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Dear Reader,

A few weeks ago I attended a conference in Chicago organized by The CRO, a website and magazine dedicated to corporate responsibility topics. During a packed day of presentations by leaders from Bank of America, Rainforest Alliance, Pitney Bowes, Interface, BASF, General Motors, Deloitte, Motorola, Dow Chemical, BP, SAP, to name a few, I repeatedly heard the presenters mention the key role of visionary leaders, of developing a CSR culture within the organization, of getting managers and employees on board, of creating the required engagement across multiple constituencies, of the need to develop talent to support the new business needs.

And yet, as I scrolled down the list of 236 participants, I was not able to locate a single one from HR, OD or training and development areas.

That was the trigger for this article, in which I'm addressing the absent colleagues.

Enjoy the reading!

Isabel Rimanoczy
Editor

Quote of the Month

> *"It's not what you know that will hurt you;
> it's what you think you know."*
>
> *(Roger Vardan quoting Bill Rogers, at the SoL Sustainability Consortium,
> Burlington, Vermont, USA — September 2007)*

LIM NEWS

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CSR: A NEW PERSPECTIVE FOR THE HR ROLE

Some time ago I met with a colleague, who is in charge of Talent Development at a Fortune 100 corporation. When she asked me what I was up to these days, I mentioned my increasing involvement in CSR through my doctoral research work.

"CSR?" she asked, "what do you mean?"

"It stands for Corporate Social Responsibility… you know, sustainable practices."

She looked at me as I have looked in the past at some academics talking to me — with an expression combining pity for the disconnect of academics from the real world, anticipating my disappointment when I eventually land in reality, and at the same time with rapidly diminishing interest in the conversation. Then, almost to be polite, she asked another question, "And do you *REALLY* believe that corporations are interested in that?"

That question lingered in my mind for a long time. As I have continued to dive into the CSR world, many times I have had this experience of two parallel worlds running side-by-side but not converging. In conferences, magazines, newsletters and websites I have continued to meet more and more individuals engaged in and passionate about CSR projects. They are eager to share their experiences, challenges and discoveries. They exchange lessons and resources, they like to feature their success stories and they are all very inspirational. They come from accounting, engineering, purchasing, legal affairs and manufacturing. They are entrepreneurs, consultants, owners or converted C-officers (CEOs, CFOs, CIOs, COOs). Some are from NGOs, some are professors of ethics trying to alter traditional perspectives of MBA programs.

And then there is this other world. When talking to OD, HR or training professionals, whether involved in education or in the corporate world, I can sense a distance in our conversation between where I am and what their daily concerns are. CSR is not part of their world. In some cases they are able to connect what I'm talking about with some CSR or philanthropic initiatives the corporation might have, they refer to the corporation's report on the website, and that's it. I almost can sense their relief that someone is taking care of *that* in their organization, as they are too busy to get involved

themselves in this new venture.

This reminds me of a meeting of the South Florida ODNetwork a few years ago, where the topic of discussion was "How can OD and HR be at the executive strategic decision table?" The answer, after ninety minutes debate was clear "Be strategic, understand the business and speak that language." Much progress has been made in this area in the last few years, and HR professionals have developed the skills to become a 'business partner'. But now one can wonder if we are seeing the gap growing again.

What is sustainability?

In 1987, the UN Brundtland Report defined sustainability as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs. At that time the concern was focused mainly on the use of natural resources, care of the environment and pollution. Later, organizations began to connect sustainability with profitability. The traditional business goal of attending to the bottom line was challenged and expanded into the concept of triple bottom line: profit, people and planet. It also was referred to as economic prosperity, environmental quality, and social justice. These three areas are also clearly connected: economic prosperity and environmental quality impact people and, in turn, people impact profits and planet. But there seems to be more: What about education, which impacts people who impact the environment and profits, and prosperity and education impact peace, which in turn impacts...
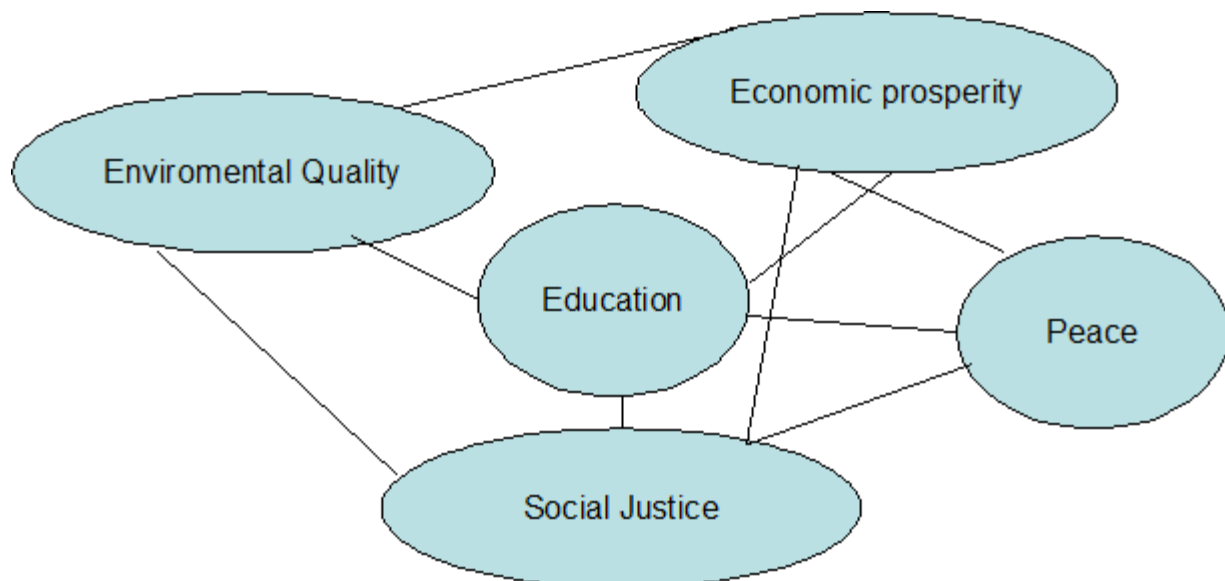
No wonder my colleagues felt this is not part — fortunately — of their job description. This is too big to seize, too vast to influence, too complex to grasp. Solving the world's problems!

But wait a moment – did I just say environmental quality and planet? Does that have any connection with reusing, recycling and reducing? Does this relate to how much and what type of energy we use in our office? To what we do with waste and with water in our manufacturing plants? Is this connected to compliance, to lawsuits, to PR campaigns that competitors are running to state how 'green' they are? Social justice, is this related to diversity? To equal opportunity, child labor and fair trade? Is economic prosperity linked with more customers having access to the products we sell? And is peace connected with the challenge of doing business in certain cities? It may look more like this:
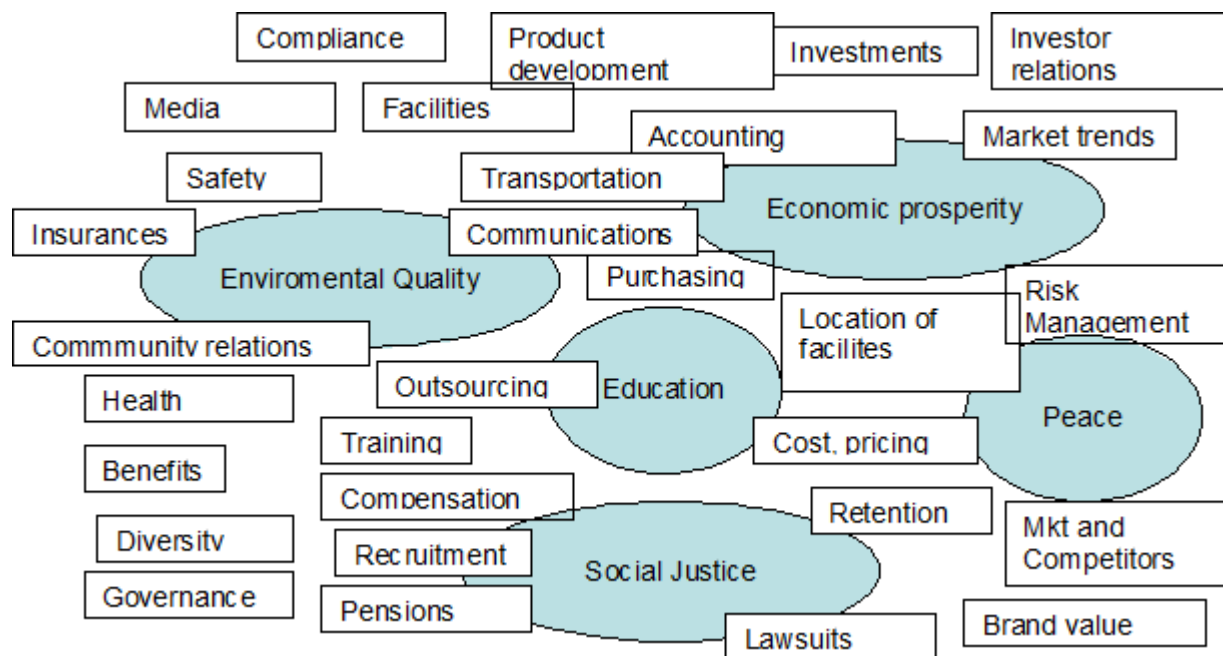
An intricate net of interconnected aspects indeed. And while these activities are customary operations and transactions of organizations, they are increasingly impacted by the effects each of them generates in the environment and in communities. The scope of organizational responsibility has expanded beyond internal practices to the practices of suppliers. In an interconnected world, an organization, in Europe, say, suddenly is affected by the labor practices of its suppliers in East Asia, as it is held responsible for buying from suppliers using child labor. Or it is held accountable for the materials used in the manufacturing of products it retails, such as in the case of lead paint used in toys sold by Mattel.

Many corporations have begun to pay attention to CSR as a defensive reaction to protect their brand, their share value, or to avoid lawsuits or undesired exposure in the media. The next level is the market pressure. As competitors launch and promote CSR initiatives, it becomes a new standard to maintain, a new objective to stay a respected player in the market place.

The real advantage, however, comes once the organization realizes the opportunities to reduce costs by reducing waste and reducing the use of natural resources; the opportunities to gain market share by designing better products and services; the increase in attraction and retention of talent by developing a CSR culture.

Anticipate

Are you a HR, OD or training professional who considers CSR is not part of your task?

Think again. Just as you learned to become a strategic thinker, just as you increased your value to senior management by involving HR in learning the business strategy needs, now you can anticipate the new CSR context that is changing how business operates, and what this means for the part you must play.

There are several steps to approach the issue. The first one is your personal learning.

- Learn about sustainability and corporate responsibility. There are numerous websites (see box), a few e-newsletters and a few printed magazines that provide information, resources and benchmarking. Learn the new vocabulary.

- Attend conferences and events. Speakers share their success stories, and sometimes also disclose the challenges they face. Informal networking at those gatherings can help you build your own pool of support.

- Enroll in workshops or courses that provide basic CSR information.

Then, explore your own organization.

- If your organization is already involved in CSR, learn more about what is being done, where, how. Meet the individuals who are spearheading CSR

initiatives and explore how you could support them. In some organizations CSR initiatives take place in one department, and are not company-wide operations. Consider how you could begin to engage the whole organization.

Finally, time for visionary action.

- If you cannot find CSR initiatives in your organization, seek the support of experts who can help you identify where to begin the process. You will have the opportunity of demonstrating leadership, of being a visionary, by sharing with the executive team how the organization is already exposed to the CSR context, whether they're aware of it or not. The rules of business are changing.

- Whether your organization has or does not have current CSR initiatives, develop your own CSR goals for your role, for your area. Discuss it with others, involve colleagues in the conversation. Make it part of your strategy.

But the most important step is how you will plant seeds and multiply the knowledge.

- Educate others. While your knowledge may not be broad at first, you will know more than others. Become an educational agent, sharing informally or through structured channels what you are learning. You will be inspiring others. You need them – but also they need it. If you look at the figure above, you will find plenty of areas that are being impacted.

Organizations are increasingly acknowledging the importance of CSR, and many have dedicated a new position to lead them along this path. Are you interested in becoming a CRO (Corporate Responsibility Officer)? Do you believe your organization should fill such a position?

> **Resources:**
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> www.TheCRO.com : Website and magazine with articles about CSR initiatives

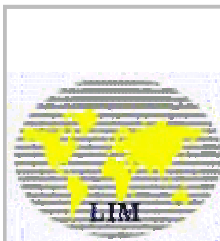www.csrwire.com: Electronic newsletter with the latest in CSR initiatives

www.wbcsd.org: Website of the World Business Council for Sustainable Development.

www.bsr.org: Website of Business for Social Responsibility.

www.limglobal.net/progsvcs/csr.htm: LIM's leadership development program that combines CSR projects with developing CSR competencies, skills and mindsets.

www.caseplace.org: On-line resource for up-to-date case studies, syllabi, and innovative teaching materials on business and sustainability — from corporate governance to sustainable development.

For a collection of interesting articles on sustainability, see the Forethought Special Report: "Climate Business | Business Climate" in the October 2007 edition of the Harvard Business Review (pages 21-44).