



## Managing Corporate Social Responsibility is no Different to Managing Health, Safety and Environmental Issues!

### CSR – the next boardroom agenda or the next boardroom headache?

Corporate Social Responsibility (CSR) is already a big topic in the boardroom. It has been hailed as the 'next big thing to hit all organisations', whatever size and whatever sector, following closely on the heels of quality, health and safety, environment, Investors In People, Sarbanes Oxley, etc. etc. Yet another 'initiative' to be addressed before moving on to whatever comes next?



The 'problem' with CSR is that many people see it as being about the environment, to others about the organisation's social impact and to others about good communication – it all depends on whose 'agenda' you are listening to. The reality is that it is all of these - and much more.

### So, what is CSR?

CSR is about the way an organisation is managed – strategically and operationally; how it balances the economic, environmental and social impacts it has on the world around it. Even if it had unlimited resources, no organisation can be 'perfect' in all three of these areas all of the time. CSR can therefore never be completely achieved, but has to be a 'way-of-life' that allows the organisation to react in the most effective and efficient way possible to the ever-changing world in which it operates. CSR should be a philosophy – a belief system and an approach – that informs and drives the organisation forward.

But, isn't this just about effective management of the organisation?

- Understanding and prioritising the requirements of its stakeholders?
- Defining the resources and objectives into the business plan so they can be delivered?
- Measuring how well this has been achieved and then making changes to better manage risks?

Yes, it is! Confusion is caused as soon as any one individual interest group hijacks the CSR agenda, when the balance is lost together with any understanding of what it is all about.

There is therefore no single set of deliverables that every organisation must achieve in order to apply CSR. Every organisation operates within its own unique set of stakeholder pressures and the leaders of the organisation need to make up their own mind about how much, or little, they will address these pressures (what business risks will it take) - and how it will manage its stakeholders' perceptions about what it is doing.



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The only things that organisations must do are those they are legally required to – and even then how many organisations choose to ‘sail close to the wind’ on some of these? (CSR risk management). CSR cannot therefore be about absolute requirements. It can only be about the way an organisation interacts with its stakeholders and then delivers what has been agreed with them. Laws and pseudo-legal frameworks are the only places where an absolute requirement can be stated and to reasonably expect the majority to follow. CSR, by its nature, is not one of these as no organisation will want, or need, to deliver exactly what another one does.



### How does this compare with a Health, Safety and Environmental Management System (HSEMS)?

So, how can two concepts such as CSR and a Health, Safety and Environmental Management System (HSEMS) ever be considered to be part and parcel of the same thing?

Perhaps it is best to consider this by thinking about the HSEMS in more detail? Most people consider a HSEMS as a way of ensuring that health, safety and environmental risks are identified, objectives and targets set, performance is continually improved and that all the elements of the Management System are assessed for effectiveness as well as compliance. Some organisations have separate Management Systems, others have integrated systems incorporating other issues such as quality, restricted substances and so on.

ISO14001:2004 and BS OHSAS 18001:2007 made a great jump forward by providing a mechanism by which these goals can best be achieved in any organisation and defines them within clauses, where the principles that should be applied are shown. Note here that these are principles to be applied, not clauses to be blindly followed! The downfall of far too many HSEMSs has been this – blindly creating a system that followed the clauses and not one that applies the principles. It can be argued that many of these obviously inappropriate HSEMSs are not suitable for Registration. They add little or no value to the organisation and do not apply the principles of the standard. This is why the spotlight is well and truly on certification bodies and organisations to react, change and move forward on these issues - *EMS credibility is at the crossroads, ENDS Report # 371, December 2005.*



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### Applying the principles of ISO 14001:2004

Lets look at the ISO14001:2004 specification for an Environmental Management System (EMS). So, what happens if the principles are applied thoughtfully? Where does some careful consideration take us? Firstly, it becomes obvious that the EMS cannot operate in a vacuum. It is 100% dependant on all other things that are going on within the organisation and they on the EMS; it is therefore an ever changing, dynamic system covering hard and soft management issues. If each of these is treated independently of each other, there will be a proliferation of disparate 'systems', each fighting for resource and recognition. Something that happens in one will affect what happens in the other – it will be like trying to manage a hostile crowd. If we think about environmental aspects in this context, you cannot manage them unless you can also manage these other systems that affect them. They can only be managed effectively by creating a single management system in which they can all be balanced.

The principles of ISO14001:2004 and BS OHSAS 18001:2007 are sound for any organisation, good principles for a whole-business management system. However, it is the cross-functional processes that actually deliver performance – and that is what your stakeholders, including your customers, will judge you on. If you build your EMS or HSEMS first and foremost as a business management system, then customers, as one of your key stakeholder groups, will have their needs balanced against all others and all other standards, models and frameworks they require incorporated – the true definition of CSR. Of course effectively auditing and assessing this is another issue!!!!!!!!!!!!



**If you would like further details on our assessment approach to CSR, contact Phil McNee on [phil.mcnee@pinnacleassoc.com](mailto:phil.mcnee@pinnacleassoc.com) or telephone + 44 (0) 7506 725079**