

## Corporate Social Responsibility – an idea whose time has come?

The increasing demand on businesses to account for their social and ecological impact was highlighted in a Business in the Community seminar entitled “Reputation or profit: does there have to be a choice” held at Aston Business School on 4 November.

“Trust departs on a fast horse and returns slowly, if ever, on foot” This quotation from Niall Fitzgerald of Unilever headed the papers for the seminar, and trust was the first requirement of business, speakers agreed. One relatively small slip can undo the work of years, so it was vital that a concern for ethics and socially responsible working was deeply embedded in organisations in order to meet the challenge. Consumers, investors and workers were demanding this from companies, recognising that there was no boundary between what people found acceptable in their private lives and the working world.

Trevor Bond of Cadbury explained that their recognition as the most trusted food company was the result not just of a long tradition, but of an active pursuit of sound working practices throughout the company. Their “Be Treatwise” policy looked at all aspects of their business from fair trade, to advertising policy, packaging, community engagement and much more. Their announcement of Fair Trade status for Cadbury’s Dairy Milk had been applauded most vociferously by their sales-force who immediately recognised the fillip this would give to sales into an increasingly aware and discerning consumer market. People are making ethical choices with even small purchases, and this is increasing even in a recession.

Within their organisation Cadbury’s tries to exercise an accessible leadership style, and has an active programme for employees to engage with community projects, most notably the 2012 Paralympics, where Cadbury managers are working with the various sports governing bodies to help develop their business plans. Trevor acknowledged some limits to the development of fair trade and sustainability policies, in that supply chains cannot readily be reformed at the pace required to achieve full compliance, and the company could not move too far ahead of consumers in some aspects, but the pressure was inexorable.

Ethics and profit was the theme developed by Brian Colquhoun of Clydesdale and Yorkshire Bank, stating that the bank retained its faith that taking a long term view was a sustainable business model. Not too long ago his bank had been criticised by the press for being too staid and not aggressive enough – unlike the go-getting banks like Royal Bank of Scotland and HBOS. How things change – the bank remains profitable despite the recession, thanks to its policy of remaining community focussed, supporting local organisations, not just with finance and not with the proverbial umbrella that the bank takes back once it starts to rain. Their brand remains trusted, and they are increasing their lending (up £4billion in twelve months) unlike others who have destroyed relationships built up over many years, and let down their longstanding customers. He criticised pre-pack administrations as too many of the stakeholders lose and the benefits seem to accrue largely to existing management who had often led the companies into their difficulties.

The seminar heard from two Midlands based businesses, both family owned but on a different scale – A.F.Blakemore with over 5,000 employees and Cleone Foods with 50. Both had a distinctive ethos, and Peter Blakemore explained how in the past two years they had developed a written handbook on “the Blakemore way”, a set of ethical principles that had underpinned the company since its formation in 1917 and would serve as a guide to the development of a successful company into the future. The values of honesty and integrity, customer service, community service, respect and fair dealing are shown as the “bonding glue that holds the organisation together.” Cleone Foods, set up in the 1980s sets out to bring the Caribbean ethos of friendliness, co-operation and community self-

support into modern business practices. These two companies provided the spur to interesting exchanges of views among the audience, with questions raised about how these family companies could expand without losing their underlying characteristics – were they applicable to large organisations? Perhaps Cadbury is an example of the traditions of the Birmingham Quaker family that founded it being alive today in a world-wide organisation.

The final contribution was from Carole Parkes of Aston Business School. She emphasised that Corporate Social Responsibility was a total package of rights and responsibilities, covering human/workers' rights, environmental concern, ethics and community engagement. Business has to recognise that there has been a major shift in the implicit social contract that it has with society, and it cannot just think of its own concerns. There has to be a paradigm shift in our thinking to ensure the sustainability of all societies and species in the world. Instead of subordinating society and the environment to the market, we have to realise that the market is only a tool of the economy, which is only part of society, which itself is but a small part of the natural world.

Consequently, business educators need to modify their concentration on conventional financial models to include teaching of ethics and sustainability. As a subscriber to the UN Global Compact, Aston has made major changes to its approach, and these subjects are now compulsory elements in its syllabus. Survey results show that the attitudes of their students have been changing rapidly over the past ten years, and they are demanding that there should be a sound ethical core at the companies they work for; they will not accept double values, one for work and one for their personal lives. Despite some fears that ill-thought out CSR could be a drain on profits, most speakers agreed that not only did it make a contribution over the long term, but that in the short term it can also positively create wealth and satisfaction for all involved.

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