen their reputation, reduce costs and protect the environment – but there is still a long way to go before CSR is truly integrated into business strategy.

CSR provides a range of benefits to business owners – to their brand, their bottom-line and their community.

Eighty per cent of the study's 500 respondents said CSR had improved their company's reputation in the past year – up from less than 40 per cent in 2008.

And just over 60 per cent said CSR reduced costs in their organisations – up from less than 20 per cent in 2008.

Dean of the John Molson School of Business, Sanjay Sharma, says Australian organisations are in the early stages of building sustainable business models for CSR that create competitive advantage.

“The report highlights that the

main obstacles to adopting successful CSR strategies include the difficulty in making a business case for CSR, difficulty in integrating CSR with organisational values and practices, and the lack of organisational buy-in and commitment to CSR,” he said.

“The findings are not unique to the Australian context but emerge globally, as more organisations are at the first phase of understanding the meaning of CSR.”

While environmental CSR tops the list of priorities for Australian companies, a wider range of CSR programs are emerging – including social issues such as human rights, labour relations, supply chain policies, and corruption.

In Australia, Dr Sharma says the focus will likely remain on environmental CSR programs for the foreseeable future.

“This is expected for a resource dominated economy, where the negative environmental impacts of mining, resource extraction, and energy companies can outweigh the negative social impacts,” he said.