

Doing The Right Thing

Trent Ross, Meghann Jones *and* Milorad Ajder



A checklist for successful corporate sustainability programmes

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Corporations have a great ability to ‘do good’ in the world – even more so than governments, given the wealth of resources and freedom they have to innovate outside of bureaucratic structures. Some would argue that, beyond an ability to do good, corporations have a *responsibility* to do good.

While a sense of responsibility is important to an increasingly socially aware workforce and the stakeholders and communities impacted by corporations, a case can be made for doing good that does not rely solely on a responsibility argument. In fact, companies can do good in the world while doing well for themselves through creativity and strategic planning.

Corporate sustainability or social responsibility programs have benefits beyond being a responsible member of the global community. In addition to delivering a reputational boost, carefully designed actions can strengthen the long-term viability of the corporate value chain, increase employee engagement, and improve relationships with special interest groups. It can be a real source of differentiation.

Ipsos Public Affairs has 20 years of experience helping companies to shape their social responsibility and sustainability programs. This experience has demonstrated that effective engagement requires addressing the authenticity, credibility, and effectiveness of these programs - from both an internal and external perspective.

1. AUTHENTICITY:

Authenticity of corporate sustainability or social responsibility programs begins with the internal alignment of stakeholder objectives. This typically means the marketing and communications portions of the business, but may include human resources, investor relations, and government relations functions as well.

Programs that are in synergy with the company’s values and actions are more likely to strike stakeholders as authentic because they are clearly and demonstrably integrated throughout the business.

Beyond internal alignment, the perceptions of *external stakeholders* must also be taken into account. For these external observers, perception is reality, and a program that is striving to be perceived as authentic must align with these perceptions. In determining the way forward, taking stock of a company’s image, including its strengths and weaknesses, is particularly important. It’s essential not to design things in a vacuum. Programs should align with perceived strengths while addressing perceived weaknesses.

One question that’s important to answer is this: does what we are doing “intuitively” make sense for our brand (or brands)?

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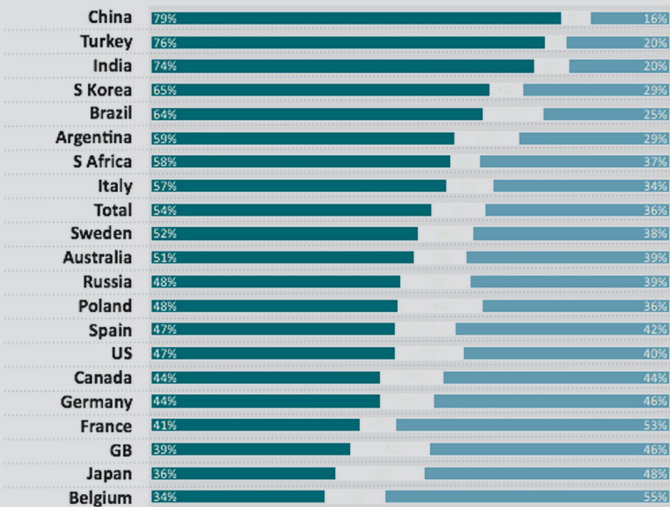
We are transitioning to communicate our corporate purpose in order to build trust and authenticity, emphasising our programs around transparency and responsible sourcing.

Ipsos Reputation Council 2015

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I try to buy products from brands that act responsibly, even if it means spending more

Agree Don't Know Disagree



Source: Ipsos Global advisor; online consumers

2. CREDIBILITY:

Even companies that are generally well-regarded may not be perceived as being credible within a particular area of social responsibility or sustainability. Ensuring that the program is authentic helps to build credibility, but there are also other actions companies can take.

The Environment is Not the only Sustainability Issue:

Sometimes the environment is just not the correct fit for your core attributes. Consider what other soft issues may be a better fit

Co-creation is an effective way to build credibility from the outset. This process of working closely with a third party can involve interest groups and/or partners that will help to execute an initiative. Using co-creators enables a company to borrow equity from the collaborator. Borrowing equity is particularly important when a company is attempting to turn around a poor reputation with stakeholders, or push into areas that may not be perceived as particular strengths for the company.

For the partnership to work, however, there needs to be a clear natural synergy between the company and partner. In other words, it needs to 'make sense'. Credible initiatives must also align with external realities – the myriad of external issues and topics that could have an impact on a company's ability to operate.

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Aligning to the “issue environment” can help to highlight opportunities for a company to stand above its peer organizations. For instance, the main issue currently facing the financial industry as a whole is data security. A financial institution that took a proactive approach to engaging with this issue responsibly could strengthen its own long-term viability at the same time as enhancing perceptions of it as a socially responsible company.

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If there is a dichotomy between what you say and what you do, you are going to have problems. So in the end the messaging has to be authentic and the stories have to be authentic and if you are saying one thing and doing another you will end up in Private Eye, which is a bad thing. There is a big internal communications effort to make sure there isn't a gap between the rhetoric and the reality.

Ipsos Reputation Council 2015

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3. EFFECTIVENESS:

The key to effectiveness lies in driving stakeholder perceptions (awareness and trust) which in turn impact stakeholder actions. Well-designed initiatives:

- Impact *consumer behaviour* by enhancing trust and loyalty.
- Give *employees something to be proud of*, thus increasing employee engagement and attracting the best talent.
- Generate *goodwill among special interest groups* making them more likely to join you at the table for constructive debate.

Programs must also have an impact on the target issue, and companies need to measure the impact of their social programs through using evaluation methods developed in social research.

Program evaluations are focused on the impact of the program in meeting its expressed goals. For instance, a program that aims to encourage the economic empowerment of women could be assessed based on measures of personal and household income, confidence, as well as the role in financial decision-making for women in the target community over time.

A thorough assessment of program implementation, or “process evaluation”, can help program managers to explain the impacts they are seeing, and whether value for money has been achieved.

And program evaluations, when shared with partners and stakeholders, can be very powerful in helping to make the program itself more effective while also increasing perceptions of authenticity and credibility among these external partners (thus creating a virtuous cycle).

In summary, companies have an unparalleled opportunity to do good in the world. Doing good can help companies do well, but only if the programs are designed so that they are authentic, credible, and effective. Does your company's program measure up?

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The Ipsos Global Reputation Centre provides corporate clients and not-for-profit organizations with highly customized research that allows them to manage and build their reputation, plan, manage, and improve strategic and crisis communications, better understand their employees and audiences, and oversee stakeholder relations.

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