

Social corporates eye value – survey

■ Emily Morgan

CORPORATE social responsibility is back in vogue after a slump in corporate community support thanks to the global financial crisis, according to the Australian Centre for Corporate Social Responsibility.

Though this time around CSR is favoured not just for boosting a company's reputation and reducing complaints, risks and costs but for strengthening a business's competitive advantage and creating value in expanded products and service lines.

Sixty per cent of companies surveyed in the centre's The State of CSR Annual Review said their corporate social responsibility programs had helped to reduce costs in the business.

There may be the temptation to assume significant companies are missing from those surveyed, but it is hard to ignore the likes of Rio Tinto, Westpac, BHP, PricewaterhouseCoopers, Mission Australia and the Australian Broadcasting Corporation taking part in the 2010-11 annual review.

They are named among the centre's CSR top 20 list and are joined by Sensis, Arup Australasia, Fujitsu Australia, National Breast Cancer Foundation and The Smith Family in the top performing businesses in terms of corporate social responsibility.

From the 489 responses, it seems spending and staff budgets for CSR are both rebounding after the GFC; 37 per cent plan to spend more on community investment this year compared to 21 per cent in 2009. In 2009, 34 per cent planned to spend less in the area – a figure that has dropped to 5 per cent in this review.

Thirty-nine per cent plan to spend more on their stakeholder relations strategies this year, a 20 per cent increase from 2009.

A quarter of respondents intend to hire more staff in the CSR area this year and 55 per cent plan to retain their staff levels.

The figures show corporate entities are prepared to pour more cash into their community programs and

hire more staff to support the programs directly, but what are the tangible outcomes and benefits?

The majority of respondents (80 per cent) say they make for a stronger reputation. On top of that, 76.5 per cent said risks were reduced by engaging in CSR programs (up from 27 per cent in 2008) and 67 per cent said CSR strengthened a company's competitive advantage (up from 28 per cent in 2008).

The centre's founder and chief executive, Leeora Black, linked these outcomes to general business objectives, saying the outcomes highlighted in the report have been known to drive business performance.

"Since it was first conducted in 2007, we have witnessed unprecedented growth in the level of aware-

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- Leeora Black

ness and application of corporate social sustainability practices across the country," Dr Black said.

"Attention to CSR and related functions such as sustainable development are now business as usual for most large companies.

"Companies use it for risk mitigation and reputation protection but there is still a way to go before most can use it effectively for developing new sources of value or competitive advantage.

"That is likely to change in future because of the marked growth in adoption of international frameworks for CSR reporting in recent years – both nationally and in Western Australia – with the 2008-09 research findings identifying a high level of interest in these standards."