Footprints and handprints

A new concept for corporate social responsibility is gathering momentum in the United States – the idea of a 'handprint' that suggests a basic equation of offsetting positives against negatives. As **Dr Tim Marsh** argues, the health and safety community are just the people to lead on the concept.

Surely, unless we are talking about not-for-profit organisations, corporate social responsibility (CSR) must be an oxymoron that's up there with 'helpful banking' or any announcement starting 'for your comfort and convenience'?

The simple reason for this, to quote Bob Dylan, is that "money doesn't talk, it swears". Corporations exist to make money for shareholders so surely this whole CSR concept is just a load of old flannel with a snazzy sounding title? A banner under which corporations can say nice, warm things while getting on with destroying the planet and grinding workers into the dirt in the search for bucks, both honest and dishonest.

Milton Friedman and other influential monetarist economists argued that anything detracting from a corporation's core aim (to make a profit) is harmful to society in the long term as it reduces overall profits, which will trickle down to all in due course.

Certainly, history shows us that, for many organisations, if they think they can get away with bad behaviour, they'll certainly try. Tragedies like Aberfan and Bhopal and films such as *Silkwood*, *Erin Brockovich* or the recent *Dallas Buyers Club* illustrate this.

"Hypocrisy, double dealing, Orwellian doublespeak and self-serving rationalisation is abound"

A key question is whether CSR – sometimes known as 'corporate conscience' – is something that contributes to a win:win? There's not much consistency to be seen. For example, I would argue that the 2022 World Cup build in Qatar is an appalling example of national vanity coming before any sort of social responsibility.

It stands in stark contrast with Shell's Pearl Village complex in the same small country where the 170-acre area was built to house thousands of migrant workers and comes complete with cinemas, clinics, football leagues and even its own mayor and where a pro-active, holistic and successful approach to worker health and wellbeing is taken. It's surely no coincidence that they boasted of 77 million hours without an injury in 2010.

This is not a new concept. One hundred years ago, in 1914, Lever Brothers opened a village of 800 pleasant and carefully designed houses for 3,500 workers in its soap factory in Port Sunlight, Wirral, Merseyside. It was populated entirely by their factory workers until 1980 and had a hospital, school, church, swimming pool, art gallery and a concert hall. Welfare schemes encouraged participation in art, literature, science, music and sport for health.

William Lever claimed it was actually an exercise in profit sharing but that rather than let his workers spend it on "whiskey, sweets and fatty food" he invested it in the village. This is outrageously paternalistic by today's standards but proved successful for the Lever Brothers who partnered with Margarine Unie in 1930 to form Unilever, whose turnover in 2013 was 50bn Euros.

What exactly is 'CSR' as defined today?

The recent ISO voluntary international standard (26000) on social responsibility was a response to the fact that organisations are "increasingly aware of the need for and benefits of socially responsible behaviour".

The best practice guidance document addresses six areas:

1. human rights – e.g. the avoidance of complicity in violations of rights or discrimination;
2. labour practices – e.g. health and safety and the opportunity to develop as a person;
3. environment – e.g. addressing pollution, biodiversity and the over use of resources;
4. fair operating practices – e.g. not being corrupt and crooked;
5. consumer issues – e.g. not using misleading advertising;
6. community involvement and development – e.g. the Pearl and Port Sunlight villages and charity work.

The stated benefits can be argued to fall into two broad categories: reputation and relationship.

First of all, people will like you, want to work for you and will be motivated to work hard for you. Second, governments and investors will want to be associated with you and, vitally, consumers will want to buy things from you.

At this point we enter a moral minefield where it's difficult not to compromise the above list in some way. So called 'sin' industries, like tobacco, head the list but if you're in a traditional 'soft drink and chocolate' safety meeting, you'd better put both down. Complicity with several human rights issues around the world by soda drink manufacturers are detailed in Mark Thomas' book *Belching out the devil* so they don't even get past the first category.

Indeed, illustrating the ambiguity of the point, several are actively involved in water supply projects in Africa while simultaneously slated for water usage in India contributing to shortages. Most chocolate manufacturers are the subject of boycott campaigns because of health issues and often third world marketing practices. Currently, the viability of Germany saying 'no thanks' to Gazprom is a front page headline and even wind farms can slaughter birds in their thousands.

We all know that hypocrisy, double dealing, Orwellian doublespeak and self-serving rationalisation is abound and it would be easy to get cynical. However, a healthy scepticism is more productive than cynicism especially since if any group of people are best placed to take the 'win:win' argument to the various stakeholders, it's the health and safety world.

Our successes in accident reduction since William Lever opened his factory 100 years ago have been substantial and, broadly, I'd argue that it's the same argument and rationale. We know how to argue this case.

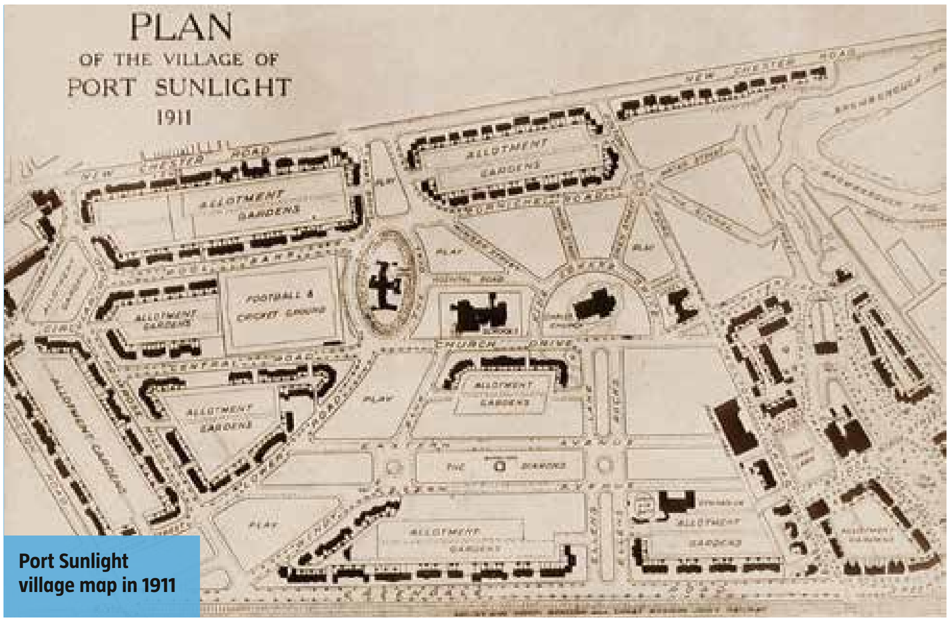
The moral argument and sustainability

Before addressing the 'win:win' business case it's worth restating that the moral case is a good thing for its own sake. We mustn't fall into a doublespeak trap of the neo-liberal elite that runs something like this:

"The argument that good health and safety is good for business is over. We all agree with that so we don't need any more legislation (and can ease what we have) as the free market will take care of it with the poor companies dying out and the best companies prospering … no need to worry. It will self-regulate."

I was once celebrating a behavioural-safety award win with a team I'd trained when we were joined by a senior manager who, in the past, had been obstructive. He sidled up and smarmed "I just want to let you guys know I'm right behind you!" The intemperate response from one of the winners (who had not been temperate with his alcohol consumption) was: "Never mind that, I want you in front of me where I can bloody well see you!" I'd like to suggest this mind-set as a template of healthy scepticism.

The problem is, of course, as inevitable as it is systemic: organisations are often led by



Port Sunlight village map in 1911

executives 'passing through' who are short-term in their thinking. Politicians work in four or five-year election cycles. Long-term sustainability will always need nudging, encouraging, monitoring and legislating for – especially at a collective level. Human beings, as a species, can't often be trusted to be left to their own devices.

Many previous articles about 'ABC analysis' (antecedents, behaviour and consequences) explain clearly how a 'small, soon positive' outcome, like corner cutting, can often trump a 'large but delayed positive' outcome. Worse, the 'large, soon negative' fines that should flow from failing to comply with legislation are often actually small and/or uncertain with all sorts of lobby groups and lawyers ensuring that this is so. What we really need is a 'large, soon positive' lever. The good news is that there is one.

A Harvard study undertaken by Environics International showed that financial management accounted for 10 per cent of brand image, the product itself 35 per cent but CSR factors accounted for a full 49 per cent.

Why this is important is that in the United States some 42 per cent of consumers report punishing an irresponsible corporation by not buying their products. The figure drops to 25 per cent in Europe and Latin America and just 10 per cent in Asia, so there's less leverage there – especially as these emerging markets emerge further. However, all the evidence seems to suggest to date that the more developed the market, the more ethical it is.

Many of us 'boycotting' a chain have weakened at the smell of a tuna melt panini and the absence of a convenient alternative. As well as defining 'boycott', it's also worth clearly defining 'ethical'. In China, broadly speaking, the perception of a 'socially responsible' company is one that makes safe, high-quality products.

Regardless of nuance, a bad CSR image is generally a major threat to the sustainability of the business and is increasingly taken extremely seriously.

Footprints and handprints

The established concept of the 'footprint' and the newer concept of a 'handprint' help provide an objective assessment of who's doing well. The organisational footprint is essentially the impact of pollution released and resources consumed over the entire supply chain and life cycle of the product. For example, tap water does very well over bottled water unless old pipe work leaks a lot. Nuclear power has a severe 'length of life cycle' issue and so on.

A new concept gathering momentum in the United States is the idea of the 'handprint', which suggests a basic equation of offsetting positives against negatives. In simple terms, overall, do you leave the Earth a better place than you found it? There are countless examples of organisations behaving appallingly but maximising the PR benefits of a few CSR acts through slick advertising suggesting they are in balance because HQ only sources Fairtrade coffee. An independently verified handprint score would help transparency.

The most obvious way of balancing this equation as an individual is to only buy products from companies with a small or even positive footprint. Let's be blunt: the sooner we can get big and accurate labels on the side of products summarising: "Are you really going to give these people your money?" the better for the CSR concept.

The massive impact of social media and specific targeted campaigns is one of the most interesting developments of the age and has already proved the stuff of nightmares for many a corporation's PR department. Massive policy changes regarding sweatshop labour and the like have been achieved in days and recently thrown a light on the whole issue of supply chain ethics. Information is power.

Other positive examples include car sharing and re-fill schemes and creative solutions like using the energy generated by a lorry to provide its own refrigeration en route. Creative local initiatives include sending scouts armed with air pumps and pressure gauges into supermarket car parks offering to ensure all tyres are at the most energy efficient inflation levels. Organisations can play a clear role in organising, inspiring and rewarding such initiatives and Daniel Goleman, who coined the term 'emotional intelligence', is upbeat. He reminds us that: "People are just really, really clever. Correctly motivated, organised and focused and we can achieve just about anything."

Progressing as a species while acting responsibly and in a sustainable manner simply isn't beyond us. "Money doesn't talk it swears…" but it swears loudly and virtually all money in circulation comes, initially, from organisations. They are both the problem and the solution and need to be inspired, lobbied, educated, cajoled and, at times, compelled to act.

The health and safety community are just the people to lead that.

Dr Tim Marsh is managing director of Ryder-Marsh Safety Ltd – see page 4 for more details. Tim will be chairing a session on CSR at IOSH 2014 on 17 June at 10.35

The views expressed in this article are those of the author and do not necessarily represent those of SHP.